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Beyond the TRAIN: More laws passed by 17th Congress

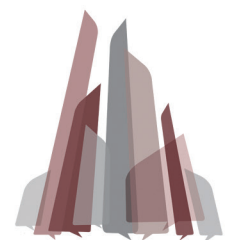
Last 19 December 2017, the **TRAIN** (Tax Reform for Acceleration and Inclusion) bill was signed into law (Republic Act 10963), and has started to take effect 1 January 2018. Also last month, the Department of Finance already submitted the second package of TRAIN to Congress. The two measures are expected to generate P130 billion additional revenues that will fund the government's infrastructure ("build, build, build") and social development programs.

While the tax reform law drew much public attention, aside from various congressional hearings, and ongoing impeachment deliberations, the 17th Congress has also acted upon other relevant measures.

A total of 48¹ laws have so far been enacted, seventeen (17) of which are national in scope, which includes the TRAIN and the **general appropriations for 2017 and 2018**. The P3.767 trillion 2018 national budget was approved by President Rodrigo Duterte along with the signing of TRAIN, and the law regulating the issuance, use and redemption of **gift checks** (Republic Act 10962).

Congress also passed two measures extending the validity of government issued identity document. The **Philippine passport** (Republic Act 10928) is now valid up to ten (10) years, except for minors which remains at five years. The effectivity of the **driver's license** (Republic Act 10930) is extended to five years from just three years. The renewal of such license may be further extended to another ten (10) years if the driver is free from any record of infraction during the five-year period.

The term of office of village officials has been stretched due to successive postponements in the **barangay and sangguniang kabataan (SK) elections**; first in 2016 (Republic Act 10923), then in 2017 (Republic Act 10952). The most recent postponement scheduled the elections on 14 May 2018. However, a bill has been filed in the House of Representatives seeking to reset anew the elections to October 2018. The move was supposed to give time for Congress to draft the new Constitution via a Constituent Assembly which will be submitted to the people in a referendum. The 1987 Constitution requires that for any amendment or revision to be valid, this must be ratified by a majority of the votes cast in a plebiscite which shall be held not earlier than sixty days nor later than ninety days after its approval.²



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¹ The 48 laws did not include Joint Resolution 1 (signed on January 30, 2018), which provides for higher adjustment in the pay schedule of military and uniformed personnel. Joint Resolutions, once adopted by both the House of Representatives and the Senate, and signed by the President have the same effect as a law.

² Sec. 4, Art XVII. 1987 Constitution, Amendments or Revisions

The 17th Congress also enacted laws in relation to good governance and the administration of justice.

The **Anti-Money Laundering Law** was amended to include casinos among its covered entities (Republic Act 10927). The **Anti-Hospital Deposit Law** was strengthened by increasing penalties for the refusal of hospital and medical clinics in administering initial medical treatment in emergency or serious cases (Republic Act 10932). The **Revised Penal Code (RPC)** was also amended by adjusting the amount or value of the property and damage on which the penalty is based as well as the fine imposed (Republic Act 10951). The Supreme Court in a 2014 ruling,³ highlighted the need to address the perceived injustice brought by the imposition of penalty for today's crimes that is based on 1930 valuation when RPC was first enacted.⁴

Other laws passed are relevant towards improving Philippine competitiveness.

The **Free Internet in Public Places Act** (Republic Act 10929) requires free internet services in all government offices and public areas such as education and technology institutions, hospitals and health centers, parks and libraries, airports and seaports, and transport terminals. The law complements the implementation of the National Broadband Plan that was also launched last year. The government in partnership with the private sector established wifi connection in 1,049 sites, including 21 major transportation hubs - airports, seaports and rail transit lines.

Another free offering of the government is on tuition and other schools fees in public universities and colleges. Under the **Universal Access to Quality Tertiary Education Act** (Republic Act 10931), poor but qualified students will be able to study for free or on loan basis in both state and local universities and colleges, as well as technical-vocational institutions under TESDA. P40 billion is appropriated in the national budget to fund the implementation of the law for academic year 2018-2019.

To further promote quality education and training, Congress passed the institutionalization of the **Philippine Qualifications Framework** (Republic Act 10968). The PQF adopts national standards and levels of learning outcomes and aligns them with international frameworks. To better prepare for and address the disruptions brought by digital technology (artificial intelligence, robotics, etc.) intensified by global competition, it is important to enhance the levels of competencies of Filipino students and workers. To implement the national framework, collaboration with businesses, particularly the industry sector is critical to ensure that educational outcomes match industry requirements.

