

## HOUSE OF REPRESENTATIVES

H. No. 6134

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BY REPRESENTATIVES CUA, TIANGCO, PADUANO, PADIERNOS, SINGSON, LUSOTAN, GARBIN, OAMINAL, ROMUALDEZ (F.M.), REMULLA, BOLILIA, BONDOC, DE VENECIA, HERRERA-DY, ROMUALDO, FARIÑAS (R.C.), SUAREZ (D.), BARONDA, BAUTISTA, SINGSON-MEEHAN, ZUBIRI, TADURAN, DELOS SANTOS, AGABAS, ZARATE, BORDADO, CASTRO (F.L.), ESCUDERO, ESTRELLA, GONZALES (A.), ARENAS, SAVELLANO, DELOSO-MONTALLA, LARA, GO (M.), ARAGONES, SARMIENTO, ACOSTA, ROBES, FERRER (J.M.), BRAVO, ACOP, TUTOR, YAP (V.), HARESCO, ABANTE, VILLAFUERTE, SALCEDA AND GARCIA (P.J.) PER COMMITTEE REPORT NO. 210

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AN ACT MANDATING BANKING INSTITUTIONS TO STRENGTHEN THE FINANCING SYSTEM FOR AGRICULTURAL, FISHERIES AND RURAL DEVELOPMENT IN THE PHILIPPINES

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

ARTICLE I  
GENERAL PROVISIONS

SECTION 1. *Short Title.* – This Act shall be known as the “Rural Agricultural and Fisheries Development Financing System Act”.

SEC. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to promote inclusive and broad-based economic

2 growth by ensuring equal access to opportunities under an  
3 environment of sustained growth and expanding productivity as the  
4 key to raising the quality of life for all. Towards this end, the State  
5 shall promote rural development by enhancing access of rural  
6 communities and agricultural and fisheries households to financial  
7 services and programs that increase productivity, enhance market  
8 efficiency, promote modernization and improve the welfare and  
9 economic prospects of beneficiaries in rural communities through  
active participation of banking institutions.

10 SEC. 3. *Definition of Terms.* – As used in this Act:

11 (a) *Agrarian Reform Beneficiary (ARB)* refers to a farmer who  
12 was granted land under Presidential Decree No. 27, the  
13 Comprehensive Agrarian Reform Law and Republic Act No. 9700 or  
14 the “Comprehensive Agrarian Reform Extension with Reforms” and  
15 a regular farmworker who is landless, irrespective of tenurial  
16 arrangement, who benefited from the redistribution of land,  
17 regardless of crops or fruits produced, to include the totality of  
18 factors and support services designed to lift the economic status of  
19 the beneficiary and all other alternative arrangements to the  
20 physical distribution of lands, such as production or profit sharing,  
21 labor administration, and the distribution of shares of stock which  
22 will allow the beneficiary to receive a just share of the fruits of the  
23 lands one works. The term shall also include registered ARBs’  
24 cooperatives/associations/other farm groups, respectively endorsed  
25 as comprising of ARBs by the nearest office of the Department of  
26 Agrarian Reform, as well as ARB households.

27 (b) *Agrarian Reform Community (ARC)* refers to a barangay  
28 or a cluster of barangays primarily composed and managed by

1 ARBs which is organized and willing to undertake the integrated  
 2 development of an area and/or their organizations/cooperatives.

3       (c) *Agri-Business* refers to agriculture and fishery-related  
 4 activities that put farmers, fisherfolk processors, distributors, and  
 5 consumers within a system that produces, processes, transports,  
 6 markets, and distributes agricultural and fishery products. It  
 7 encompasses input production, farm and fishery operations and  
 8 management, equipment and supplies manufacturing, food/nonfood  
 9 processing, trading, and retailing.

10      (d) *Agri-Tourism*, also referred to as “Farm Tourism” under  
 11 Republic Act No. 10816, or the “Farm Tourism Development Act of  
 12 2016”, refers to the practice of attracting visitors and tourists to  
 13 farm areas for production, educational and recreational purposes. It  
 14 involves any agricultural- or fishery-based operation or activity  
 15 that brings to a duly accredited farm tourism camp, visitors,  
 16 tourists, farmers and fisherfolk who want to be educated and  
 17 trained on farming and its related activities.

18      (e) *Agricultural lessee* refers to any person who, with or  
 19 without help from one's immediate farm household, cultivates the  
 20 land owned by another for a certain price in money, in produce, or in  
 21 both.

