REPUBLIC OF THE PHILIPPINES
CONGRESS OF THE PHILIPPINES
SENATE

Journal of the Senate

SEVENTEENTH CONGRESS
THIRD REGULAR SESSION
2018- 2019

Begun and held at the Session Hall of the Senate,
GSIS Building, Pasay City, on Monday, July 23, 2018

Session No. 1

Monday, July 23, 2018

CALL TO ORDER

Pursuant to Section 15, Article VI of the Constitution, the Third Regular Session of the Senate of the Seventeenth Congress was declared open on July 23, 2018, 10:00 a.m., at the Session Hall, GSIS Financial Center, Pasay City, with Senate President Vicente C. Sotto III presiding.

PRAYER

Sen. Sonny Angara led the Body in prayer, to wit:

> Almighty God, we open this new session by offering prayers for our countrymen who have had to evacuate on account of the recent floods. May all of us who can, lend them aid and support during these trying times.
>
> Lord, we come before you today – the first day of the Third Regular Session — asking for Your guidance, wisdom, and support as we embark once again on the important work of legislation. We raise such critical proposals as the Organic Law for the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), and the expansion of Universal Healthcare (UHC), among many others.
>
> We pray for our friends and colleagues from all nations and races.
>
> *Patnubayan Ninyo po kami sa aming pang-araw-araw na talastasan sa plenaryo at sana ay magampanan namin nang naaayon sa Inyong kalooban ang mga batas na aming nililikha para sa bayan.*
>
> *Bawat isa sa mga panukalang dumadaan sa bulwagang ito, Panginoon, ay*

buong pusong iniakda ng mga lehislador para sa kapakanan ng mamamayan na hinulma mula sa Inyong puso at pagmamahal. Nawa'y manatiling sagrado ang intensyon ng mga panukalang ito hanggang sa ito ay maaprubahan at maipatupad.

Continue to remind us, Lord God, that all that we do here today, all that we accomplish, is for the pursuit of truth, for the promotion of peace, and for the service of humanity—especially our countrymen.

Amen.

NATIONAL ANTHEM

The Senate Choir led the singing of the national anthem and thereafter sang the Senate hymn, entitled "*Senadong Marangal*."

ROLL CALL

Upon direction of the Chair, the Secretary of the Senate, Atty. Myra Marie D. Villarica, called the roll, to which the following senators responded:

Angara, S.	Legarda, L.
Aquino, P. B. IV B.	Pacquiao, E. M. D.
Binay, M. L. N. S.	Pangilinan, F. N.
Drilon, F. M.	Pimentel, A. K.
Ejercito, J. V. G.	Poe, G.
Escudero, F. J. G.	Recto, R. G.
Gatchalian, W.	Sotto III, V. C.
Gordon, R. J.	Trillanes IV, A. F.
Honasan, G. B.	Villanueva, J.
Hontiveros, R.	Villar, C. A.
Lacson, P. M.	Zubiri, J. M. F.

With 22 senators present, the Chair declared the presence of a quorum.

Senator De Lima was unable to attend the session as she was under detention.

PROPOSED SENATE RESOLUTION NO. 796

Upon motion of Senator Zubiri, there being no objection, the Body considered Proposed Senate Resolution No. 796, entitled

RESOLUTION INFORMING THE HOUSE OF REPRESENTATIVES THAT A QUORUM IS PRESENT IN THE SENATE AND THAT THIS BODY HAS ENTERED UPON THE EXERCISE OF ITS FUNCTIONS FOR THE THIRD REGULAR SESSION OF THE SEVENTEENTH CONGRESS OF THE PHILIPPINES.

Secretary Villarica read the text of the resolution, to wit:

Resolved by the Senate, That the House of Representatives be informed that a quorum is present in the Senate and that this Body has entered upon the exercise of its functions for the Third Regular Session of the Seventeenth Congress of the Philippines.

ADOPTION OF PROPOSED SENATE RESOLUTION NO. 796

Upon motion of Senator Zubiri, there being no objection, Proposed Senate Resolution No. 796 was adopted by the Body.

