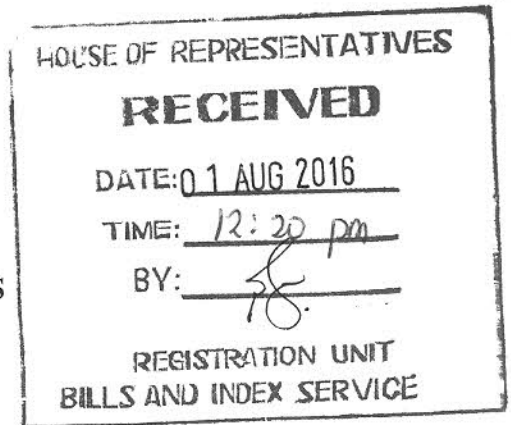


Republic of the Philippines
House of Representatives
Quezon City Metro Manila

SEVENTEENTH CONGRESS
First Regular Session

House Bill **2161**



Introduced by **REP. ENRICO A. PINEDA and REP. MICHAEL ODYLON L. ROMERO**

Explanatory Note

Corporate Social Responsibility or CSR refers to voluntary and sustained initiatives of businesses, working with employees, families, and communities that contribute to the social and economic development of the nation.

In the Philippine context, corporations can complement efforts of the national government to ensure the social welfare and development of the country.

This bill defines the scope of CSR and incentivizes its practice. It is believed that by offering a raft of rewards, CSR will be widely observed to the benefit of the people.

Under this bill, all expenses incurred by any corporation in undertaking CSR-related responsibility programs and projects in the country shall be considered as allowable deductions from their gross taxable income under Title II, Chapter VII, Section 34, Paragraph (H) of the National Internal Revenue Code.

If such can be booked as deductions, more corporations will be enticed to infuse a bigger portion of their income in charity and social enterprises that promote the common good, build human capital, and create better communities.

Plowing back corporate resources to communities, especially those underserved by the government, would cure the deficit in state spending in areas that cry out for development.

Such scheme can be seen as direct intervention by the private sector in which they get to spend the money which would have been paid as taxes but in an efficient manner without the overhead associated with the bureaucracy.

Passage of this measure is eagerly sought.


ENRICO A. PINEDA
Representative, 1PACMAN Partylist


MICHAEL ODYLON L. ROMERO
Representative, 1PACMAN Partylist

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Introduced by: **REP. ENRICO A. PINEDA and REP. MICHAEL ODYLON L.ROMERO**

AN ACT
PROMOTING CORPORATE SOCIAL RESPONSIBILITY, PROVIDING
INCENTIVES THERFOR, AND FOR OTHER PURPOSES

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

SECTION 1.*Short Title-* This Act shall be known as the “*Corporate Social Responsibility Act of 2016*”.

SECTION 2.*Declaration of Policy-* The State recognizes the private sector as an indispensable partner in nation building and supports its active participation in promoting the social and economic development of the nation. Towards this end, the government shall mobilize its agencies to promote and institutionalize corporate social responsibility among business organizations.

SECTION 2.*Corporate Social Responsibility.-* All corporations established and operating under Philippine laws, whether domestic or foreign, are hereby encouraged to observe corporate social responsibility (CSR) in their operations.

For purposes of this Act, “corporate social responsibility” refers to voluntary and sustained initiatives of businesses, working with employees, families, and communities, that contribute to the social and economic development of the nation. CSR-related activities shall include, but not be limited to the following:

- a) Charitable programs and projects
- b) Community service
- c) Youth and sports development
- d) Culture or educational promotion
- e) Services to veterans and senior citizens
- f) Social welfare
- g) Environmental sustainability
- h) Health development
- i) Disaster relief and assistance
- j) Employee and worker related CSR activities

SECTION 3.*Deductibility from Income Tax.*— All expenses incurred by any corporation in undertaking CSR-related responsibility programs and projects shall be considered as allowable deductions from their gross taxable income under Title II, Chapter VII, Section 34, Paragraph (H) of the National Internal Revenue Code.

SECTION 4.*Role of Local Government Units.*— All local government units where CSR-related activities are conducted shall extend whatever assistance is necessary.

SECTION 5.*Implementing Rules and Regulations.*— The Department of Finance shall, in coordination with the Department of Trade and Industry, Department of Interior and Local Government and the Securities and Exchange Commission, promulgate rules and regulations for the effective implementation of this act.

SECTION 6.*Separability Clause.*—If any provision of this Act is declared invalid or unconstitutional, the remaining provisions not affected thereby shall continue in full force and effect.

SECTION 9.*Repealing Clause.*— This Act shall take effect fifteen (15) days after publication in the Official Gazette or in two (2) national newspapers of general circulation.

Approved,