



Arangkada Philippines
A project of the Joint Foreign Chambers of the Philippines



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Legislation

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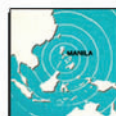
KOREAN



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ABOUT THE COVER

Newly-elected Senate President Franklin M. Drilon and re-elected House Speaker Feliciano Belmonte, Jr., listen to President Benigno S. Aquino III as he gives his State of the Nation Address during the opening of the 16th Congress, July 22, 2013.
(Senate PRIB photo by Cesar Tomambo)

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I. Summary

Each branch of government plays a role in the national body of laws. The Congress proposes, studies, deliberates, and passes new laws and amendments to existing ones and oversees their implementation, and passes the president's budget. The Judiciary interprets the law and applies sanctions in civil and criminal cases. The Executive implements laws - including most public sector programs funded by the General Appropriations Act - and proposes new laws.

A common perception among Filipinos is that the Philippines has too many laws, many of which are inadequately enforced. While the latter part of this statement is true, the first part is false. New and updated laws are essential to good governance and the rule of law. The *corpus lexus* should continually be updated to stay relevant to changing conditions. On the other hand, non-implementation of important laws is an indicator of weak governance.

Generally, the bicameral legislative process in the Philippines is slow, with major legislation taking one or two decades to pass. However, some urgent legislation have also been passed quickly. Recent Congresses have produced a high number of business and economic reform measures – 22 in the 14th Congress (2007-10) and 29 in the 15th Congress (2010-13).

This record gives the business community optimism that such successful performance can be repeated and even improved upon in the 16th Congress (2013-16). The results of the May 2013 elections reflect continuing high public support for President Aquino and the Liberal Party, who in the new Congress has maintained a very strong majority of some three-fourths in each chamber.

Leading domestic and foreign business associations and chambers have again collaborated in preparing legislative advocacies for the 16th Congress. Their discussions resulted in two well-considered lists of needed reforms. The first, containing 9 priority measures, was transmitted in a letter sent to President Aquino in June and signed by 13 groups. The second and longer list of an additional 60 measures was sent in a letter from almost the same business groups to Executive Secretary Ochoa in May.

This list includes “low-hanging fruit” – legislation in the 15th Congress that advanced to plenary debate or was approved but not forwarded to the president for enactment. “Low-hanging fruit” should be passed early in the 16th Congress.

In his July 22 State of the Nation Address President Aquino endorsed more than 9 legislative measures, which he called on Congress to pass. The administration will prepare a longer list of legislative priorities when the Legislative and Executive Development Coordinating Council (LEDAC) meets and considers all proposed bills of the five cabinet clusters, along with recommendations of the other members of LEDAC - Congress and the private sector. House Speaker Belmonte has recommended that the LEDAC meet quarterly to coordinate passage of new laws.

The Senate and the House also have priority lists. Senate president Drilon announced 10 measures in his July 22 acceptance speech, while the House has a draft list of over 70 measures.

Please see the full text of the Policy Brief and its figures and tables for more details of legislative priorities of the business groups, as well as the Executive and the Congress.

A section with Conclusions and Recommendations ends the Policy Brief.

II. Introduction

The democratic form of government in the Philippines is divided into three branches, each with distinct powers and functions. The Legislative branch, a bicameral body composed of the House of Representatives and the Senate, is tasked to promulgate laws and oversee their implementation by the Executive. The Judiciary interprets the country's laws.

The Philippines has been praised as having many well-crafted laws that others have copied. One example is the Philippine Mining Act of 1995 (RA 7942), considered among the best anywhere. But there are also laws that have changed little over decades, such as the Flag Law (Commonwealth Act 138, signed in 1936) regarding government procurement, the Public Services Act (CA 146, signed in 1936), and the Philippine Immigration Act (CA 613, signed in 1940).

Thus, there is continual need to update old laws through amendments and periodic omnibus revisions, as well as to legislate for new issues. Examples are the proposed Rationalization of Fiscal Incentives, a comprehensive reform of investment incentives scattered through many old laws, the Cybercrime Prevention and Data Privacy Acts (RA 10175 and 10173) enacted in 2012, and other information technology bills dealing with issues that hardly existed a decade ago. Major national development goals also may require legislation, such as the Common Carriers Tax and Gross Philippine Billings Tax (CCT/GPB) for tourism and the Philippine Design Competitiveness Act (RA

10378 and RA 10557) for creative industries both enacted in 2013.

While the legislative process normally is deliberate and slow, bills sometimes move unexpectedly fast (see Table 1). However, a bicameral legislative body is not designed to legislate rapidly. Bills must be deliberated in committees and approved in plenary session by both House and Senate, with differences reconciled by a bicameral committee and separately ratified before presidential enactment.

In the absence of a functioning legislative body, laws are routinely passed quickly. Under martial law (1972-80) and the post-EDSA people power revolutionary government (1986-87) presidential decrees and revolutionary executive orders, respectively, could be drafted, signed, and promulgated without the slow legislative process. The unicameral Batasang Pambansa (1980-86) also could pass laws faster than with a bicameral system. The Filipino people restored a bicameral Congress and its deliberate methods of legislating when they approved the current constitution in April 1987.