In the area of agriculture, small hold farmers owning eight hectares of land and below are now exempted from paying irrigation service with the **Free Irrigation Service Law** (Republic Act 10969).

³ G.R. No. 180016, 29 April 2014

⁴ Senate Bill 14, 17th Congress

It also condones all existing loans, past due accounts and corresponding interests and penalties of farmers and irrigator associations with the National Irrigation Association. Lowering the production cost of local farmers will make them competitive particularly with the expected entry of foreign goods following the lifting of quantitative restrictions on rice.

To cushion the impending effect of the shift in importation policy, as well as the inflationary effect from the TRAIN law, Congress is considering replacing quantitative import restrictions with tariffs, and creating the Rice Competitiveness Enhancement Fund. The fund that will come from the duties collected from rice importation shall be used primarily for the enhancement of productivity and income of rice farmers and the modernization of farms and marketing processes. The proposed measure also mandates the Department of Agriculture to finalize the Rice Roadmap that will restructure the delivery of support services for the rice farming sector⁵.

The two other measures passed by Congress are commemorative measures.

August 25 of every year has been declared as **National Tech-Voc Day** in order to promote technical and vocational education and training in the country. According to Sen. Joel Villanueva, the measure's author in the Senate, and former director general of the Technical Education and Skills Development Authority (TESDA), over 13.5 million Filipinos graduated in various tech-voc courses in the past seven years with majority of them or 66.2% percent finding employment in the Philippines and abroad. He also noted the improved employment rate among TESDA scholars of 70% from 28% in 2008, even reaching over 96% in the semiconductor and electronics industry.⁶ TESDA was created by virtue of Republic Act 7796 that was signed into law on August 25, 1994.

Meanwhile, December 8 of every year will be observed as a special nonworking national holiday in celebration of the **Feast of the Immaculate Conception of Mary**, the principal patroness of the Philippines. This adds to the eighteen (18) nonworking days in the country listed under Proclamation 269, declaring the regular holidays and special (nonworking) days for the year 2018. With the two Islamic holidays⁷ that will be covered by separate issuances, the Philippines will have at least 21 nonworking holidays, compared to the original 12 regular and special holidays under the Administrative Code of 1987.⁸

More laws can be expected before Congress goes on break on March 23 as several measures are already in advanced stages of the legislative mill. Session will briefly resume on May 14 before the second regular session adjourns sine die on June 1. The next session will open on July 23, the day of President Duterte's third state-of-the-nation.

⁵ Senate Bill 1476, 17th Congress

⁶ http://senate.gov.ph/press_release/2018/0208_villanueva1.asp

⁷ Eidul Fitr and Eidul Adha

⁸ Section 26, Chapter 7, Book 1 of Executive Order 292 s. 1987

MEASURE	HOUSE OF REPRESENTATIVES	SENATE
Ease of Doing Business Act / Expanded Anti-Red Tape	HB 6579 / SB 1311 Pending Bicameral Conference Committee	
Balik Scientist Act	HB 5792 / SB 1533 Pending Bicameral Conference Committee	
Personal Property Security Act (Secured Transactions)	HB 6907 Approved on Third Reading	SB 1459 Pending Second Reading
Payment Systems Act	HB 5000 Approved on Third Reading	SB 178 Pending Second Reading
Government Rightsizing Act	HB 5707 Approved on Third Reading	SB 1395 Pending Second Reading
Traffic Crisis Act	HB 6425 Pending Second Reading	SB 1284 Pending Second Reading
Department of Human Settlement and Urban Development	HB 6775 Approved on Third Reading	SB 1578 Pending Second Reading
Mental Health Act	HB 6452 / SB 1354 Bicameral Conference Report ratified by both Houses	
Utilization of the Coconut Levy Fund	HB 5745 Approved on Third Reading	SB 1233 Pending Second Reading
Expanded Maternity Leave	HB 4113 Pending Second Reading	SB 1305 Approved on Third Reading
Occupational Safety and Health Hazards Compliance	HB 64 Approved on Third Reading	SB 1317 Approved on Second Reading
Anti-Hazing	HB 6573 / SB 1662 Pending Bicameral Conference Committee	

The **CongressWatch Report** is a regular publication of the Makati Business Club. Its main mission is to promote accountability and transparency of elected government officials. For inquiries, suggestions, and additional information, please call CongressWatch at telephone nos. 403-3286 or email patrick.chua@mbc.com.ph.

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