

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. **8822**



Introduced by **HONORABLE LANI MERCADO-REVILLA**

EXPLANATORY NOTE

The Philippines is currently in the midst of a severe fuel and energy crisis arising from geopolitical instability in the Middle East, which has disrupted global oil supply chains triggering sustained increases in fuel prices. As a net importer of petroleum products, sourcing ninety-eight percent (98%) of its oil from the Persian Gulf, the country is highly vulnerable to these external shocks.¹ The resulting surge in fuel costs has cascaded across the economy, increasing transportation and logistics expenses, raising the prices of basic necessities and prime commodities, and eroding the already weakened purchasing power of Filipinos, as evidenced by the acceleration of inflation to 2.4%, the highest in 13 months from 2% in January.² These pressures disproportionately affect vulnerable sectors, including low-income families, informal workers, transport operators, farmers, fisherfolk, and micro, small, and medium enterprises (MSMEs), thereby threatening livelihoods, food security, and national economic stability.

To address these vulnerabilities, Congress, under Article VI, Section 23(2) of the Constitution, may, by law, authorize the President, in times of national emergency, to exercise powers necessary and proper to carry out a declared national policy, subject to limitations and safeguards. Complementing this constitutional provision, Article II, Section 9 mandates the State to promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty, particularly in the aftermath of natural or man-made calamities, through policies that provide adequate social services,

¹ Tewari, S., Guinto, J., and Rawnsley, J., (2026, March 25). *Marcos promises 'flow of oil' as Philippines declares energy emergency*. BBC. Retrieved from <https://www.bbc.com/news/articles/c3ex8ez3717o>

² De Leon, N.G.C., (2026, March 5). *Philippine inflation hits 13-month high of 2.4% in February*. Inquirer.net. Retrieved from <https://business.inquirer.net/577609/breaking-philippine-inflation-rises-to-2-4-in-february>

promote full employment, a rising standard of living, and an improved quality of life for all. In light of these constitutional mandates, and consistent with the declaration of a State of National Energy Emergency under Executive Order No. 110, s. 2026, there is a compelling legal and policy basis for the enactment of urgent, time-bound, and targeted interventions to safeguard the national economy and protect the welfare of the Filipino people.

Past crisis experiences during the fuel supply disruption caused by the COVID-19 pandemic demonstrates that fuel price shocks produce widespread and compounding effects across critical industries and sectors. Transport groups face shrinking margins, farmers and fisherfolk encounter higher production costs, and MSMEs struggle to absorb rising operational costs. The same experience revealed that emergency measures, particularly the Bayanihan to Heal as One Act and the Bayanihan to Recover as One Act, highlighted the necessity of swift government intervention while underscoring the importance of improving targeting, coordination, and transparency in the delivery of assistance to avoid inefficiencies, delays, leakages, and public frustration.

This bill, the proposed “Bayanihan for Socio-Economic Stability Act (BASES Act),” provides a comprehensive and calibrated response to the ongoing energy crisis. It authorizes the President, for a limited period and subject to clear safeguards, to implement targeted fuel subsidy programs, extend conditional financial assistance to MSMEs, and provide emergency relief through mandatory grace periods for loans and residential utility payments without impairing contractual obligations. The measure further strengthens fuel supply through minimum inventory requirements, anti-hoarding provisions, and government-to-government procurement authority. Additionally, to mitigate inflation, a temporary zero-rating of value-added tax (VAT) shall be implemented on basic necessities, residential utilities, and internet services. This measure also accelerates the development of renewable and indigenous energy sources through expedited permitting, thereby addressing the country’s energy dependence. Finally, this bill institutionalizes transparency measures, real-time audit mechanisms, inter-agency coordination, and mandatory reporting to Congress.

Beyond immediate relief or “ayuda,” this measure envisions a more resilient and adaptive Philippine economy, capable of withstanding external shocks and safeguarding national energy security. This bill seeks to balance short-term socio-

economic protection with long-term structural reforms by promoting sustainable energy development, market stability, and renewed public trust in government responsiveness. By integrating targeted assistance, market interventions, and institutional reforms and safeguards, the BASES Act lays the groundwork for a more stable, inclusive, and crisis-resilient economy.