PROPOSED SENATE RESOLUTION NO. 797

Upon motion of Senator Zubiri, there being no objection, the Body considered Proposed Senate Resolution No. 797 entitled

RESOLUTION INFORMING PRESIDENT RODRIGO ROA DUTERTE THAT A QUORUM IS PRESENT IN THE SENATE AND THAT THIS BODY HAS ENTERED UPON THE EXERCISE OF ITS FUNCTIONS FOR THE THIRD REGULAR SESSION OF THE SEVENTEENTH CONGRESS OF THE PHILIPPINES.

Secretary Villarica read the text of the resolution, to wit:

Resolved by the Senate, That President Rodrigo Roa Duterte be informed that a quorum is present in the Senate and that this Body has entered upon the exercise of its functions for the Third Regular Session of the Seventeenth Congress of the Philippines.

ADOPTION OF PROPOSED SENATE RESOLUTION NO. 797

Upon motion of Senator Zubiri, there being no

objection, Proposed Senate Resolution No. 797 was adopted by the Body.

MESSAGE OF SENATE PRESIDENT SOTTO

Thereafter, Senate President Sotto delivered his message, to wit:

> I am supposed to deliver this address of the Senate President at a later time. But, since we are awaiting a Resolution from the House of Representatives, may I be allowed.
>
> First, we would like to welcome to the Senate of the Philippines in our Third Regular Session of the Seventeenth Congress our esteemed guests: former Vice President Noli de Castro, former senators and their spouses, current and former members of the Executive and the Judiciary, members of the diplomatic corps and various consulates, our Papal Nuncio, His Eminence Archbishop Caccia, and executives of the local government units.
>
> My dear colleagues, their spouses, ladies and gentlemen:
>
> It has been a practice of former Senate Presidents to mention the achievements of the past regular session as a preliminary statement in the opening of the new regular session; however, today, I will break away from that tradition as I will just submit to you the Senate's accomplishment—with special thanks, of course, to the leadership of Senate President Aquilino "Koko" Pimentel III.
>
> Today, we commence the Third Regular Session of the Seventeenth Congress on the part of one of its two component Houses, the Senate of the Republic of the Philippines. Like all beginnings, it is a fine time for looking back, a time to presently locate ourselves, and a moment to reflect on the path towards our dream for peace, prosperity and happiness for all.
>
> Those who do not look back to their history, as one threatened, are condemned to repeat it. We had senators elected by districts before, then we changed the system to nationally-elected senators to prevent regionalism, and now some think regional-states may be right after all.
>
> We have had single House legislatures before—the National Assembly in the early decades of the 20th century, then bicameral with President Quezon as first Senate President, then single house again when we had the Batasang Pambansa under the 1973 Constitution, and back to bicameral in the 1987 Constitution. Now we debate again which is best.
>
> We had a four-year term of office before, with one reelection for President, then we said it made the President political in his first term, so we decided to have a single six-year term, and now there are those who think it might have been right to have a four-year term with one reelection after all.
>
> We therefore recall the saying that goes: "Of forms of government let fools contest, that which is best administered is best."
>
> The road towards progress serves as our way forward, but that same road doubles as a limitation of our moves, too. We must abide by the rules of driving—such as staying on the right and inside of your lane, passing on the left and driving at appropriate speed. The careless and reckless driver is bound to land us in a roadside canal or muddy rice field.
>
> In lawmaking, that road where we travel as a nation is limited by our 1987 Constitution, our laws, Supreme Court decisions, and our sense of reasonableness, equality, fairness and justice. Tradition is also a useful guidepost to temper our desire for novel adventures and experimentation. To do otherwise is to court disaster. *Ang lumakad nang matulin, kung matinik ay malalim.*
>
> We, in the Senate, comprise one of two essential component houses of the Legislative Department, as set forth in Article VI, Section 1, of the 1987 Constitution of the Philippines which states: "The legislative powers shall be vested in the Congress of the Philippines which shall consist of a Senate and a House of Representatives..." The use of the word "shall" as any student of law learns early in his studies, means that it is compulsory.
>
> Our Constitution further states that the Senate shall be composed of 24 senators, while the House of Representatives shall be composed of not more than 250 members.
>
> The Senate is essential in any and all matters pertaining to legislation and whenever Congress is mandated to exercise some functions. It is obvious that 250 beats 24 anytime. But to claim that the procedure in the Legislative Department is a purely numbers game is to miss the point big time. There would be no need for any Senate counterpart bills, no need for bicameral conference committees, no need for joint resolutions, and no joint assemblies if that lame argument is carried to its absurd conclusion.
>
> *Sa pagpapalit ng pangalan ng eskwela o paaralan sa isang liblib na sulok ng Pilipinas, kailangan ang Senado.*

Sa pagtatakda ng umpisa at katapusan ng Christmas break *ng Kongreso, kailangan ang Senado.*

Sa pagpapalit ng pangalan ng mga kalsada, kailangan ang Senado.