Table 1: Pace of legislation, 26 bills in recent Congresses

Act/Bill	Year Introduced	Date enacted/ parliamentary status*	Years to enactment/ pending
1. Anti-enforced or Involuntary Disappearance Act (RA 10353)	1990	Dec 21, 2012	22 (pass)
2. Anti-trust/Competition policy	1992	H-pending 2R; S-pending 2R	21 (pending)
3. Build-Operate-Transfer Law amendments	1996	H-TWG; S-pending in cmt.	17 (pending)
4. BSP Charter amendments	1997	H-pending 2R; S-pending in cmt.	16 (pending)
5. CCT/GPB Tax Abolition (RA 10378)	2011	Mar 7, 2013	2 (pass)
6. Civil Aviation Authority of the Philippines Act (RA 9497)	1993	Mar 4, 2008	15 (pass)
7. Customs Modernization and Tariffs Act	2008	H-approved 3R; S-pending in cmt.	5 (pending)
8. Cybercrime Prevention Act (RA 10175)	2004	Sep 12, 2012	8 (pass)
9. Data Privacy Act (RA 10174)	2009	Aug 15, 2012	3 (pass)
10. Department of Information and Communications Technology	2001	H-approved 3R; S-approved 3R	12 (pending)
11. Exchange of Information on Tax Matters Act (RA 10021)	2009	Mar 5, 2012	1 (pass)
12. Excise Tax on Alcohol, Cigarettes, and Tobacco (RA 10351)	2007	Dec 20, 2012	5 (pass)
13. Freedom of Information Act	1992	H-pending 2R; S-approved 3R	21 (pending)
14. GOCC Governance Act (RA 10149)	1998	Jun 6, 2011	13 (pass)
15. Government Procurement Act amendments	2004	H-TWG; S-pending in cmt.	9 (pending)
16. Insurance Code amendments	1987	Aug 15, 2013	26 (pass)
17. Intellectual Property Code amendments (RA 10372)	2001	Feb 28, 2013	12 (pass)
18. Land Administration and Reform Act	2003	H-pending in cmt.; S-pending in cmt.	10 (pending)
19. Repeal of Nightwork Prohibition for Women (RA 10151)	2002	Jun 21, 2011	9 (pass)
20. National Land Use Policy	1993	H-3R approved; S-pending 2R	20 (pending)
21. Philippine Design Competitiveness Act (RA 10557)	2008	May 15, 2013	5 (pass)
22. Rationalization of Fiscal Incentives	1995	H-approved 3R; S-pending in cmt.	18 (pending)
23. Reproductive Health (RA 10354)	1995	Dec 21, 2012	17 (pass)
24. Rural Bank Act amendments (RA 10574)	1997	May 24, 2013	16 (pass)
25. Sustainable Forest Management Act	1995	H-approved 3R; S-TWG	18 (pending)
26. Water Sector Reform	1997	H-TWG; S-pending in cmt.	16 (pending)

*Parliamentary status as of end of 15th Congress

Source: TAPP research

Occasionally bills move through the Congress in surprisingly short periods. Sometimes these are bills introduced in successive Congresses over many years without advancing, such as the Civil Aviation Authority Act (RA 9497), neglected for 15 years and enacted only after a foreign government downgraded Philippine aviation administration. More recently, after the Organization for Economic Cooperation and Development in April 2009 put the Philippines on a blacklist of countries uncooperative in providing foreign tax authorities access to suspect bank accounts of nationals, the Tax Information Exchange Act (RA 10021) was passed in only a year.

Figure 1: Congressional Cartoon

Source: Philippine Star, May 26, 2010

III. Investment climate legislation 2007-2013

In late 2010, five Philippine business groups (PBGs) and seven members of the Joint Foreign Chambers (JFCs) recommended to President Aquino and the Senate and House of Representatives 41 reform measures for consideration in the 15th Congress. The proposed reforms were discussed in high level exchanges between the PBGs and JFCs with House leadership and chairpersons of key House and Senate committees. Such communication and cooperation between Congress and business groups has been crucial to the passage of reform laws. The PBG-JFC also actively participated in committee deliberations of these reform measures in both Houses.