22      (f) *Agricultural or fisheries household* refers to a household  
 23 with at least one (1) member of the household who is a farmer, a  
 24 fisherman, an ARB, a settler, an agricultural lessee, an amortizing  
 25 owner, a farmworker, a fishworker, an owner-cultivator, a compact  
 26 farmer, or a tenant farmer.

27      (g) *Agricultural Value Chain* (AVC) refers to a set of  
 28 actors/players, such as farmers, fisherfolk, traders, suppliers,  
 29 processors, and aggregators, who make up the linked sequence of

1 value-adding activities undergone by an agricultural product when  
 2 converted from raw material to the final form it is presented to the  
 3 consumers.

4       (h) *Agricultural Value Chain Financing* (AVCF) refers to the  
 5 financial products and services made available to an AVC following  
 6 the appropriate evaluation the AVC's composition, goal, size and  
 7 capacity.

8       (i) *Agro-Industry Modernization Credit and Financing*  
 9 *Program* (AMCFP) refers to the umbrella credit/financing program  
 10 of the government for the agriculture and fisheries sector created  
 11 under Republic Act No. 8435, or the “Agriculture and Fisheries  
 12 Modernization Act of 1997”.

13      (j) *Amortizing owners* refer to landowners who amortize  
 14 payment for the land to a private individual or to the State.

15      (k) *Compact farmers* refer to those farmers with adjoining  
 16 farms operating as a single unit under one (1) management, farm  
 17 plan and budget.

18      (l) *Farmer* refers to a natural person whose primary  
 19 livelihood is the cultivation of land or the production of agricultural  
 20 crops, agro-forest products, or livestock, either by oneself, or  
 21 primarily with the assistance of their immediate farm household,  
 22 whether the land is owned by them or by another person under a  
 23 leasehold or share tenancy agreement or arrangement with the  
 24 owner thereof.

25      (m) *Farmworker* refers to a natural person who renders  
 26 service for value as an employee or laborer in an agricultural  
 27 enterprise or farm regardless of whether the compensation is paid  
 28 on a daily, weekly, monthly or *pakyaw* or contracted project. The  
 29 term includes an individual whose work has ceased as a

1 consequence of, or in connection with, a pending agrarian dispute  
 2 who has not obtained a substantially equivalent and regular farm  
 3 employment.

4       (n) *Farmers' cooperatives* refer to organizations composed  
 5 primarily of small agricultural producers, farmers, farmworkers, or  
 6 other ARBs who voluntarily organize themselves for the purpose of  
 7 pooling land, manpower, technological, financial or other economic  
 8 resources, and operate on the principle of "one member, one vote". A  
 9 juridical person may be a member of a cooperative, with the same  
 10 rights and duties as a natural person.

11       (o) *Farmers and fisherfolk organizations or associations* refer  
 12 to farming or fishing cooperatives, associations or corporations duly  
 13 registered with the appropriate government agencies and which are  
 14 composed primarily of small agricultural producers, farmers,  
 15 farmworkers, ARBs, and fisherfolk who voluntarily join together to  
 16 form business enterprises or nonbusiness organizations which they  
 17 themselves own, control and patronize.

18       (p) *Farm-to-market road* refers to a road linking the  
 19 agriculture and fisheries production sites, coastal landing point and  
 20 post-harvest facility to the market and an arterial road or highway.

21       (q) *Financial services* refer to services extended by banks and  
 22 financial institutions such as credit/lending, deposits, rediscounting,  
 23 and insurance.

24       (r) *Fisherfolk* refers to people directly or personally and  
 25 physically engaged in catching and processing fishery and/or  
 26 aquatic resources, and in fish farming or aquaculture whether the  
 27 fish specie is grown in tanks, fishponds or other types of enclosures.

28       (s) *Fishworker* refers to a person whether or not regularly  
 29 employed in commercial fishing and related industries, whose

1 income is either from wages, profit sharing or stratified sharing  
 2 basis, including those working in fishpens, fish corral/traps,  
 3 fishponds, prawn farms, sea farms, salt beds, fish ports, fishing boat  
 4 or trawlers, or fish processing and/or packing plants, but excluding  
 5 administrators, security guards and overseers.