Sa pagtatalaga ng isang espesyal na araw sa isang maliit na bayan ng bansa, kailangan ang Senado.

Sa maliit na bagay, kailangan kami.

Pero sa pag-iiba ng Konstitusyon ng Pilipinas, hindi kailangan ang Senado?

If our consent is needed in small things, more so in bigger things!

Now, my dear colleagues, ladies and gentlemen, it is not my intention to preside over an unnecessary body of the Legislative Department of the Philippine Republic. It would be a dishonor to the memory of this august Body whose name brings us back to the glory days of Rome all the way up to the great Manuel Luis Quezon whose tenure as Commonwealth President intersected at some point with my grandfather Vicente Y. Sotto. To say or even insinuate that we are unnecessary and irrelevant is unacceptable. I do not wish to preside during my watch over the necrological services of the Philippine Senate.

Especially so today, when we are confronted with a number of momentous choices affecting our nation:

Do we shift from presidential to parliamentary form of government? Do we retain a unitary republic or try the federal system?

Do we transform our regions to states themselves?

And some even ask, "Pray tell, *bakit?"*

The Senate is the forum, the ring, within which these ideas will struggle for supremacy. It is the stage where these ideas are proposed and debated. And finally, it is the rostrum from which far-reaching decisions are promulgated.

In this Third Regular Session, we look forward in passing more relevant measures that will be beneficial to the Filipino people. The Senate has distinct role and DNA to preserve in the life of our nation, integrity to defend, and an honor to die for. The memories of the giants who sat in this august hall will forever hound us if we drop the ball at this crucial hour.

This afternoon, we shall hear the President address the nation through us. We shall listen with our hearts and minds. And afterwards, we shall do what is best for our country, in our mandated roles as the Senate of the People of the Philippines.

May the God of our fathers, the Allah of our brother Muslims, and our own *Bathala* and *Maykapal* guide us always.

Thank you. *Shukran. Salamat po ng marami.*

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 10:21 a.m.

RESUMPTION OF SESSION

At 10:31 a.m., the session was resumed.

MANIFESTATION OF SENATOR ZUBIRI

Senator Zubiri congratulated Senator Pacquiao for being a world champion in boxing once again and for bringing pride to the country.

HOUSE CONCURRENT RESOLUTION NO. 18

Upon motion of Senator Zubiri, there being no objection, the Body considered House Concurrent Resolution No. 18, entitled:

CONCURRENT RESOLUTION PROVIDING FOR THE SENATE AND THE HOUSE OF REPRESENTATIVES TO HOLD A JOINT SESSION TO HEAR THE MESSAGE OF THE PRESIDENT OF THE REPUBLIC OF THE PHILIPPINES.

Secretary Villarica read the text of the resolution, to wit:

Resolved by the House of Representatives, the Senate concurring, That both Houses of Congress of the Republic of the Philippines hold a joint session on Monday, July Twenty-Three, Year Two Thousand and Eighteen, at four o'clock in the afternoon at the Session Hall of the House of Representatives, to hear the message of the President of the Republic of the Philippines.

Senate President Sotto took note, with Senator Zubiri concurring, that in the resolution, the only agenda of the joint session is to hear the message of the President.

ADOPTION OF HOUSE CONCURRENT RESOLUTION NO. 18

Upon motion of Senator Zubiri, there being no objection, House Concurrent Resolution No. 18 was adopted by the Body.