Figure 2: Speaker Feliciano Belmonte, Jr. with Committee Chairmen, PBG and JFC Representatives, Nov 22, 2011



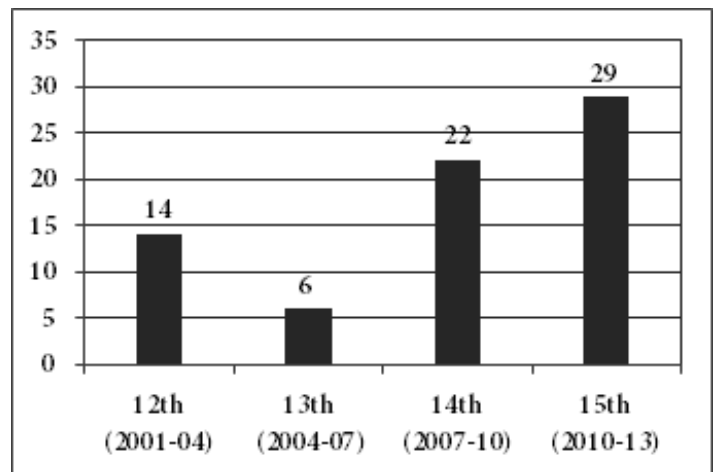
In his keynote speech at the Second *Arangkada* Forum on February 26, 2013 in Makati, House Speaker Feliciano Belmonte, Jr. stated:

“I believe that the 15th Congress, together with the Joint Foreign Chambers and Philippine Business Groups, are very much a part of these positive developments happening in our country today. The regular dialogues over the past two years among the Joint Foreign Chambers, Philippine Business Groups, and the members of Congress, on the recommendations presented in Arangkada Philippines, did not only help draft and pass vital economic legislation. Our interactions fostered stronger trust between our sectors. To begin with, there were numerous common points in our legislative agenda and the legislative recommendations in the Arangkada. This made it easier to coordinate our reform efforts and pursue our common goals.”

The 15th Congress enacted significant laws necessary for the country to adapt to changing times and supporting economic development and consistent growth.

Speeding up the pace of enactment of new laws and amending old ones was accomplished during the first half of the Aquino administration. With the enactment of at least 29 business and economic reform measures, the 15th Congress surpassed the 22 such laws enacted in three previous Congresses (see Figure 3 and Table 2). This is a considerable amount of progressive legislation, supporting the image of an advancing Philippine economy with

Figure 3: Business and economic reform laws, 2001-13



Source: TAPP research

Figure 4: Senate Ways and Means Cmt. chair Sen. Ralph Recto discusses CCT-GPBT removal before Tourism Sec. Ramon Jimenez, Finance Asec. Ma. Theresa Habitan and representatives from airline companies, Feb 2, 2012.



Table 2: Business and economic reform laws, by Congress, 2007-13¹

Law	Law No.	Date Enacted	Law	Law No.	Date Enacted
14 th Congress (2007-10)					
1. Anti-camcording Act	RA 10088	May 13, 2010	5. Common Carriers Tax/ Gross Philippine Billings Tax	RA 10378	Mar 7, 2013
2. Bureau of Food and Drugs Act amendments	RA 9711	Aug 18, 2009	6. Conciliation-Mediation for Dispute Settlement	RA 10396	Mar 16, 2013
3. Civil Aviation Authority of the Phil. Act	RA 9497	Mar 4, 2008	7. Cybercrime Prevention Act	RA 10175	Sep 9, 2012
4. Cooperatives Code	RA 9520	Feb 17, 2009	8. Data Privacy Act	RA 10173	Aug 15, 2012
5. Credit Information System Act	RA 9510	Oct 31, 2008	9. Domestic Workers Act	RA 10361	Jan 18, 2013
6. Customs Brokers Act amendments	RA 9853	Dec 15, 2009	10. Early Years Act	RA 10410	Mar 26, 2013
7. Documentary Stamp Tax Exemption	RA 9648	Jun 30, 2009	11. Enhanced Basic Education Act	RA 10533	May 15, 2013
8. Financial Rehabilitation and Insolvency Act	RA 10124	Jul 18, 2010	12. Excise Tax on Alcohol, Cigarettes, and Tobacco	RA 10351	Dec 20, 2012
9. Individual Income Taxes Rate Exemption	RA 9504	Jun 17, 2008	13. Expanded Anti-trafficking in Persons Act	RA 10364	Feb 6, 2013
10. JPEPA Ratification		Oct 8, 2008	14. Extending Implementation of the Lifeline Rate	RA 10150	Jun 20, 2011
11. Magna Carta for MSMEs Act amendments	RA 9501	May 23, 2008	15. Financial Rehabilitation and Insolvency Act	RA 10142	Jul 18, 2010
12. National Grid Corporation Franchise	RA 9511	Dec 1, 2008	16. Firearms and Ammunition Regulation Act	RA 10591	May 29, 2013
13. National Tourism Policy Act	RA 9593	May 12, 2009	17. GOCC Governance Act	RA 10149	Jun 6, 2011
14. Personal Equity Retirement Account (PERA) Act	RA 9505	Aug 22, 2008	18. Intellectual Property Code amendments	RA 10372	Feb 28, 2013
15. Philippine Deposit Insurance Corp. amendments	RA 9576	Apr 29, 2009	19. Kindergarten Education Act	RA 10157	Jan 20, 2012
16. Pre-need Code	RA 9829	Dec 3, 2009	20. National Health Insurance Act of 2013	RA 10606	Jun 19, 2013
17. Real Estate Investment Trust Act	RA 9856	Dec 17, 2009	21. People Survival Fund	RA 10174	Aug 16, 2012
18. Renewable Energy Act	RA 9513	Dec 16, 2008	22. Philippine Design Competitiveness Act	RA 10557	May 15, 2013
19. Residential Free Patent Act	RA 10023	Mar 9, 2010	23. Regulating Profession - Environmental Planning	RA 10587	May 27, 2013
20. Revised Kyoto Convention Ratification		Feb 1, 2010	24. Repeal of Nightwork Prohibition for Women	RA 10151	Jun 21, 2011
21. Tax Information Exchange Act	RA 10021	Mar 8, 2010	25. Reproductive Health Act	RA 10354	Dec 21, 2012
22. Tax on Life Insurance Premiums	RA 10001	Feb 23, 2010	26. Revised AFP Modernization Act amendments	RA 10349	Dec 11, 2012
15 th Congress (2010-13)					
1. Agricultural and Fisheries Mechanization Law	RA 10601	Jun 5, 2013	27. Rural Bank Act amendments	RA 10574	May 24, 2013
2. Anti-Enforced or Involuntary Disappearance Act	RA 10353	Dec 21, 2012	28. Strengthening Tripartism	RA 10395	Mar 14, 2013
3. Anti-Money Laundering Act amendments	RA 10167	Jun 18, 2012	29. Terrorism Financing Prevention and Suppression Act	RA 10168	Jun 18, 2012
4. Anti-Money Laundering Act amendments	RA 10365	Feb 15, 2013			