6       (t) *Green finance* refers to financial services and products  
 7 designed to promote the flow of finance towards green economic  
 8 activities and projects. Aside from financing to promote climate  
 9 change adaptation and mitigation, green finance also covers  
 10 environmental and efficiency improvements in natural capital  
 11 preservation and resource mobilization.

12       (u) *Micro, Small and Medium Enterprise (MSME)* refers to  
 13 any business activity or enterprise defined as such under existing  
 14 laws.

15       (v) *Newly established bank* refers to a domestic or foreign  
 16 bank without banking presence in the Philippines prior to the  
 17 issuance of its certificate of authority to operate. It shall not include  
 18 banks that have been formed through the acquisition, purchase of  
 19 ownership of the voting stock of an existing domestic bank or the  
 20 merger or consolidation of banks.

21       (w) *Owner-cultivators* refer to natural persons who own lands  
 22 by purchase, inheritance, or land distribution by the State.  
 23 Owner-cultivators can operate the farm themselves, supervise wage  
 24 labor or delegate operations to farmers.

25       (x) *Post-harvest activities* refer to threshing, drying, milling,  
 26 grading, storing, and handling of produce and such other activities  
 27 of a similar nature such as stripping, winnowing, chipping and  
 28 washing.

(y) *Post-harvest facilities* refer to threshers, moisture meters, dryers, weighing scales, milling equipment, fish ports, fish landings, ice plants and cold storage facilities, processing plants, warehouses, buying stations, market infrastructure and transportation facilities, and such other facilities supporting post-harvest activities.

6                   (z) *Public rural infrastructure* refers to infrastructure in rural  
7   communities such as highways, streets, bridges, tunnels, railways,  
8   railroad, transport systems, ports, airports, hydropower projects,  
9   canals, dams, irrigation, government buildings and housing  
10   projects, public schools, public hospitals, public health centers,  
11   public markets, slaughterhouses, warehouses, solid waste  
12   management, sewerage, flood control, drainage, dredging and other  
13   similar infrastructure projects.

14            (aa) *Rural community* refers to an area that is defined as such  
15 by the Philippine Statistics Authority (PSA).

(bb) *Rural Financial Institution (RFI)* refers to any financial institution established and is operating in a rural community.

(cc) Settlers refer to persons who range from the forest-clearing pioneers, including indigenous people, with a subsistence economy to the better equipped and more experienced farmers.

(dd) *Tenant farmer* refers to one who cultivates another's land under a sharing or leasehold agreement.

## ARTICLE II

## AGRICULTURAL, FISHERIES AND RURAL DEVELOPMENT FINANCING SYSTEM

27 SEC. 4. *Agricultural, Fisheries and Rural Development*  
28 *Financing System.* – There shall be an agricultural, fisheries and  
29 rural development financing system to improve the welfare,

1 competitiveness, income and productivity of the members of a rural  
2 community particularly the farmers, fisherfolk, ARBs, agrarian  
3 reform communities, settlers, agricultural lessees, amortizing  
4 owners, farmworkers, fishworkers, owner-cultivators, compact  
5 farmers, tenant farmers, and members of their households and  
6 their MSMEs, as well as farmers and fisherfolk cooperatives,  
7 organizations and associations, through government and private  
8 banking institutions.

9                   Agricultural, fisheries and rural development financing, as  
10 used herein, shall consist of loans, investments and grants to  
11 finance activities that shall enhance productivity and increase  
12 income of an agricultural and fisheries household, thereby  
13 promoting agricultural sector productivity and competitiveness, as  
14 well as the sustainable development of rural communities. These  
15 shall include the activities identified under the AMCFP as  
16 enumerated under Chapter 3, Section 23 of Republic Act  
17 No. 8435, off-farm/fishery activities, agricultural mechanization/  
18 modernization, agri-tourism, green finance projects, acquisition of  
19 lands authorized under the Agrarian Reform Code of the  
20 Philippines and its amendments, efficient and effective marketing,  
21 processing, distribution and storage of agricultural and fishery  
22 commodities, public rural infrastructure, as well as programs that  
23 shall address the developmental needs of rural communities, such  
24 as projects that promote the livelihood, skills enhancement, and  
25 other capacity-building activities of the rural community  
beneficiaries and all other activities consistent or analogous to the  
foregoing, as may be determined by the Agricultural and Fisheries  
Finance and Capacity-Building Council (AFFCC), as created under  
Article III of this Act.