SENATE CONCURRENT RESOLUTION NO. 11

Upon motion of Senator Zubiri, there being no objection, the Body considered Senate Concurrent Resolution No. 11, entitled:

CONCURRENT RESOLUTION CREATING A JOINT COMMITTEE OF THE SENATE AND THE HOUSE OF REPRESENTATIVES TO NOTIFY THE PRESIDENT OF THE PHILIPPINES THAT CONGRESS, NOW CONVENED FOR ITS THIRD REGULAR SESSION OF THE SEVENTEENTH CONGRESS OF THE PHILIPPINES, IS READY TO HEAR HIS STATE OF THE NATION ADDRESS IN A JOINT SESSION OF BOTH HOUSES.

Secretary Villarica read the text of the resolution, to wit:

Resolved by the Senate, the House of Representatives of the Philippines concurring, That a Joint Committee of both Houses of Congress be created, composed of twenty-one members, four to be appointed by the President of the Senate and seventeen to be appointed by the Speaker of the House of Representatives, to notify the President of the Philippines that Congress, now convened for its Third Regular Session of the Seventeenth Congress of the Philippines, is ready to hear his State of the Nation Address in a Joint Session of both Houses.

Again, Senate President Sotto placed on record, with Senator Zubiri concurring, that the convening of the joint session has only one purpose: to hear the State of the Nation Address of the President.

ADOPTION OF SENATE CONCURRENT RESOLUTION NO. 11

Upon motion of Senator Zubiri, there being no objection, Senate Concurrent Resolution No. 11 was adopted by the Body.

MOTION OF SENATOR ZUBIRI

Senator Zubiri moved to dispense with the reading of the Journals of Session No. 78 (May 28 to 30, 2018) and Session No. 79 (May 30 to 31, 2018), and to consider them approved.

REQUEST OF SENATOR DRILON

Senator Drilon stated that the Journals of the previous session contained very substantial discussions particularly on the amendments to the Bangsamoro Basic Law. Accordingly, he requested that the approval of the Journals be deferred until the next session day, to allow the senators to go over these crucial legislative records which reflect the intention of the Senate in approving the Bangsamoro Basic Law.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, the session was suspended.

It was 10:36 a.m.

RESUMPTION OF SESSION

At 10:37 a.m., the session was resumed.

WITHDRAWAL OF MOTION

Upon resumption, Senator Zubiri withdrew his motion.

NOTIFICATION COMMITTEE

Pursuant to Senate Concurrent Resolution No. 11, Senate President Sotto appointed Senators, Recto, Zubiri, Drilon and himself, as members of the Joint Notification Committee on the part of the Senate.

CONFERENCE COMMITTEE REPORT ON SENATE BILL NO. 1717 AND HOUSE BILL NO. 6475

Upon motion of Senator Zubiri, there being no objection, the Body considered the Conference Committee Report on the disagreeing provisions of Senate Bill No.1717 entitled

AN ACT PROVIDING FOR THE BASIC LAW FOR THE BANGSAMORO

AND ABOLISHING THE AUTONOMOUS REGION IN MUSLIM MINDANAO, REPEALING FOR THE PURPOSE REPUBLIC ACT NO. 9054, ENTITLED "AN ACT TO STRENGTHEN AND EXPAND THE ORGANIC ACT FOR THE AUTONOMOUS REGION IN MUSLIM MINDANAO," AND REPUBLIC ACT NO. 6734, ENTITLED "AN ACT PROVIDING FOR AN ORGANIC ACT FOR THE AUTONOMOUS REGION IN MUSLIM MINDANAO," AND FOR OTHER PURPOSES,

and House Bill No. 6475, entitled

AN ACT PROVIDING FOR THE BASIC LAW FOR THE BANGSAMORO AND ABOLISHING THE AUTONOMOUS REGION IN MUSLIM MINDANAO, REPEALING FOR THE PURPOSE REPUBLIC ACT NO. 9054, ENTITLED "AN ACT TO STRENGTHEN AND EXPAND THE ORGANIC ACT FOR THE AUTONOMOUS REGION IN MUSLIM MINDANAO", AND REPUBLIC ACT NO. 6734, ENTITLED "AN ACT PROVIDING FOR AN ORGANIC ACT FOR THE AUTONOMOUS REGION IN MUSLIM MINDANAO," AND FOR OTHER PURPOSES.

The Chair recognized Senator Zubiri to sponsor the report.