Source: TAPP research

Figure 5: JFC Meeting with Senate Justice Committee Chairperson Francis “Chiz” Escudero, Nov 27, 2012



improving international competitiveness rankings, encouraging investment, and eventually creating jobs. With strong leadership and cooperation between the executive and legislative branches in the 16th Congress, it should be possible to equal and exceed the record of the 15th Congress and by hastening the pace of legislation.

Table 3 lists 17 bills-“low-hanging fruit” that almost attained enactment in the 15th Congress. Because hearings and floor deliberations for most of these were completed in the 15th Congress in at least one chamber, it should be possible to enact them early in the 16th Congress. Passage of laws are relatively slower in the first two years of Congress. This could be addressed by the early approval of such “low-hanging fruits.”

Congress also has legislated revenue-reducing and market-unfriendly laws. These were frequent in the 14th Congress and were signed by President Gloria Macapagal-Arroyo or allowed to lapse into law. Table 4 lists such laws enacted in recent Congresses. It is noteworthy that, while revenue and market-inimical bills (including declaration of new non-working holidays, mining-free zones, and regressive labor laws) have often advanced in the House, the Senate has acted conservatively. The overall record of recent Congresses has improved the business climate.

The Executive and Legislative branches should coordinate and work closely to make sure that bills sent to the president are not vetoed. Since assuming office 2010, Pres. Aquino has vetoed 60 local bills (mostly road conversion bills) and 10 national bills. Among the reasons cited for the vetoes are lack of funds, questioned legality, and to some extent poor

Table 3: “Low-hanging fruit,” priority bills nearly enacted, 15th Congress, 2010-13

Bill	Final Status
1. Additional Relief to Families with Dependents	H-approved 3R; S-approved 3R
2. Chinese New Year as a Working Holiday	H-approved 3R; S-approved 3R
3. Customs Modernization and Tariffs Act	H-approved 3R; S-pending in cmt.
4. Department of Information and Communications Technology	H-approved 3R; S-approved 3R
5. Direct Remittance to LGUs of 40% Taxes	H-approved 3R; S-pending in cmt.
6. Freedom of Access to Information	H-pending 2R; S-approved 3R
7. Lemon Law	H-approved 3R; S-pending in cmt.
8. National Land Use Act	H-approved 3R; S-pending 2R
9. Plastic Bag Regulation Act	H-approved 3R; S-pending in cmt.
10. Rationalization of Fiscal Incentives	H-approved 3R; S-pending in cmt.
11. Real Property Valuation	H-approved 3R; S-pending in cmt.
12. Regulating Profession - Criminology	H-approved 3R; S-pending in cmt.
13. Regulating Profession - Forestry	H-approved 3R; S-pending in cmt.
14. Regulating Profession - Pharmacy	H-approved 3R; S-pending 2R
15. Sustainable Forest Management Act	H-approved 3R; S-TWG
16. Whistle Blowers Protection Act	H-approved 3R; S-pending 2R
17. Witness Protection, Security, and Benefit Act	H-approved 3R; S-pending 2R

Source: TAPP research

Table 4: Market-inimical business and economic laws, by Congress, 2007-10

Law	Law No.	Date Enacted
14 th Congress (2007-10)		
1. Agri-agra Law amendments	RA 10000	Feb 23, 2010
2. Aurora Pacific Economic Zone Act	RA 10083	Apr 22, 2010
3. Bataan Freeport Area Act	RA 9728	Oct 23, 2009
4. Cheaper Medicines Act	RA 9502	Jun 6, 2008
5. <i>Eidul Adha</i> Holiday	RA 9849	Dec 11, 2009
6. Expanded Senior Citizens Act	RA 9994	Feb 15, 1999
7. Income Tax Exemption and Condonation of Unpaid Taxes of Local Water Districts	RA 10026	Mar 11, 2010
8. Tax Deductibility of Actual Free Legal Services rendered by lawyers	RA 9999	Feb 23, 2010
15 th Congress (2010-13)		
None		

Source: TAPP research

communication between the executive and legislative branches. The presidential veto reflects his meticulousness in enacting legislation. After getting inputs from concerned departments, President Aquino either signs or vetoes the enrolled bill. Unlike his predecessor, he does not allow bills to lapse into law.

