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COMMITTEE MEETING ON HOUSE MEASURES

COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Banks and Financial Intermediaries	HB 6622	Rep. Cua	The Philippine Financial Sector Resiliency Act against COVID-19 Pandemic	<p>The Committee, chaired by Quirino Rep. Junie Cua, approved the Committee Report on HB 6622 subject to style and amendment. The Secretariat was directed to submit the Committee Report to the Defeat COVID-19 Ad Hoc Committee (DCC) for the latter's appropriate action.</p> <p>Rep. Cua, author of HB 6622, said that the bill is the result of an extensive consultation among stakeholders from the finance sector.</p> <p>Bangko Sentral ng Pilipinas (BSP) Managing Director for Policy and Specialized Supervision Lyn Javier discussed the salient features of the bill. According to Javier, although the country's banking system has built-in buffers, there is a limit to this risk-bearing capacity. The non-performing asset/non-performing loan (NPA/NPL) ratio is a lagging indicator of banking system performance. Thus, a high NPA/NPL ratio would already point to severe weakness in the financial system and poor state of the economy. The establishment of resolution frameworks such as the Financial Institutions Strategic Transfer (FIST) law will ensure that distressed financial institutions have a mechanism to strengthen their balance sheets.</p> <p>Under the proposed bill, a FIST Corporation (FISTC) may be established by the BSP, government financial institutions (GFIs), and government-owned and controlled corporations (GOCCs) subject to their respective charters and approval of the Governance Commission for GOCCs. Financial institutions (FIs) are encouraged to sell NPAs to asset management companies that specialize in the resolution of distressed assets, in this case the FISTC, through fiscal incentives. The transfer should be in the nature of a true sale, without recourse. Transferor-FI (except BSP, GFIs and GOCCs) must not own more than 10% or have direct or indirect management over the transferee-FISTC.</p> <p>Department of Finance (DOF) Secretary Carlos Dominguez III expressed his support for the immediate passage of the bill. Resource persons from the BSP, Securities and Exchange Commission (SEC), National Economic and Development Authority, and Bankers Association of the Philippines also expressed their support for the bill.</p> <p>On the query of Deputy Speaker Michael Romero PhD. (Party-List, 1-PACMAN) on the necessity of legislating a new law instead of just amending RA 9182 or the Special Purpose Vehicle (SPV) Act of 2002, Rep. Cua answered that in view of the numerous policy interventions that were initiated in response to the pandemic, the crafting of a separate law to give more teeth to these policies is necessary.</p>

Continuation... Banks and Financial Intermediaries				<p>RA 9182 grants tax exemptions and fee privileges to SPVs which acquire or invest in NPAs.</p> <p>BSP General Counsel Elmore Capule agreed with the statement of the Chair, adding that in passing HB 6622, the BSP and the SEC may no longer have to exercise quasi-legislative power in order to strengthen the financial and banking industry to ride out the adverse effects of COVID-19 pandemic.</p> <p>Rep. Cua decided to review each section of the bill to incorporate the final comments and suggestions of the resource persons. Among the proposed amendments were the following:</p> <ul style="list-style-type: none"> • Change the title of the bill to "Philippine Financial Sector Resiliency Act against COVID-19 Pandemic;" • Come up with a more appropriate language for the definition of the term "True Sale," to be agreed upon by the BSP and the SEC; • Extend the period of filing of applications for the establishment and registration of an FISTC from 18 months to 24 months, from the date of effectivity of the Implementing Rules and Regulations (IRR) of the proposed law; and • Set a longer cut-off period for NPAs that will be covered by the proposed law, instead of December 31, 2020 as proposed in the bill.
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DEFEAT COVID-19 AD HOC COMMITTEE (DCC) MEETING				
COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Peace and Order Cluster	HB 6676	Rep. Belmonte	Prohibiting discrimination against persons who are confirmed, suspect, and probable cases of COVID-19 virus, repatriated overseas Filipino workers (OFWs), health workers, responders, and service workers	<p>The Cluster, co-presided by Rep. Raul "Boboy" Tupas (5th District, Iloilo) and Rep. Narciso Bravo Jr. (1st District, Masbate), approved HB 6676 subject to style and amendment.</p> <p>The Cluster will submit its report to the Defeat COVID-19 Ad Hoc Committee (DCC) including its proposed substitute bill to HB 6676 for the latter's consideration.</p> <p>The Peace and Order Cluster is one of the smaller bodies under the DCC – an advisory and coordinating committee that was created through the initiative of Speaker Alan Peter "Compañero" Cayetano (1st District, Taguig City-Pateros) with the objective of harmonizing and streamlining government efforts to combat the coronavirus disease (COVID-19).</p> <p>Rep. Jose Christopher Belmonte (6th District, Quezon City), author of HB 6676, said that his bill seeks to institutionalize the protection of the dignity and rights of individuals classified under confirmed, suspect, probable and recovered cases of COVID-19, repatriated OFWs, health workers, responders, and service workers from discrimination and stigma due to COVID-19. The bill also imposes penalties for violations of the proposed law.</p> <p>Rep. Jesus "Bong" Suntay (4th District, Quezon City), Chair of the House Committee on Human Rights, called for the immediate passage of HB 6676 as incidents of human rights violations rooting from discrimination</p>

Continuation... Peace and Order Cluster				<p>against frontliners have occurred during the past two months of the pandemic. He cited, among others, an ambulance driver who was gunned down for allegedly transporting COVID-19 patients passing through the vicinity of the perpetrator, and a healthcare worker who nearly lost his eyesight when five men allegedly doused chlorine on his face while on his way to work.</p> <p>Rep. Mohamad Khalid Dimaporo (1st District, Lanao del Norte) suggested that “suspect cases” should not be included in the coverage of the bill. He explained that the proposed law may be used against local government units (LGUs) which may not allow the entry of people suspected of having COVID-19 into their respective localities as a precautionary measure to prevent and contain the spread of the disease.</p> <p>HB 6676 defined “suspect cases” as individuals who show symptoms of influenza-like illness, those with travel history to areas with confirmed local transmission of COVID-19, and people with exposure to persons who have contracted the disease.</p> <p>Rep. Belmonte explained that the bill does not prohibit acts requiring suspect and confirmed cases to undergo isolation or quarantine. Rep. Dimaporo then suggested that this should be clearly stipulated in the proposed law to avoid confusion.</p>
	HR 805	Rep. Cabochan	Directing the House Committee on Local Government to conduct a comprehensive review of RA 7160, otherwise known as the Local Government Code of 1991, consistent with the provision under Section 521 of the said Act to make it more responsive and relevant to the current challenges in local administration	<p>The Cluster adopted HR 805 and agreed to endorse the same to the Committee on Local Government for the latter’s appropriate action.</p> <p>The Cluster will also submit its recommendations on the matter to the DCC.</p> <p>Rep. Bravo said that it is about time that the Local Government Code be reviewed to determine if certain reforms have to be made to make it more responsive to current demands of governance. He cited the limitations on the powers of the LGUs that prevented them from swiftly, effectively and efficiently undertaking measures to respond to the problems brought about by the COVID-19 pandemic.</p> <p>Reps. Faustino "Inno" Dy V (6th District, Isabela) and Leonardo Babasa Jr. (2nd District, Zamboanga del Sur), both vice chairpersons of the Committee on Local Government, along with several House members, expressed support for the resolution.</p> <p>The Members agreed that the LGUs should have enough leeway under the Local Government Code to be able to respond better during times of crises and pandemics.</p>