MANIFESTATION OF SENATOR ZUBIRI

Preliminarily, Senator Zubiri thanked the members of the Bicameral Conference Committee who worked alongside him for the passage of the measure. He particularly expressed his gratitude to the senators for their dedication to stay with him during the six marathon hearings which lasted up to 13 hours daily, starting from 9:00 a.m. to 2:00 a.m. of the next day, even during congressional recess or work suspensions.

He thanked the bipartisan support shown by members of the Minority led by Senator Drilon who did a yeoman's job in assisting him by heading the subcommittee groups that considered the powers given to the Bangsamoro Government as well as the Bangsamoro justice system, as well as Senator Hontiveros who helped temper the different issues and advocacies of each side.

Senator Zubiri commended Senator Pangilinan as well as Senator Koko Pimentel who assisted on all issues concerning local government.

He thanked Senator Angara, who gave valuable inputs as chairperson of the Committee on Local Government, along with Senator Villanueva who ensured that there was religious freedom in the Bangsamoro Autonomous Region.

Senator Zubiri also expressed his gratitude to Senators Gatchalian and Legarda as well as Senator Escudero for his amendment that enhanced the measure.

He believed that the Bangsamoro Organic Law (BOL) ushers in a dawn of a new beginning of peace and unhampered prosperity for Mindanao which could catapult the economy to double digit growth rates, with the effects felt throughout the country.

Senator Zubiri said that even though the SWS surveys showed that many Filipinos do not really understand the BOL, what was important was that people should know that while it may have local application in the Bangsamoro region, the peace and prosperity it hopes to achieve would be felt from Batanes to Tawi-Tawi for there would no longer be war but more tourism and investments as well as the hope of achieving a just and dignified peace for brothers and sisters in the region.

Upon motion of Senator Zubiri, there being no objection, the Body approved the insertion of the Joint Explanation of the Conference Committee into the Journal and Record of the Senate.

Following is the full text of the Joint Explanation of the Conference Committee:

JOINT EXPLANATION OF THE BICAMERAL CONFERENCE COMMITTEE ON THE DISAGREEING PROVISIONS OF HOUSE BILL NO. 6475 AND SENATE BILL NO. 1717

The Bicameral Conference Committee on the disagreeing provisions of House Bill No. 6475 and Senate Bill No. 1717 after having met and having fully discussed the said provisions,

hereby report to their respective Houses the following, that:

1. The conferees came out with a reconciled version that used and harmonized provisions coming from the House and Senate versions;

2. The Senate version of the "Preamble" was amended and adopted as the Preamble of the reconciled version, to read as:

PREAMBLE

Imploring the aid of Almighty God, in recognition of the aspirations of the Bangsamoro people and other inhabitants in the autonomous region in Muslim Mindanao to establish an enduring peace on the basis of justice, balanced society and asserting their right to conserve and develop their patrimony, reflective of their system of life as prescribed by their faith, in harmony with their customary laws, cultures and traditions, within the framework of the Constitution and the national sovereignty as well as territorial integrity of the Republic of the Philippines, and the accepted principles of human rights, liberty, justice, democracy, and the norms and standards of international law, and affirming their distinct historical identity and birthright to their ancestral homeland and their right to chart their political future through a democratic process that will secure their identity and posterity, and allow genuine and meaningful self-governance, the Filipino people, by the act of the Congress of the Philippines, do hereby ordain and promulgate this Organic Law for the Bangsamoro Autonomous Region in Muslim Mindanao.

ARTICLE I
NAME AND PURPOSE

3. The title, Article I NAME AND PURPOSE, of both the House and the Senate versions were amended and adopted as the title of Article I of the reconciled version, entitled: ARTICLE I NAME AND PURPOSE

4. Section 1 was amended and adopted to read as:

SEC. 1. ***Short Title.*** – This law shall be known as the *"Organic Law for the Bangsamoro Autonomous Region in Muslim Mindanao."*

5. Sections 2 and 3 of the House version were adopted and amended to read as:

SEC. 2. ***Name.*** – The political entity under this Organic Law shall be known as the Bangsamoro Autonomous Region in Muslim Mindanao, hereinafter referred to as the "*Bangsamoro Autonomous Region*."