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



REP. IANI MERCADO-REVILLA
2nd District of Cavite

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HOUSE BILL NO. **8822**

Introduced by **HONORABLE LANI MERCADO-REVILLA**

AN ACT
DECLARING THE EXISTENCE OF A NATIONAL ENERGY EMERGENCY ARISING FROM THE GLOBAL CRISIS AND FROM A NATIONAL POLICY IN CONNECTION THEREWITH, AND AUTHORIZING THE PRESIDENT OF THE REPUBLIC OF THE PHILIPPINES, FOR A LIMITED PERIOD AND SUBJECT TO RESTRICTIONS, TO EXERCISE POWERS NECESSARY AND PROPER TO CARRY OUT THE DECLARED NATIONAL POLICY AND FOR OTHER PURPOSES

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

SECTION 1. Short Title. – This Act shall be known as the “Bayanihan for Socio-Economic Security Act (BASES Act).”

SEC. 2. State of National Energy Emergency. – Executive Order No. 110 s. 2026, was issued declaring a State of National Energy Emergency in light of the ongoing conflict in the Middle East, and the resulting imminent danger posed upon the availability and stability of the country’s energy supply.

In view of the imminent and long-term adverse effects of Middle East conflict on the global oil supply and prices, the means of livelihood, the ability of families to put food on the table, and the survival of our local industries, a State of National Energy Emergency is hereby declared over the entire country.

SEC. 3. Declaration of Policy. – It is hereby declared the policy of the State, pursuant to Article II, Section 9 of the 1987 Constitution, to promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty, particularly in the aftermath of natural or man-made calamities, through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life

for all. Toward this end, and in cognizance of the imminent and long-term adverse impact of the Middle East conflict, the State shall:

- (a) Protect the purchasing power of Filipinos to mitigate the inflationary effects of rising energy costs on basic necessities and prime commodities through logistics subsidies;
- (b) Streamline the development of indigenous and renewable energy sources to reduce dependence on volatile global markets;
- (c) Provide immediate socio-economic relief by implementing mandatory grace periods for financial obligations and utility payments;
- (d) Deliver targeted emergency subsidies to transport, agriculture, and fisheries sectors; and
- (e) Enable government fiscal flexibility to facilitate mobilization and realign government resources to prioritize heavily affected sectors and industries, and ensure stable food supply.

SEC. 4. *Definition of Terms.* – As used in this Act:

- (a) *Basic Necessities* refer to goods vital to consumer sustenance and existence as defined under Republic Act No. 7581, otherwise known as the Price Act, including but not limited to canned fish and other marine products, processed milk, coffee, laundry soap, detergent, bread, and potable water in bottles or containers;
- (b) *Delivery Rider* refers to accredited person utilizing digital platform to deliver orders or parcels for compensation, including food and courier riders;
- (c) *Discretionary Expenditures* refer to expenditure items that can be changed or adjusted depending on government spending priorities, available fiscal space, and absorptive capacity of agencies;

- (d) *Fuel Subsidy* refers to government assistance, such as cash grants or fuel cards, designed to mitigate high petroleum costs;
- (e) *Logistics Company* refers to entities facilitating the movement of goods, including freight forwarders, truckers, and third-party logistics providers;
- (f) *Micro, Small and Medium Enterprises (MSMEs)* refer to business enterprises across various sectors with total assets (excluding land) valued at: for Micro, up to three million pesos (P3,000,000.00); for Small, three million pesos to fifteen million pesos (P3,000,000.00 – P15,000,000.00); and for Medium, fifteen million pesos to one hundred million pesos (P15,000,000.00-P100,000,000.00);
- (g) *Prime Commodities* refer to goods not deemed as basic necessities but essential during emergencies as defined under the Price Act, including fresh fruits, processed meat, school supplies, and construction supplies;
- (h) *Qualified Farmers and Fisherfolk* refer to individuals registered in the Department of Agriculture's (DA) Registry System for Basic Sectors in Agriculture (RSBSA);
- (i) *Qualified Public Utility Vehicle (PUV) Driver or Rider* refers to vehicle drivers or motorcycle riders transporting passengers for a fee, authorized by the Land Transportation Franchising and Regulatory Board (LTFRB) or relevant Local Government Unit (LGU), covering jeepneys, buses, taxis, TNVS, and tricycles;
- (j) *Residential Utility Bills* refer to monthly charges for residential electricity and water consumption; and
- (k) *Vulnerable Sectors* refer to individuals at risk of economic displacement, including low-income earners, informal workers, and 4Ps beneficiaries.

SEC. 5. Authorized Powers. – Pursuant to Article VI, Section 23(2) of the Constitution, the President is hereby authorized to exercise powers that are necessary and proper to carry out the declared national policy. Such powers shall be exercised strictly to: (i) stabilize domestic prices of basic necessities and energy, (ii) ensure adequate supply of fuel and food, (iii) protect vulnerable sectors from inflationary shocks, and (iv) preserve macroeconomic stability, subject to the principles of transparency, proportionality, time-boundedness, and least intrusive intervention.

