

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session



RESOLUTION OF BOTH HOUSES NO. 2

Introduced by HON. LORD ALLAN JAY Q. VELASCO

RESOLUTION OF BOTH HOUSES
PROPOSING AMENDMENTS TO CERTAIN ECONOMIC PROVISIONS OF THE
1987 CONSTITUTION OF THE REPUBLIC OF THE PHILIPPINES
PARTICULARLY ON ARTICLES II, XIV & XVI

WHEREAS, the Constitution is the fundamental law of the land which defines, establishes and confers powers to the State and provides for the correlative obligation of the people to abide by it;

WHEREAS, the Constitution, as a covenant between the State and the people, vests on the government the duty to provide decent living conditions to its people;

WHEREAS, the mandate given to current leaders who advocate for change signifies renewed trust in the government and immense optimism in its ability and commitment to bring about improvement in the quality of life of Filipinos;

WHEREAS, the trust reposed by the people upon the country's leaders has encouraged more investments and it is helping the country maintain its pace as one of the fastest growing economies in Asia, with the World Bank giving it a future projection of 6.5 percent GDP growth this year and 6.6 percent in 2020 and 2021;

WHEREAS, in another 2019 economic outlook report of the Organization for Economic Cooperation and Development (OECD), the GDP percentage of the Philippines for the period of 2017 to 2019 constantly surpasses the GDP growth in other ASEAN countries such as Indonesia, Malaysia and Thailand;

WHEREAS, growing global interest in Asia provides an opportunity for the Philippines to compete for more investments but statistics show that Philippines need to maximize its economic momentum since in a 2017 Association of Southeast Asian Nations (ASEAN) report, around 90% of the 36 million people in Southeast Asia who are living below the international poverty line are Filipinos and Indonesians;

WHEREAS, in order to fully transform this economic growth into inclusive and solidary progress among Filipinos, the restrictive economic provisions in the Philippine Constitution which hamper the flow of foreign capital investments must be lifted: Now, therefore, be it

1 **RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES**, by a
2 vote of three-fourths (3/4) of all its Members, each House voting separately, and pursuant to
3 Article XVII of the Constitution, to propose amendments to Articles XII, XIV & XVI of the
4 1987 Constitution of the Republic of the Philippines, with the following proposals:
5

- 6 1. On paragraph 1, Section 2 of Article XII (National Patrimony and Economy), insert
7 the phrase *unless otherwise provided by law* after the fourth sentence and add a
8 comma before the phrase, to read as follows:
9

10 **"Section 2.** All lands of the public domain, waters, minerals,
11 coal, petroleum, and other mineral oils, all forces of potential energy,
12 fisheries, forests or timber, wildlife, flora and fauna, and other natural
13 resources are owned by the State. With the exception of agricultural
14 lands, all other natural resources shall not be alienated. The
15 exploration, development, and utilization of natural resources shall be
16 under the full control and supervision of the State. The State may
17 directly undertake such activities, or it may enter into co-production,
18 joint venture, or production-sharing agreements with Filipino citizens,
19 or corporations or associations at least sixty per centum of whose
20 capital is owned by such citizens, **UNLESS OTHERWISE**
21 **PROVIDED BY LAW.** Such agreements may be for a period not
22 exceeding twenty-five years, renewable for not more than twenty-five
23 years, and under such terms and conditions as may be provided by
24 law. In cases of water rights for irrigation, water supply, fisheries, or
25 industrial uses other than the development of water power, beneficial
26 use may be the measure and limit of the grant."
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29 2. On paragraph 1, Section 3 of Article XII (National Patrimony and Economy), insert
30 the phrase *unless otherwise provided by law* after the fourth sentence and add a
31 comma before the phrase, to read as follows:
32

33 **"Section 3.** Lands of the public domain are classified into
34 agricultural, forest or timber, mineral lands, and national parks.
35 Agricultural lands of the public domain may be further classified by
36 law according to the uses to which they may be devoted. Alienable
37 lands of the public domain shall be limited to agricultural lands.
38 Private corporations or associations may not hold such alienable lands
39 of the public domain except by lease, for a period not exceeding
40 twenty-five years, renewable for not more than twenty-five years, and
41 not to exceed one thousand hectares in area, **UNLESS OTHERWISE**
42 **PROVIDED BY LAW.** Citizens of the Philippines may lease not more
43 than five hundred hectares, or acquire not more than twelve hectares
44 thereof by purchase, homestead, or grant."
45