1        SEC. 5. *Rural Community Beneficiaries of the Development*  
 2        *Financing System.* – The financing system mentioned in the  
 3 preceding section shall be extended to farmers, fisherfolk, ARBs,  
 4 settlers, agricultural lessees, amortizing owners, farmworkers,  
 5 fishworkers, owner-cultivators, compact farmers, tenant farmers,  
 6 and members of their households, or to cooperatives, associations,  
 7 MSMEs or organizations in good standing of such beneficiaries  
 8 located in rural communities, regardless of capitalization based on  
 9 the feasibility of the project and their paying capacity, their  
 10 estimated production, and/or securities they can provide, as well as  
 11 such assets as may be acquired by them from the proceeds of the  
 12 loan, investments, and grants.

13        SEC. 6. *Credit Quota.* – All banking institutions, whether  
 14 government or private, except newly established banks for a period  
 15 of five (5) years from the date of commencement of the banks'  
 16 operations, shall set aside a credit quota, or a minimum mandatory  
 17 agricultural and fisheries financing requirement of at least  
 18 twenty-five percent (25%) of their total loanable funds.

19        The total loanable funds generated by a banking institution  
 20 shall be defined by the Bangko Sentral ng Pilipinas (BSP). During  
 21 the first year of the effectivity of this Act, the total loanable funds  
 22 generated shall be computed starting from 20 April 2010, the  
 23 effectivity of Republic Act No. 10000, or "The Agri-Agra Reform  
 24 Credit Act of 2009", after which the bank's total loanable funds shall  
 25 be determined based on funds generated starting from the second  
 26 year of effectivity of this Act.

27        SEC. 7. *Modes of Compliance With the Mandatory Credit to*  
 28 *Agri-Agra Beneficiaries.* – Banks may comply with the mandatory  
 29 credit requirement by lending to rural community beneficiaries to

1        finance agricultural and fishery-related activities identified under  
 2 the AMCFP as enumerated under Chapter 3, Section 23 of  
 3 Republic Act No. 8435, off-farm/fishery activities, agricultural  
 4 mechanization/modernization, agri-tourism, green finance projects,  
 5 marketing, processing, distribution and storage of agricultural and  
 6 fishery commodities, livelihood projects, skills enhancement or  
 7 capacity-building programs.

8        Banks may also comply with the mandatory financing  
 9 requirement through other means as follows:

10        (a) Investing in debt securities, including those issued by the  
 11 Development Bank of the Philippines (DBP) and the Land Bank of  
 12 the Philippines (LBP): *Provided*, That the proceeds from said debt  
 13 securities shall be used to finance activities under Section 4 hereof:  
 14 *Provided, further*, That the proceeds from debt securities issued by  
 15 the DBP and the LBP shall be separately accounted for and shall  
 16 not be considered for purposes of computing the loanable funds of  
 17 the said banks as described in Section 6 hereof;

18        (b) Opening deposit accounts with rural financial institutions:  
 19 *Provided*, That the deposit accounts shall be separately accounted  
 20 for by the depository bank and shall not be considered for purposes  
 21 of computing the loanable funds of the said banks as described in  
 22 Section 6 hereof;

23        (c) Rediscounting with banks eligible paper covering  
 24 agriculture, fisheries and agrarian reform credits: *Provided*, That a  
 25 rediscounted paper shall no longer be eligible as compliance on the  
 26 part of the originating bank;

27        (d) Investing directly in shares of stock of rural financial  
 28 institutions, subject to prevailing laws, rules or regulations or lend  
 29 wholesale to rural financial institutions: *Provided*, That the

1 wholesale loans shall be credited as compliance of the bank acting  
2 as wholesale lender alone;

3 (e) Lending for the construction and upgrading of  
4 infrastructure, including farm-to-market roads, as well as the  
5 provision of post-harvest facilities and other public rural  
6 infrastructure that will benefit the agriculture, fisheries and  
7 agrarian reform sector;

8 (f) Lending to agri-business enterprises that maintain  
9 agricultural commodity supply-chain arrangements directly with  
10 rural community beneficiaries;

11 (g) Undertaking agricultural value chain financing to actors  
12 or players in the AVC that benefits rural communities; and

13 (h) Investing in shares of stock of the Philippine Crop  
14 Insurance Corporation or in companies that primarily engage in  
15 activities under Section 4 hereof that benefit rural community  
16 beneficiaries:

17 *Provided*, That, the loans and investments that are counted as  
18 compliance are not funded by proceeds from the issuance of debt  
19 securities, and/or lending of other banks that have been counted as  
20 compliance with the mandatory credit: *Provided, further*, That  
21 loans to finance activities that shall generally benefit ARBs, ARCs,  
22 or other priority sectors, as may be determined by the AFFCC, shall  
23 be counted at not more than ten (10) times their outstanding  
24 amount, as may be prescribed by the AFFCC, for purposes of  
25 determining compliance with the mandatory agricultural and  
26 fisheries financing requirement.

