

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 6504



Introduced by **HON. LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.**

EXPLANATORY NOTE

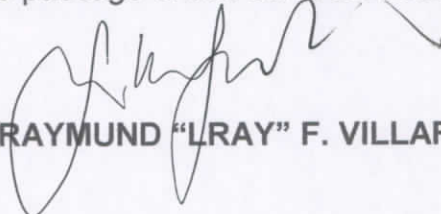
The fiscal and monetary policies of the nation hold a great bearing to the country's economy. For instance, state policy on the Peso's value, exports, imports, and tariffs affect market forces and the government's expenditures. The operations of the private sector are heavily reliant on market forces in predicting its purchase of resources and handling of transactions.

In view of this responsibility, the Department of Finance (DOF) and the *Bangko Sentral ng Pilipinas* (BSP) deliver reports to Congress as part of the Development Budget Coordination Committee during the regular deliberation of the annual government budget. However, these reports do not offer a larger view of the Philippine economy, seeing it as restricted to planning and analyzing the annual budget. Hence, there is a gaping oversight in government towards proper fiscal management not only for the state but also for the private economy. As highlighted in Article II Section 20 of the 1987 Constitution, "the State recognizes the indispensable role of the private sector, encourages private enterprise, and provides incentives to needed investments."

Further accountability is also expected of the government in accordance with Article II Section 28 of the 1987 Constitution: "Subject to reasonable conditions prescribed by law, the State adopts and implements a policy of full public disclosure of all its transactions involving public interest." In the interest of better monetary policies, transparency and public interest, the DOF and BSP must be made accountable beyond the government's budgetary needs. Hence, it is the intent of this bill to rectify that.

This bill seeks to require secretaries of the DOF, Department of Budget and Management (DBM), National Economic and Development Authority (NEDA), and BSP to report to Congress bi-annually on the state and direction of the government's fiscal and monetary policies, economic developments, and prospects for the future.

In view of the foregoing, immediate passage of this bill is earnestly sought.


LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.

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AN ACT MANDATING THE SECRETARIES OF THE DEPARTMENT OF FINANCE, NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY, AND DEPARTMENT OF BUDGET AND MANAGEMENT, AND THE GOVERNOR OF THE BANGKO SENTRAL NG PILIPINAS, TO APPEAR BIANNUALLY BEFORE A JOINT SESSION OF THE CONGRESS TO REPORT ON THE STATUS AND DIRECTIONS OF THE FISCAL AND MONETARY POLICIES OF THE STATE

SECTION 1. *Short Title.* – This Act shall be known as the "Fiscal and Monetary Report Act of 2017".

SECTION 2. *Declaration of Policy.* – It is hereby declared the policy of the State to submit to full public disclosure all its transactions involving public interest, as provided for under Article II, Section 28 of the 1987 Constitution, and recognize the significance of fiscal and monetary policies as factors affecting the development directions of the country.

SECTION 3. *Appearance before Congress.* – The Secretaries of the Department of Finance (DOF), National Economic and Development Authority (NEDA), Department of Budget and Management (DBM), and the Governor of the *Bangko Sentral ng Pilipinas* (BSP) shall appear biannually before a joint session of Congress to be attended by the Committees on Appropriations, Ways and Means, Economic Affairs, and Banks and Financial Intermediaries of the House of Representatives, and the Committees on Finance, Ways and Means, Economic Affairs, and Banks, Financial Institutions and Currencies of the Senate, on or before the last Tuesday of March and September of each year, to report on the status and directions of the fiscal and monetary policies of the government, economic developments and prospects for the future, taking into account past and prospective developments in employment, unemployment, production, investment, real income, productivity, exchange rates, international trade and payments, and prices.

SECTION 4. Reports. –

- (a) The Secretary of the DOF shall submit a written report to the Committees specified in Section 3, a discussion of the conduct of fiscal policy which shall include, but not limited to the following:
 - i. Consolidated Public Sector Financial Position;
 - ii. National Government Debt Service Expenditures;
 - iii. Foreign and Domestic Borrowings;
 - iv. National Government Revenues;
 - v. National Government Financing Program and Outstanding Debt; and
 - vi. Other information that may be requested by the Committees specified in Section 3;
- (b) The Secretary of the NEDA shall submit written reports to the Committees specified in Section 3, regarding developments and prospects in the macroeconomy and labor market which shall include the following:
 - i. Macroeconomy
 - 1. Gross National Income
 - 2. Net Primary Income
 - 3. Gross Domestic Product and its components
 - ii. Labor Market
 - 1. Unemployment
 - 2. Youth Unemployment
 - 3. Underemployment
 - 4. Underemployment in Areas Outside of NCR (AONCR)
 - iii. Other information that may be requested by the Committees specified in Section 3;
- (c) The Secretary of the DBM shall submit a written report to the Committees specified in Section 3 on the following:
 - i. Status of the Expenditure Program;
 - ii. Status of Disbursement;
 - iii. Statement of Appropriations, Allotments, Obligations and Balances; and
 - iv. Other information that may be requested by the Committees specified in Section 3;
- (d) The Governor of the Bangko Sentral shall submit a written report to the Committees as specified in Section 3, covering aggregate data on the following:
 - i. Monetary aggregates and their components;
 - ii. Purchases and sales of foreign exchange and of the international reserves of the Bangko Sentral;
 - iii. Balance of payments of the Philippines;
 - iv. Indices of consumer prices and of import and export prices;

- v. Volume and value of exports and imports;
- vi. Financial status of the Bangko Sentral and the banking industry;
- vii. Major legal and administrative measures adopted by the Government and the Monetary Board during the year which relate to the functions or operations of the Bangko Sentral or of the financial systems; and
- viii. Other related information that may be requested by the Committees specified in Section 3 on matters pertaining to the monetary policies of the government and/or the economic development of the country

SECTION 5. *Public Access to Information.* – The DOF, NEDA, DBM, and BSP shall make available copies of the reports submitted to Congress in their official websites within seven (7) working days following the submission of their respective reports.

SECTION 6. *Implementing Rules and Regulations.* – The DOF, NEDA, DBM, and BSP shall, individually or jointly, promulgate their respective implementing rules and regulations and other issuances as may be necessary to ensure the effective implementation of this Act within sixty (60) days from its effectivity.

SECTION 7. *Separability Clause.* – If any provision of this Act shall be held unconstitutional, the remainder of the Act not otherwise affected shall remain in full force and effect.

SECTION 8. *Repealing Clause.* – All existing laws, presidential decrees, executive orders, proclamations or administrative regulations that are inconsistent with the provisions of this Act are hereby amended, modified, superseded, or repealed accordingly.

SECTION 9. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,