



Media statement

July 20, 2020

PHILIPPINE BUSINESS GROUPS AND FOREIGN CHAMBERS REAFFIRM SUPPORT FOR TWENTY-SEVEN LEGISLATIVE REFORMS PENDING IN THE 18TH CONGRESS

With the upcoming fifth State of the Nation Address of President Rodrigo Duterte and the opening of the 18th Congress' 2nd Regular Session, 14 Philippine business groups and foreign chambers have written President Duterte, Senate President Sotto, and House Speaker Cayetano to reaffirm their support for 27 business and economic reform measures.

The group advocated the same measures in July 2019 in letters to the Executive and Legislative branches of the government. The letters commented favorably on the parallel advocacy of the public and private sectors for many of the proposals.

Eight of the reforms were included in the President's fourth SONA¹ while 19 are included in the legislative agenda of the Philippine Development Plan's Midterm Update.² When the 1st Regular Session of Congress adjourned, however, only 9 of the 28 has reached at least 2nd reading approval in either House or Senate.

With the COVID-19 pandemic recovery period creating an urgency to move ahead to enact reforms, the group decided to resubmit their recommendations to the president and Congressional leaders.

The reform package of 27 measures can generate substantial inclusive growth while generating jobs, reducing poverty, improving national competitiveness, and supporting economic recovery and higher GDP growth in 2021 and thereafter.

¹ Tax reform packages 2, 2+, 3, and 4; Creation of a Department of Water and Water Regulatory Commission; National Disaster Risk Reduction and Management Authority; and National Land Use Act

² Bills mentioned in SONA plus: (1) Public Service Act amendments; (2) Foreign Investment Act amendments; (3) Retail Trade Act amendments; (4) BOT Law amendments; (5) FOI Act; (6) Bank Secrecy Law amendments; (7) Open Access in Data Transmission Act; (8) Agri-Agra Law amendments; (9) Amendment of PPA Charter; (10) National Transportation Safety Board; and (11) Philippine Airports Authority Act

The 27 recommended legislative measures, in order of priority, include:

1. Public Service Act amendments
2. Tax Reform Package 2: CITIRA/CREATE³
3. Foreign Investment Act amendments
4. Retail Trade Act amendments
5. Apprenticeship Program Reform
6. Build Operate Transfer Law amendments
7. Freedom of Information Act
8. Bank Secrecy Law amendments
9. Foreign equity restriction amendments to the Constitution
10. Tax Reform Package 3: Property Valuation and Assessment
11. Tax Reform Package 4: Capital Income and Financial Taxes
12. Open Access in Data Transmission Act
13. Water Department Act
14. Farm Entrepreneurship Act
15. PEZA Act amendments
16. Agri-Agra law amendments
17. Holiday Rationalization Act
18. National Disaster Risk Reduction and Management Authority Act
19. National Land Use Act
20. National Traffic and Congestion Crisis Act
21. Philippine Contractors Accreditation Board amendments
22. PhilPorts Act (amend PPA Charter)
23. Water Regulatory Commission Act
24. CAAP Act amendments
25. CA 541 amendments
26. National Transportation Safety Board Act
27. Philippine Airports Authority Act

³ While the signatories support comprehensive tax reform overall, some elements of the Tax Reform Package 2 bills have created issues for many firms, most acutely the termination of the 5% GIE benefit for exporters. We support the reduced CIT and fair treatment of foreign investors who have chosen to locate in the Philippines.

A 25-page position paper with specific comments on the provisions of CREATE has been submitted to the Chairperson of the Senate Ways and Means Committee by the following groups: Alyansa Agrikultura, AmCham, ANZCham, CanCham, CONWEP, ECCP, FCCCII, IBPAP, JCCIPI, KCCP, MBC, PAMURI, PHILEA, SEIPI, and US-ABC

The letter was signed by the leaders of:

- A. Alyansa Agrikultura
- B. American Chamber of Commerce of the Philippines
- C. Australian-New Zealand Chamber of Commerce of the Philippines
- D. Canadian Chamber of Commerce of the Philippines
- E. European Chamber of Commerce of the Philippines
- F. The Federation of Filipino-Chinese Chambers of Commerce and Industry, Inc.
- G. Foundation for Economic Freedom
- H. IT and Business Process Association of the Philippines
- I. Japanese Chamber of Commerce and Industry of the Philippines, Inc.
- J. Korean Chamber of Commerce of the Philippines, Inc.
- K. Makati Business Club
- L. Management Association of the Philippines
- M. Philippine Association of Multinational Companies Regional Headquarters, Inc.
- N. Semiconductor and Electronics Industries in the Philippines, Inc.

Attachment:

Status of 28 priority bills as of June 5, 2020 (adjournment of 18th Congress 1st Regular Session)