27 The modes of compliance provided herein shall be subject to  
28 review by the AFFCC once implemented to determine whether or  
29 not these are adequate to support the financing requirements of

1 rural communities and to gather the data to form the basis of  
2 recommendations for remedial legislation, if necessary.

3 SEC. 8. *Penalty Clause.* – The BSP shall impose  
4 administrative sanctions and other penalties on the lending  
5 institutions for violation of any of the provisions of this Act.  
6 Penalties on noncompliance or undercompliance with the  
7 mandatory agricultural and fisheries financing requirement shall be  
8 computed at one-half of one percent (0.5%) of noncompliance or  
9 undercompliance. Upon collection of the penalties, the BSP shall  
10 remit the same to the AFFCC for deposit to the Special Fund  
11 created under Article IV of this Act. Ten percent (10%) of the  
12 penalties collected shall be retained by the BSP to cover  
13 administrative expenses.

### ARTICLE III

#### AGRICULTURAL AND FISHERIES

##### FINANCE AND CAPACITY-BUILDING COUNCIL (AFFCC)

17 SEC. 9. *Agricultural and Fisheries Finance and*  
18 *Capacity-Building Council (AFFCC).* – There shall be created an  
19 Agricultural and Fisheries Finance and Capacity-Building Council  
20 (AFFCC) which shall be composed of the heads, or their designated  
21 representatives, of the following agencies: the Department of  
22 Agriculture (DA), as Chair; the BSP; the Department of Agrarian  
23 Reform (DAR); the Department of Trade and Industry (DTI); the  
24 Cooperative Development Authority (CDA); the LBP; the DBP; and  
25 nine (9) representatives from the private sector as members, one of  
26 whom shall be appointed as Vice-Chair. The private sector  
27 representatives shall include the heads or the designated  
28 representatives of the Bankers Association of the Philippines  
29 (BAP), as Vice-Chair; the Rural Bankers Association of the

1 Philippines (RBAP); the Chamber of Thrift Banks (CTB); the  
 2 Cooperative Banks Federation of the Philippines (BANGKOOP); the  
 3 Microfinance Council of the Philippines, Inc. (MCPI); the Philippine  
 4 Chamber of Commerce and Industry (PCCI); and a representative  
 5 each from the cooperative sector, the farmers, and the fisherfolk  
 6 sector. The AFFCC shall be organized not later than one (1) year  
 7 from the date of effectivity of this Act.

8 *SEC. 10. Powers, Duties and Functions of the AFFCC.* – The  
 9 AFFCC shall have the following powers, duties, and functions:

10 (a) To set the target amount for the Special Fund to meet the  
 11 organizational- and capacity-building requirements of cooperatives  
 12 and other duly registered organizations of rural agricultural and  
 13 fisheries households over a period of ten (10) years;

14 (b) To determine the annual requirement of the Special Fund;

15 (c) To identify eligible recipients of the Special Fund;

16 (d) To identify eligible agricultural- and fishery-related  
 17 capacity-building programs and activities that may be financed by  
 18 the Special Fund;

19 (e) To ensure the effective implementation of programs  
 20 financed by the Special Fund and, for this purpose, to employ or  
 21 outsource resources and expertise from the banking industry that  
 22 can provide project coordination and fund management services;

23 (f) To periodically assess the adequacy of the fund capital in  
 24 financing the capacity-building requirements of rural cooperatives  
 25 and other duly registered organizations of rural agricultural and  
 26 fisheries households; and

27 (g) To ensure compliance with the reporting, monitoring,  
 28 evaluation and audit requirements of the Special Fund and  
 29 activities financed.