(a) Emergency Subsidies for MSMEs and Vulnerable Sectors

(1) The Department of Trade and Industry (DTI) shall provide a monthly financial grant to registered Micro, Small and Medium Enterprises (MSMEs) to offset increased costs of electricity and fuel. Eligibility is strictly contingent upon: (i) execution of a sworn Price Maintenance Agreement (PMA) committing to no unjustified price increases on basic necessities for the duration of the subsidy period, except for adjustments authorized by the DTI; and (ii) a conspicuous display of a “Bayanihan Price-Protected Merchant” signage within the premises of the establishments.

The DTI shall establish a real-time price monitoring system and hotline for consumer complaints.

Establishments found in violation of the PMA shall refund the full amount of subsidy received after notice and hearing, and upon final determination. Failure to refund shall result in the suspension of business permits until such subsidy is fully refunded.

(2) The Department of Social Welfare and Development (DSWD) shall, in coordination with the Department of Transportation (DOTr), implement a fuel subsidy program via cash assistance or fuel subsidy cards for qualified PUV drivers, logistics company drivers and riders, and delivery riders;

(3) The DSWD shall, in coordination with the Department of Agriculture (DA), implement a fuel subsidy program via cash assistance or

fuel subsidy cards to qualified farmers and fisherfolk to ensure the continuity of food production and stability of farm-gate prices; and

(4) The DSWD shall implement a fuel subsidy program via cash assistance to families belonging to vulnerable sectors as defined under Section 4(4) of this Act, to cushion the impact of rising prices of commodities.

Receipt of assistance under the fuel subsidy program under this subsection shall not disqualify a beneficiary from receiving other forms of government aid or intervention, whether from the national government or LGUs: *Provided*, That such assistance shall be validated using existing government databases, including but not limited to Community Based Monitoring System (CBMS), RSBSA, LTFRB registries, and DTI business registries to prevent duplication, double counting, or fraud.

(b) Fuel Supply Management and Anti-Hoarding

(1) The Department of Energy (DOE) shall mandate all oil companies to maintain a minimum thirty (30) day inventory of petroleum products, unless otherwise adjusted by the DOE based on industry capacity and supply conditions. To prevent supply depletion, the President may authorize government-to-government procurement of fuel which shall be exempt from the bidding requirements under Republic Act No. 12009, otherwise known as the New Government Procurement Act: *Provided*, That all transactions are (i) published on the *Official Gazette* within forty-eight (48) hours, and (ii) subject to post-audit by the Commission on Audit (COA); and

(2) The bulk-buying and hoarding of fuel by private entities beyond normal operational requirements, as determined by the DOE based on historical consumption, storage capacity, and industry benchmarks, shall be strictly prohibited. Violators shall be prosecuted under the Price Act and the fuel may be subject to seizure and forfeiture in accordance with due process requirements and existing laws and may, upon final forfeiture, be allocated for emergency use by the DOTr and DA.

(c) Financial Relief and Moratorium

(1) Subject to the guidelines to be issued by the Bangko Sentral ng Pilipinas (BSP), a mandatory thirty (30) day grace period is hereby imposed on the payment of all loans, including but not limited to personal, housing, and motor vehicle loans, whether public or private, falling due within the period of the declared State of National Energy Emergency.

During the grace period, borrowers shall not be charged late fees, interests on interests, penalties or other charges: *Provided*, That interest on the principal obligation may continue to accrue, unless otherwise determined by the BSP.

The grant of grace period shall not constitute a waiver of the creditor's right to recover the principal and accrued interest, nor shall it impair the validity or enforceability of the obligation.

All covered financial institutions shall implement the grace period in a non-discriminatory manner and without requiring prior application from the borrowers.

The BSP shall issue the necessary rules and regulations to ensure effective implementation of this provision.

(2) All distribution utilities and internet service providers shall continue to bill customers for actual consumption: *Provided*, That a mandatory grace period of thirty (30) days from the original due date shall be granted for the payment of residential utility bills and internet services falling due within the effectivity of this Act, without imposition of late fees, penalties, or other charges.

During such grace period, disconnection of services for non-payment shall be strictly prohibited.

The grant of grace period shall not constitute a waiver of the obligation to pay for services rendered, and all unpaid amounts shall remain due and demandable after the lapse of the grace period.