Enactment of a law does not mean its actual implementation if the issuance of Implementing Rules and Regulations (IRRs) is delayed or if opponents obtain judicial restraining orders (see Table 5). And even after IRRs are released, there can be additional delays. Table 5 lists 8 important laws enacted in recent years that are yet to be implemented. Greater attention should be given to the timely approval and subsequent carrying out of IRRs of business and economic reform laws. Absence of the required IRR negates the intention of Congress in passing and the President in signing the law. The bureaucracy should move faster in respecting the authority of the Congress and the President by avoiding delays in implementation.

For example, draft rules on the Financial Rehabilitation Insolvency Act were circulated for comment by stakeholders more than two years after RA 10142 became law, and may be approved by

the Supreme Court before the end of 2013. Other significant reform laws that remain unimplemented after five years include the Personal Equity Retirement Account Act and Credit Information System Act. Implementation of the Data Privacy Act, the Cybercrime Prevention Act, and the Reproductive Health Act are pending resolutions of legal questions raised with the Supreme Court. The 60-40 provision in the IRRs of the Renewable Energy Act (RA 9513) remains unamended despite its debatable interpretation of the Constitution.

Use of a presidential executive order or a departmental administrative order can hasten introduction of a reform. Within months of approval, a new policy can be implemented by the bureaucracy. For instance, Executive Orders 28 and 29 set up rules for open skies at 10 international airports (but not the congested NAIA). EO 45 designated the Department of Justice as a competition authority. EO 47 transferred the CICT to the DOST. EO 45 achieved a jump start for significant reforms in competition policy but set back creating a DICT, which the current administration opposed. EO 79 on the mining sector and a presidential proclamation declaring Chinese New Year as a non-working holiday in 2011 harmed the investment climate. For important issues - such as open skies and competition policy - enactment of a law should follow to make the reform more permanent.

Table 5: Unimplemented business and economic reform laws

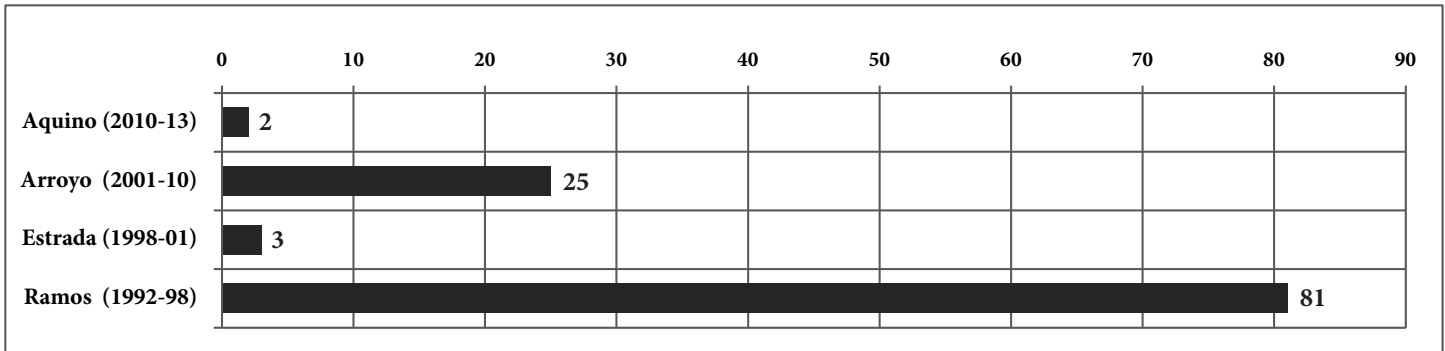
Law	Law No.	Date Enacted
1. Credit Information System	RA 9510	Jul 23, 2007
2. CCT/GPB Tax Abolition	RA 10378	Mar 7, 2013
3. Cybercrime Prevention Act	RA 10175	Sep 12, 2012
4. Data Privacy Act	RA 10173	Aug 15, 2012
5. Financial Rehabilitation and Insolvency Act	RA 10142	Jul 18, 2010
6. Personal Equity Retirement Account	RA 9505	Aug 22, 2008
7. Real Estate Investment Trust Act	RA 9856	Dec 17, 2009
8. Reproductive Health Act	RA 10354	Dec 21, 2012

Source: TAPP research

IV. Role of the LEDAC

The Legislative Executive Development Advisory Council (LEDAC), established by RA 7640 during the Ramos Administration, requires the president and cabinet secretaries to meet with congressional leaders to establish legislative priorities and manage the flow of legislation in Congress. Speaker Belmonte in July 2013 called for the LEDAC to meet quarterly, as stipulated in the law.