#### ARTICLE IV

##### AGRI-BUSINESS MANAGEMENT CAPACITY AND INSTITUTION-BUILDING FUND

4 SEC. 11. There shall be created a special fund to be known as  
 5 the Agri-business Management Capacity and Institution-Building  
 6 Fund, hereinafter referred to as the Special Fund, to finance  
 7 agricultural- and fishery-related organizational-, capacity- and  
 8 institution-building programs and activities of cooperatives and  
 9 other duly registered organizations of rural agricultural and  
 10 fisheries households. The AFFCC shall ensure that the Special  
 11 Fund is sufficient for the effective implementation of the  
 12 aforementioned activities and programs. For purposes of ensuring  
 13 the sufficiency of the Special Fund, banks may comply with the  
 14 mandatory credit requirement by providing contributions to the  
 15 Special Fund which shall be counted at not more than five (5) times  
 16 the amount of contribution, as may be prescribed by the AFFCC, for  
 17 purposes of determining compliance with the mandatory  
 18 agricultural and fisheries financing requirement.

19 SEC. 12. The initial amount of the Special Fund shall at  
 20 least be Ten billion pesos (P10,000,000,000.00) and shall include  
 21 penalties due from banks on their noncompliance or  
 22 undercompliance with the mandatory Agri-Agra credit requirement  
 23 under Republic Act No. 10000, collected after the effectivity of this  
 24 Act, net of the ten percent (10%) amount to be retained by the BSP.  
 25 In case of a shortfall, the banks shall advance a maximum amount  
 26 of Two billion pesos (P2,000,000,000.00), which shall be chargeable  
 27 against future penalties under this Act, if any, and shall not be  
 28 considered as a mode of compliance under Section 11 hereof.

1 SEC. 13. Banks, duly registered training and capacity-  
 2 building organizations, cooperatives and other duly registered  
 3 organizations that support rural agricultural and fisheries  
 4 households may apply with the AFFCC for funding for their  
 5 capacity- and institution-building programs and activities.

6 SEC. 14. *Audit.* – The Special Fund shall be audited by the  
 7 Commission on Audit (COA) in accordance with existing auditing  
 8 laws, rules and regulations.

9 **ARTICLE V**

10 **MISCELLANEOUS PROVISIONS**

11 SEC. 15. *Oversight Committee.* – There shall be an oversight  
 12 committee over the implementation of this Act composed of the  
 13 following: the Chairperson of the Committee on Banks and  
 14 Financial Intermediaries of the House of Representatives,  
 15 Chairperson of the Committee on Banks, Financial Institutions and  
 16 Currencies of the Senate, a representative from the Office of the  
 17 President and a representative from the COA.

18 SEC. 16. *Annual Reports.* – The BSP shall furnish reports on  
 19 the compliance with the mandatory agricultural and fisheries  
 20 financing requirement to the Congress of the Philippines on a yearly  
 basis. The BSP shall, as part of its regulatory functions, monitor  
 22 the compliance by banks with the requirements of this Act.

23 SEC. 17. *Duration of the Effectivity of the Credit Quota and*  
*Special Fund for Capacity-Building Programs.* – The provisions  
 25 related to the mandatory credit quota under Article II hereof shall  
 cease to have effect ten (10) years from effectivity of this Act. The  
 27 management and administration of the Special Fund under Articles  
 28 III and IV hereof shall cease to have effect ten (10) years from the  
 29 organization of the AFFCC. Any remaining balance of the Special

1 Fund under the custody of the AFFCC shall be turned over to the  
 2 National Treasury.

3 SEC. 18. *Implementing Rules and Regulations.* – The BSP  
 4 shall promulgate such rules and regulations as may be necessary to  
 5 implement Articles I and II of this Act within ninety (90) days after  
 6 effectivity of this Act. The BSP shall organize a task force which  
 7 shall promulgate such rules and regulations as may be necessary to  
 8 implement Articles III and IV of this Act within ninety (90) days  
 9 after effectivity of this Act.

10 SEC. 19. *Separability Clause.* – If any part, section or  
 11 provision of this Act is held invalid or unconstitutional, other  
 12 provisions not affected thereby shall remain in force and effect.

13 SEC. 20. *Repealing Clause.* – The provisions of Republic  
 14 Act No. 10000, Executive Order No. 113 and any other laws,  
 15 presidential decrees, executive orders, rules and regulations, or  
 16 parts thereof inconsistent with the provisions of this Act are hereby  
 17 repealed or modified accordingly.

18 SEC. 21. *Effectivity.* – This Act shall take effect fifteen (15)  
 19 days after its publication in the *Official Gazette* or in a newspaper  
 20 of general circulation.

Approved,

O