(3) Government Financial Institutions (GFIs), specifically LandBank and the Development Bank of the Philippines, shall offer zero-interest or low-interest emergency credit lines for MSMEs, farmers, and fisherfolk, with a repayment term of not less than twenty-four (24) months.

SEC. 6. Tax Relief Measures. – For the duration of this Act, the sale, barter, exchange, or importation of all basic necessities as defined in Section 4 of this Act, as well as residential consumption of electricity and water, and residential internet services, shall be subject to a zero percent (0%) value added tax (VAT) rate.

All transaction covered under this Section shall be treated as zero-rated transaction for the purposes of the National Internal Revenue Code, as amended: *Provided*, That input taxes attributable to such zero-rated transactions shall be refundable or creditable in accordance with the National Internal Revenue Code, as amended, subject to expedited processing by the Bureau of Internal Revenue (BIR);

All retailers, utility companies, and internet service providers shall ensure that the benefit of zero percent (0%) VAT rate is fully passed on to consumers through a corresponding reduction in retail prices.

The DTI, in coordination with the BIR, shall monitor compliance and impose administrative penalties for unjustified price retention or non-compliance, in accordance with existing laws and regulations.

Covered entities shall indicate the zero percent (0%) VAT rate in their invoices or billing statement with the notation: “ZERO RATED VAT UNDER BASES ACT.”

SEC. 7. Expedited Development of Renewable Energy Projects. – All applications for the development, permitting, and operation of renewable energy projects, including solar, wind, hydro, and other indigenous energy sources, shall be subject to expedited processing.

All concerned national government agencies and LGUs shall act on and decide complete applications within a non-extendible period of thirty (30) days from submission.

SEC. 8. Appropriations. – Notwithstanding any law to the contrary, the President is authorized to reprogram, reallocate, and realign any savings within the Executive branch, under Republic Act No. 12314 or the Fiscal Year 2026 General Appropriations Act (GAA), in accordance with Article VI, Section 25(5) of the Constitution, to fund the requirement of this Act.

Realigned funds shall be prioritized for the Fuel Subsidy Program for members of vulnerable sectors and financial grants to MSMEs.

SEC. 9. Transparency, Accountability, and Audit. – All funds appropriated, released, or realigned under this Act shall be subject to real-time audit and post-audit by the COA.

All implementing agencies shall ensure full transparency in the utilization of funds, including the publication of program guidelines, fund releases, and number of beneficiaries, subject to applicable data privacy laws.

The Department of Budget and Management (DBM) shall, in coordination with implementing agencies, establish a publicly accessible online portal disclosing fund utilization, status of program implementation, and other relevant data to promote accountability and public monitoring.

SEC. 10. Revenue Gap Management. – The Secretary of Finance and the Commissioner of Internal Revenue shall estimate the monthly revenue loss resulting from the VAT suspension on basic necessities, residential utility consumption, and residential internet services. The DBM is hereby mandated to suspend the release of funds for non-essential capital outlays, foreign and domestic travel, and other discretionary expenditures as defined under Section 4(c) of this Act, of all executive departments and agencies.

SEC. 11. Implementing Rules and Regulations (IRR). – Within fifteen (15) days from the effectivity of this Act, the BSP, DA, DBM, DOF, DOE, DOTr, DSWD,

and DTI shall jointly promulgate the necessary rules and regulations for the effective implementation of this Act.

Failure to promulgate the IRR within the prescribed period shall not prevent the immediate implementation of this Act based on its self-executing provisions.

SEC. 12. *Reporting to Congress.* – The President, every Monday of every week, shall submit a weekly report to Congress of all acts performed pursuant to this Act.

SEC. 13. *Separability Clause.* – If any provision of this Act is declared invalid or unconstitutional, the remaining provisions or parts of this Act which are not affected thereby shall remain in full force and effect.

SEC. 14. *Repealing Clause.* – All laws, presidential decrees, executive orders, letters of instruction, administrative rules and regulations or parts thereof, which are contrary to or inconsistent with the provisions of this Act, are hereby repealed, amended, or modified accordingly.

SEC. 15. *Effectivity.* – This Act shall take effect immediately upon its publication in the *Official Gazette* or in a newspaper of general circulation and shall be in full force and effect only for six (6) months, unless extended by Congress: *Provided*, That the exercise of powers under this Act shall be limited to the period of the declared State of National Energy Emergency: *Provided*, further, That the powers granted under this Act may be withdrawn sooner by means of a concurrent resolution of Congress or ended by Presidential Proclamation.

Approved,