Figure 6: Number of LEDAC meetings per administration, 1992-2013



Source: TAPP research

Under President Ramos LEDAC meet more often than once a month. But during the three administrations after President Ramos, the LEDAC has not met regularly. For the last 12 years, the LEDAC has been less active than during the Ramos Administration, and the intention of the law has not been followed (see Figure 6). The Executive continues to designate bills as “urgent” in order to speed their passage.²

ment of a law is greatly influenced by the priority given by the Executive, in particular by the President. For example, the controversial landmark bills on Reproductive Health and Excise Taxes on Alcohol, Cigarettes and Tobacco were certified as urgent and supported strongly by the Executive Branch. Regular LEDAC meetings should be held as an effective means of advancing legislative priorities during the second half of the Aquino presidency.

President Aquino has held two LEDAC meetings in February and August 2011. While the House was consistent in setting targets for its reform measures during the 15th Congress, the enact-

Figure 7: Congressional Cartoon



Source: Philippine Star, Jun 7, 2013

V. Legislative advocacies for the 16th Congress

The allies of the Aquino Administration in the House and Senate are stronger in the 16th Congress³, which should make it easier to advance delayed and new legislation. Many of these bills are important to increase competitiveness and attract foreign investment. Ultimately, Congress and the Executive, in partnership with the business community, should achieve what President Aquino outlined in his speech during the First *Arangkada* Forum in January 2012:

“We speak of ‘Arangkada,’ of moving twice as fast towards the achievement of my country’s potential, and as I have reported, we are redoubling our efforts to that end. But the hallmark of a good economy is not merely accelerated growth, but also sustained growth. Growth can only be sustained through a stable environment—one where there is a just system that makes for predictable consequences and outcomes, and one where the gap between rich and poor can be easily bridged by the opportunities afforded to the citizenry.”

The race to progress is both a sprint and a marathon, in that we have to improve our economy as fast as possible, while at the same time optimizing conditions so that growth might be sustained. We cannot be left behind by competitors in the global arena, especially now that opportunities are ours for the taking, and investments are flowing towards the region. But we are also determined to not lose steam and stumble; we are keeping the long term in mind.”

Given the importance of laws and updated legislation to the growth of the economy, it is essential that business groups continue their role as advocates for the passage of reform laws. This role was exempli-

Figure 8: Pres. Benigno S. Aquino III delivers his keynote speech during the first anniversary forum of *Arangkada Philippines*, Jan 26, 2012.



Figure 9. Editorial cartoon showing Philippine’s improved business environment.



Source: Philippine Star, Aug 28, 2013

fied when leaders of 6 Philippine business groups and 7 foreign chambers wrote to Executive Secretary Paquito N. Ochoa, Jr. on May 27, transmitting a list of business and economic legislative reform measures for the 16th Congress for consideration by the LEDAC and President Aquino. A subsequent letter was sent to President Aquino on June 19 signed by most of the same groups.⁴ Table 6 shows the combined list of priority bills of the business sector for the 16th Congress identified in these letters.

As the 16th Congress commences its first year, the business groups will seek to dialogue with leaders of the Senate and House, the new chairpersons of key committees, especially newly-elected legislators who may not be familiar with proposed legislation introduced in previous Congresses. The business groups will be active advocates involved in the legislative process, sending position papers to relevant committees and attending congressional hearings and joining technical working groups when invited to assist in preparing committee reports.

With strong leadership and partnership among the Executive and Legislative branches, the 16th Congress can be highly productive and pass 20-30 bills that improve the Philippine economy and national competitiveness.

Table 6. Priority legislative measures of business sector in the 16th Congress⁵

Legislation	Priority
Letter to President Aquino (Jun 19, 2013)	
1. Cabotage liberalization	P
2. Competition policy/anti-trust (independent commission)	
3. Customs Modernization and Tariffs Act/Anti-Smuggling	LHF
4. Economic Provisions of the Constitution amendments	
5. Foreign Investment Negative List liberalization	
6. Government Procurement Act amendments	P
7. Mining Fiscal Reform (competitive and equitable)	
8. Rationalization of Fiscal Incentives	P/LHF
9. Transparency and Accountability in Administrating Fiscal Incentives	
Letter to Executive Secretary Ochoa (May 27, 2013)	
Priority Legislation A	
10. Build-Operate-Transfer Law amendments	
11. CCT/GPB Tax on freight removal	
12. Cybercrime Prevention Act amendments	
13. Electoral Process and Funding Reforms	
14. Freedom of Information	LHF
15. Labor Code amendments (foreign equity in recruitment agencies, labor contracting/sub-contracting, and termination of employment)	
16. Maritime Law amendments	
17. Water Sector Reform	
Financial Reforms	
18. Banking Law amendments	
19. Bangko Sentral ng Pilipinas Charter amendments	
20. Financing Company Act amendment (FINL)	
21. Foreign Bank Real Estate Foreclosure	
22. Investment Houses Law amendment (FINL)	
23. Lending Companies Regulation Act amendments (FINL)	
Foreign Investment Negative List Reforms	
24. Condominium Law amendment	
25. Foreign Investment Act amendments	
26. Public Service Act amendments	
27. Retail Trade Act amendments	
28. Rice and Corn Trade Act amendment	
Government Procurement Reforms	
29. FLAG Act amendment (FINL)	
30. Right of Way Law amendments	
Investment Climate Reforms	
31. Holiday Rationalization	
Land-Related Legislation	
32. Farm Land as Collateral	
33. Land Administration Reform Act	P
34. National Land Use Act	LHF
35. Real Property Valuation Reform	