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47 3. On Section 7 of Article XII (National Patrimony and Economy), insert the phrase
48 *unless otherwise provided by law* after the word "succession" and add a comma
49 before the phrase, to read as follows:
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51 **"Section 7.** Save in cases of hereditary succession, **UNLESS**
52 **OTHERWISE PROVIDED BY LAW,** no private lands shall be
53 transferred or conveyed except to individuals, corporations, or
54 associations qualified to acquire or hold lands of the public domain."
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- 1 4. On paragraph 1, Section 10 of Article XII (National Patrimony and Economy),
2 insert the phrase *unless otherwise provided by law* after the first sentence with a
3 comma before the phrase, to read as follows:
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5 "Section 10. The Congress shall, upon recommendation of the
6 economic and planning agency, when the national interest dictates,
7 reserve to citizens of the Philippines or to corporations or associations
8 at least sixty per centum of whose capital is owned by such citizens,
9 or such higher percentage as Congress may prescribe, certain areas of
10 investments, **UNLESS OTHERWISE PROVIDED BY LAW**. The
11 Congress shall enact measures that will encourage the formation and
12 operation of enterprises whose capital is wholly owned by Filipinos."
13

- 14 5. On Section 11 of Article XII (National Patrimony and Economy), insert the phrase
15 *unless otherwise provided by law* between the word "citizens" and the symbol ";" in
16 the first sentence and add a comma before the said phrase; also, insert the phrase
17 *unless otherwise provided by law* before the last sentence thereof, to read as follows:
18

19 "Section 11. No franchise, certificate, or any other form of
20 authorization for the operation of a public utility shall be granted
21 except to citizens of the Philippines or to corporations or associations
22 organized under the laws of the Philippines, at least sixty per centum
23 of whose capital is owned by such citizens, **UNLESS OTHERWISE**
24 **PROVIDED BY LAW**; nor shall such franchise, certificate, or
25 authorization be exclusive in character or for a longer period than fifty
26 years. Neither shall any such franchise or right be granted except
27 under the condition that it shall be subject to amendment, alteration,
28 or repeal by the Congress when the common good so requires. The
29 State shall encourage equity participation in public utilities by the
30 general public. **UNLESS OTHERWISE PROVIDED BY LAW**, [T]he
31 participation of foreign investors in the governing body of any public
32 utility enterprise shall be limited to their proportionate share in its
33 capital, and all the executive and managing officers of such
34 corporation or association must be citizens of the Philippines."
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36

- 37 6. On paragraph 1, no. 2, Section 4 of Article XIV (Education, Science and
38 Technology, Arts, Culture, and Sports), insert the phrase *unless otherwise provided*
39 *by law* at the end of the first sentence and insert a comma before the phrase. On
40 paragraph 2, no. 2, add the phrase *unless otherwise provided by law* at the end of the
41 sentence thereof and insert a comma before the phrase, to read as follows:
42

43 "Section 4.
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45 x x x
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47 (2) Educational institutions, other than those established by
48 religious groups and mission boards, shall be owned solely by citizens
49 of the Philippines or corporations or associations at least sixty per
50 centum of the capital of which is owned by such citizens, **UNLESS**
51 **OTHERWISE PROVIDED BY LAW**. The Congress may, however,
52 require increased Filipino equity participation in all educational
53 institutions.
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1 The control and administration of educational institutions shall be
2 vested in citizens of the Philippines, **UNLESS OTHERWISE**
3 **PROVIDED BY LAW."**
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- 5 7. On paragraph 1, no. 1, Section 11 of Article XVI (General Provisions), add the
6 phrase *unless otherwise provided by law* after the sentence and insert a comma before
7 the phrase. The same with paragraph 2 of no. 2, add the phrase *unless otherwise*
8 *provided by law* after the sentence with a comma before the phrase. Thereafter,
9 insert the phrase *unless otherwise provided by law* before the last sentence thereof.
10 Section 11 shall read as follows:
11

12 **"Section 11.**

- 13
14 1. The ownership and management of mass media shall be limited
15 to citizens of the Philippines, or to corporations, cooperatives or
16 associations, wholly-owned and managed by such citizens, **UNLESS**
17 **OTHERWISE PROVIDED BY LAW.**
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19 x x x
20

- 21 2. x x x
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23 Only Filipino citizens or corporations or associations at least seventy
24 per centum of the capital of which is owned by such citizens shall be
25 allowed to engage in the advertising industry, **UNLESS OTHERWISE**
26 **PROVIDED BY LAW.**
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28 **UNLESS OTHERWISE PROVIDED BY LAW, [T]**the participation of
29 foreign investors in the governing body of entities in such industry
30 shall be limited to their proportionate share in the capital thereof, and
31 all the executive and managing officers of such entities must be
32 citizens of the Philippines."
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35 Adopted,
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LORD ALLAN JAY Q. VELASCO