

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Third Regular Session

House Bill No. 8481



Introduced by **MAGDALO Party-List Representative**
HON. GARY C. ALEJANO

EXPLANATORY NOTE

This bill seeks to amend Section 13 of Presidential Decree No. 1177, also known as the Budgetary Reform Decree of 1977, to require the President to submit to Congress, aside from the annual budget of the National Government, the proposed corporate operating budgets of government-owned and controlled corporations (GOCCs), their subsidiaries and affiliated companies that require national government budgetary support. Furthermore, it shall also mandate all GOCCs to submit to Congress separate and yearly financial performance reports vis-à-vis their approved budgets, including status reports on obligations they have entered into which are backed by government guarantees.

It is hoped that with the passage of this Act a formal mechanism shall be established in the review and analysis of the budgets of GOCCs to ensure that the priorities set in these budgets are in line with the objectives of the national development plan and is committed in promoting transparency in operations of said corporations.

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


Rep. Gary C. Alejano

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Third Regular Session

House Bill No. 8481

Introduced by MAGDALO Party-List Representative
HON. GARY C. ALEJANO

AN ACT
REQUIRING THE SUBMISSION TO CONGRESS OF THE CORPORATE BUDGET OF
ALL GOVERNMENT-OWNED OR CONTROLLED CORPORATIONS, THEIR
SUBSIDIARIES AND AFFILIATES, AMENDING FOR THE PURPOSE, SECTION 13 OF
PRESIDENTIAL DECREE NO. 1177, OTHERWISE KNOWN AS THE "BUDGETARY
REFORM DECREE OF 1977"

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled,

1 **SECTION 1.** Section 13 of Presidential Decree No. 1177, otherwise known as the Budget
2 Reform Decree of 1977 is hereby amended to read as follows:

3
4 "SEC. 13. *Submission of the Budget.*—The President shall, in accordance with
5 section [sixteen] **TWENTY-FIVE** (1), Article [VII] **VI** of the Constitution, submit within
6 thirty days from the opening of each regular session of [the National Assembly] **CONGRESS**
7 as the basis for the preparation of the General Appropriations Act, a national government budget of
8 estimated receipts based on existing and proposed revenue measures, and of estimated
9 expenditures.

10
11 **THE PRESIDENT SHALL ALSO SUBMIT TO CONGRESS THE**
12 **PROPOSED CORPORATE OPERATING BUDGETS OF ALL GOVERNMENT-OWNED**
13 **OR CONTROLLED CORPORATIONS, INCLUDING THEIR SUBSIDIARIES AND**
14 **AFFILIATES, WHICH REQUIRE NATIONAL BUDGETARY SUPPORT IN**
15 **ACCORDANCE WITH SUCH FORMAT, RULES AND REGULATIONS**
16 **PRESCRIBED BY THE DEPARTMENT OF BUDGET AND MANAGEMENT**
17 **(DBM.)**

18
19 The President may transmit to [the National Assembly] **CONGRESS**, from time to
20 time, such proposed supplemental or deficiency appropriations, as are, in his judgment, (a)
21 necessary on account of laws enacted after the transmission of the budget, or (b) otherwise
22 needed in the public interest.

23
24 **SEC. 2.** Section 22 of the same Decree is likewise amended to read as follows:

25
26 "SEC. 22. *Budgetary Requirement of Government-Owned or Controlled*
27 *Corporations.* The Internal operating budgets of government-owned and controlled
28 corporations and of chartered institutions shall be approved by their respective governing
29 boards in accordance with a budget calendar and format as may be approved by the
30 President: *Provided, That such budget SHALL BE SUBMITTED TO CONGRESS AND*

1 shall be subject to review and approval as part of the budget process in cases where national
2 government budgetary support is needed, in terms of (a) capital or equity inputs, (b)
3 operating contributions to support specific activities undertaken by the institution as part of its
4 regular functions, and (c) guarantee of the national government for obligations or contracts
5 entered into by corporations.; *Provided, Further,* That the submission of interim financial
6 statements may be required by the [Commissioner] **SECRETARY OF THE DEPARTMENT**
7 **OF BUDGET AND MANAGEMENT."**
8

9 **SEC. 3.** All government owned or controlled corporations, including their subsidiaries and
10 affiliates, shall also submit to Congress separate annual reports of financial performance as
11 compared with their approved budgets explaining performance in terms of work and financial
12 results. Reports pertaining to a given fiscal year shall be submitted on or before June 30 of the
13 following year, through the Department of Budget and Management (DBM), together with
14 comparative data for the preceding year and the approved budget for the current year
15

16 **SEC. 4.** In addition to the reports required to be submitted under the preceding section, all
17 government-owned and controlled corporations, their subsidiaries and affiliates, shall periodically
18 report of Congress, through the Department of Finance (DOF) and the Department of Budget and
19 Management (DBM), on the status of obligations and contracts which they have entered into and
20 which are backed by government guarantees.
21

22 **SEC. 5. Appropriations.**—The DBM shall promulgate the necessary rules and regulations
23 for the effective implementation of this Act,
24

25 **SEC. 6. Repealing Clause.**—All laws, executive orders, executive issuances, or letters of
26 instructions, or any part thereof, inconsistent with or contrary to the provisions of this Act, are
27 hereby repealed, amended, or modified accordingly.
28

29 **SEC. 7. Separability Clause.**—If for any reason, any section or provision of this Act shall
30 be declared unconstitutional or invalid, the other parts thereof not affected shall remain valid.
31

32 **SEC. 8. Effectivity.**—This Act shall take effect fifteen (15) days after its publication in at
33 least two (2) newspapers of general circulation.

Approved,