Legislation	Priority
36. Sustainable Forest Management	LHF
Legal and Judicial Reforms	
37. Civil Code Codification	
38. New Criminal Code	
39. Ombudsman Charter amendments	
40. Sandiganbayan Act amendments	
41. Whistleblowers Protection Act	LHF
42. Witness Protection, Security, and Benefit Act	LHF
Public Sector Reforms	
43. DAR merger into DA and CARP expiration	
44. Department of Information and Communications Technology Act	LHF
45. Fiscal Responsibility Act	
46. NFA Reorganization	
47. PSALM Extension	
Separate Regulator/Operator Roles	
48. Civil Aviation Authority of the Phils. Act amendments	
49. PAGCOR Charter amendment	
50. Philippine Ports Authority Charter amendment	
51. Trade Representative Office	LHF
Priority Legislation B	
52. Agri-agra Law amendments	
53. Legislation Regulating Professions (include reciprocity provision) (FINL) - Criminology, Forestry, Pharmacy, - Radio and Xray Technology	
54. Clean Air Act amendment	
55. Convergence Act	
56. Corporation Code amendments	
57. Energy Efficiency and Conservation Act	
58. EPIRA amendments	
59. Increase salaries in critical regulatory, revenue, and infrastructure agencies (e.g. BI, BIR, BOC, CAAP, DPWH, and OMB)	
60. Lemon Law	LHF
61. LPG Industry Regulation and Safety Act	
62. MSME Magna Carta amendments	
63. National Student Loan Program	
64. National Broadband Policy	
65. Natural Gas Bill	
66. Plastic Bag Regulation Act	LHF
67. Pocket Open Skies	
68. Sanitation Code amendment	
69. Financial Tax Sector Neutrality Act	
Other Legislation in SONA	
70. Bangsa Moro Basic Law	P
71. PNCC Charter Review	P

Legislation	Priority
Other LEDAC Priority Legislation	
To be determined	
Legislation requiring substantial reconsideration	
1. Alternative Mining Act	
2. Bills granting additional leave benefits	
3. Bills granting discounts	
4. CARP extension	
5. Continued Authority for CIQ overtime (Immigration Code and Customs Code amendments)	
6. Corporate Social Responsibility	
7. Drug Price Regulation	
8. Electric, Hybrid and Alternative Fuel Vehicles	
9. Legislated wage hikes	
10. Milk Code (highly restrictive)	
11. Mining-free zone bills	
12. Non-working holidays	
13. Oil regulation	
14. Profit sharing in private firms	
15. Security of Tenure	
16. Value Added Simplified Tax	
17. Worker's Right to Self-organization	

Legend:

LHF – Low-hanging fruit

P – Priority bills identified in SONA

Source: TAPP research

Endnotes

- ¹ Business and economic reform laws enacted in earlier Congresses are available in Table 71, “*Arangkada Philippines 2010: A Business Perspective*” (2010), p. 317.
- ² Certification as urgent dispenses with the waiting period between 2nd and 3rd reading votes on legislation.
- ³ In the House 242 of 299 members, and in the Senate 18 of 24 members.
- ⁴ The following organizations signed the letter to President Aquino: Alyansa Agrikultura, American Chamber of Commerce, Australia-New Zealand Chamber of Commerce, Canadian Chamber of Commerce, Employers Confederation of the Philippines, European Chamber of Commerce, Japanese Chamber of Commerce, Korean Chamber of Commerce, Makati Business Club, Management Association of the Philippines, Philippine Association of Multinational Companies Regional Headquarters, Philippine Chamber of Commerce and Industry, and Philippine Exporters Confederation.
- ⁵ When available, an online link to this list will be posted on www.arangkadaphilippines.com.

