

GAME-CHANGING LEGISLATION: KEY LAWS ENACTED AND SUPPORTED UNDER THE DUTERTE ADMINISTRATION IN 2017

These laws help build a favorable investment climate that is conducive to attracting investments, creating opportunities, and increasing the competitiveness of the economy. These are the game-changing laws enacted and supported by the Duterte Administration in 2017.

Tax Reform for Acceleration and Inclusion (TRAIN) Act: Already at advanced stages of legislation, the proposed tax reform program is the first of four packages aimed at generating revenue to fund the large-scale infrastructure program of the Duterte administration. The tax reform bill includes proposals for higher take-home pay through lower income tax rates, as well as streamlined filing procedures for small businesses and estate tax.

Ease of Doing Business Act: Pending the reconciliation of the Senate and Congress versions, the Ease of Doing Business Act aims to cut red-tape to attract local and foreign investors. Senate Bill No. 1311 and House Bill No. 6579 aim to fast-track the processing time for licenses, clearances, and permits by prescribing processing times and advocating for a transition to “software-enabled” processing.

Extension of incentives and modified rates for certain import products: Executive Order 20 modifies nomenclature and import rates under the Customs Modernization Tariff Act. As part of the Philippines’ WTO Tariff Commitments, Executive Order 21 modifies nomenclature and import rates on information technology products. Executive Order 22 extends the effectivity of zero percent duty for certain capital equipment, spare parts and accessories imported by new and expanding enterprises registered with the Board of Investments. Executive Order 23 extends the effectivity of most-favored-nation rates of duty for certain agricultural products.

Amendment to the Anti-Money Laundering Act (AMLA) of 2001 (RA No. 10927): Republic Act No. 10927, “An Act Designating Casinos as Covered Persons Under the Anti-Money Laundering Act” contains amendments that now requires casinos, including internet or ship-based casinos, to report to the Anti-Money Laundering Council casino cash transactions related to gaming operations in excess of PHP5 million or its equivalent in any other currency.

Streamlining Regulatory Procedures Affecting Energy Projects: Executive Order No. 30 expedites the development and implementation of energy investments by creating an Energy Investment Coordinating Council that will spearhead and coordinate national government efforts to harmonize, integrate and streamline relevant regulatory processes, requirements and forms.

Amendment to the Public Service Act to Clarify the Definition of “Public Utility”: House Bill No. 5828 provides for a more explicit and limited definition of “public utility” as a person that operates, manages and controls for public use the distribution and transmission of electricity, or water pipeline distribution system or sewerage pipeline system.

Strengthening Workers’ Rights in Contracting/Subcontracting Arrangements: Congress approved the creation of a Technical Working Group to consolidate bills related to ending contractualization and de-regularization of workers.

Creation of a National ID System: House Bill No. 6221 proposes that every Filipino upon reaching the age of 18, whether residing in the Philippines or overseas, must apply for a non-transferrable Filipino ID card and a unique Common Reference Number that is valid for life.

Amendment to the Philippine Passport Act to extend the validity of Philippine Passports (RA No. 10928) and Amendment to Extend the Validity Period of Drivers’ Licenses (RA No. 10930): extends the validity period of passports to 10 years for individuals 18 years old and older, and extends the validity period for drivers’ licenses to 5 years, respectively.