VI. Conclusions and Recommendations

- Passage of business and economic reforms bills should have high priority as they support investment and job creation. The last two Congresses have been very productive, approving 22 and 29 business and economic reform laws, respectively.
- The President's Liberal Party and allies enjoy strong 3/4 majorities that can be very productive in accomplishing further legislative reform, even more than the 15th Congress.
- Leveraging its high popular support, the Aquino Administration should work closely with Congress to pass significant reforms that benefit the country's investment climate, improve competitiveness, create jobs, and support inclusive growth.
- The LEDAC should meet regularly to facilitate coordination between Executive and Congressional leaders and maximize the legislative legacy of the Administration. Alternately, the House Speaker and Senate President should conduct "summits" to coordinate priorities.
- Passage of "Low-Hanging Fruit" bills should be prioritized.
- Market-inimical and revenue-eroding bills should be carefully reviewed.
- Bills enacted should be implemented without delay.
- The legislative workload should be front-loaded to pass bills earlier rather than towards the end of the Congress, when the 2016 national elections will preoccupy legislators.
- Key reforms that Congress should act upon at an early date include:
 1. Cabotage liberalization
 2. Competition policy/anti-trust (independent commission)
 3. Customs Modernization and Tariffs Act/Anti-Smuggling*
 4. Economic Provisions of the Constitution amendments
 5. Foreign Investment Negative List liberalization
 6. Government Procurement Act amendments
 7. Mining Fiscal Reform (competitive and equitable)
 8. Rationalization of Fiscal Incentives*
 9. Transparency and Accountability in Fiscal Incentives
- Other important reforms include:
 1. Anti-Money Laundering Act amendments
 2. Bangsamoro Basic Law
 3. BSP Charter amendments
 4. CAAP Act amendments
 5. CCT/GPB Tax on freight (removal)
 6. DICT creation*
 7. Energy Efficiency and Conservation Act
 8. Fiscal Responsibility Act
 9. Freedom of Access to Information*
 10. Labor Code reform
 11. Land Administration Reform Act
 12. National Land Use Act*
 13. National Valuation Law
 14. Ombudsman Act amendments
 15. PPA Charter amendments
 16. Professional Laws (reciprocity)
 17. Public Services Act rationalization
 18. Right-of-Way Act amendments
 19. Sandiganbayan reforms
 20. Sustainable Forest Management Act*
 21. Whistle Blowers Protection Act*
 22. Witness Protection, Security, and Benefit Act*

* "Low-Hanging Fruit" measures.

Sources on Philippine Legislation

Information on business and economic reform legislation supported by the Joint Foreign Chambers and Philippine Business Groups may be found at <http://www.investphilippines.info/arangkada/category/progress-reports/legislative-tracker-progress/>.

CongressWatch Report, a regular publication of the Makati Business Club, is available at <http://www.mbc.com.ph/publications/congress-watchreport/>.

LEDAC Priority Bills are posted on the Legislative-Executive Development Advisory Council website <http://ledac.neda.gov.ph/>.

House and Senate bills are available on their official websites: <http://www.congress.gov.ph/>
<http://www.senate.gov.ph/>.

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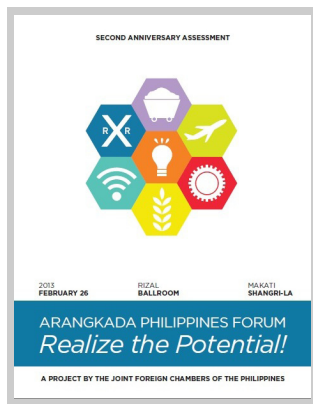
Arangkada Philippines 2010 Book Cover

Arangkada Philippines 2010 is a comprehensive advocacy paper intended to share recommendations leading to the creation of \$75 billion in new foreign investment, 10 million jobs, and over one trillion pesos in revenue for the Philippine economy within this decade. In an increasingly interlinked and competitive world, accelerating growth is an imperative, not a choice, to achieve inclusive growth. The Joint Foreign Chambers of the Philippines (JFC) advocates that to achieve these results the country should focus on more rapid development of the Seven Big Winner Sectors and move twice as fast!

<http://www.investphilippines.info/arangkada/ebook/>



Arangkada Second Anniversary Assessment Book Cover



On January 26, 2012, *Arangkada* held its First Anniversary Forum and released the “First Anniversary Assessment,” which evaluated progress in completing the 471 recommendations in the 2010 document for the year 2011. The advocacy coordinated some 40 experts—senior consultants, former public officials, business executives, and academics—who rated the recommendations.

The “Second Anniversary Assessment,” evaluating the year 2012, is a collaborative effort of 33 experts—senior consultants, former public officials, business executives, and academics—who generously gave their time because they believe that the Philippines can realize its potential and move twice as fast. They produced a document rich in current information about the business and investment climate of the country, which continues to inform planners, researchers, and—most of all—policy makers in the three branches of government toward the ambitious goal of higher, sustainable, and more inclusive economic growth for a decade or more.

<http://www.investphilippines.info/arangkada/second-anniversary-assessment/>

The JFC is composed of the American Chamber of Commerce of the Philippines (AmCham), the Australian-New Zealand Chamber of the Philippines (ANZCham), the Canadian Chamber of Commerce of the Philippines (CanCham), the European Chamber of Commerce of the Philippines (ECCP), the Japanese Chamber of Commerce and Industry of the Philippines Inc., (JCCIPI), the Korean Chamber of Commerce of the Philippines (KCCP), and the Philippine Association of Multinational Companies Regional Headquarters (PAMURI).

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