SEC. 3. ***Purpose.*** – The purpose of this Organic Law is to establish a political entity, provide for its basic structure of government in recognition of the justness and legitimacy of the cause of the Bangsamoro people and the aspirations of Muslim Filipinos and all indigenous cultural communities in the Bangsamoro Autonomous Region in Muslim Mindanao to secure their identity and posterity, allowing for meaningful self-governance within the framework of the Constitution and the national sovereignty as well as territorial integrity of the Republic of the Philippines.

ARTICLE II
BANGSAMORO IDENTITY

6. The title, ARTICLE II BANGSAMORO IDENTITY of both the House and the Senate versions were amended and adopted as the title of Article II of the reconciled version, entitled: ARTICLE II BANGSAMORO IDENTITY;

7. Sections 1 and 3 of the Senate version were amended and adopted as Sections 1 and 2 of the reconciled version to read as:

SEC. 1. ***Bangsamoro People.*** – Those who, at the advent of the Spanish colonization, were considered natives or original inhabitants of Mindanao and the Sulu archipelago and its adjacent islands, whether of mixed or of full blood, shall have the right to identify themselves, their spouses and descendants, as Bangsamoro.

SEC. 2. ***Bangsamoro Symbol.*** – The Bangsamoro Parliament, hereinafter referred to as the "*Parliament*," shall adopt the official flag, emblem, and hymn of the Bangsamoro Autonomous Region. The flag of the Republic of the Philippines shall always be displayed alongside the Bangsamoro flag. Whenever the Bangsamoro hymn is sung, it shall always be preceded by the singing of the Philippine National Anthem.

ARTICLE III
TERRITORIAL JURISDICTION

8. The title Article III TERRITORIAL JURISDICTION of the Senate version was amended and adopted as the title of Article III of the reconciled version, to read as: ARTICLE III TERRITORIAL JURISDICTION;

9. Section 1 of the Senate version was amended and adopted as Section 1 of the reconciled version to read as:

SEC. 1. ***Territorial Jurisdiction.*** – Territorial jurisdiction is the land mass as well as the waters over which the Bangsamoro Autonomous Region has jurisdiction, which shall always be an integral, indivisible, and inseparable part of the national territory of the Republic of the Philippines as defined by the Constitution and existing laws.

10. In Section 2, the first sentence of the Senate version was amended and adopted as the first sentence of Section 2 of the reconciled version;

11. Subsections (a) and (b) of of the House version was amended and adopted as subsections (a) and (b) of the reconciled version, to read as:

(a) The present geographical area known as the Autonomous Region in Muslim Mindanao created under Republic Act No. 6734, as amended by Republic Act No. 9054, which shall subsist as such until this Organic Law is ratified through a plebiscite;

(b) The municipalities of Baloi, Munai, Nunungan, Pantar, Tagoloan, and Tangkal in the Province of Lanao del Norte that voted for inclusion in the Autonomous Region in Muslim Mindanao during the 2001 plebiscite;

12. Subsection (c) of the Senate version was amended and adopted as subsection (c) of the reconciled version, to read as:

(c) The following thirty-nine (39) barangays in the municipalities of Aleosan, Carmen, Kabacan, Midsayap, Pigkawayan, and Pikit in the Province of North Cotabato that voted for inclusion in the Autonomous Region in Muslim Mindanao during the 2001 plebiscite:

(i) Dunguan, Lower Mingading, and Tapodoc in the Municipality of Aleosan (3);

(ii) Manarapan and Nasapian in the Municipality of Carmen (2);

(iii) Nanga-an, Simbuhay, and Sanggadong in the Municipality of Kabacan (3);

(iv) Damatulan, Kadigasan, Kadingilan, Kapinpilan, Kudarangan, Central Labas, Malingao, Mudseng, Nabalawag, Olandang, Sambulawan, and Tugal in the Municipality of Midsayap (12);

(v) Lower Baguer, Balacayon, Buricain, Datu Binasing, Kadingilan, Matilac, Patot, and Lower Pangangkalan in the Municipality of Pigkawayan (8); and

(vi) Bagoinged, Balatican, S. Balong, S. Balongis, Batulawan, Buliok, Gokotan, Kabasalan, Lagunde, Macabual, and Macasendeg in the Municipality of Pikit (11);

13. Subsection (d) was amended and adopted to read as subsection (d) of the reconciled version, to read as:

(d) The City of Cotabato;

14. A new subsection (e) was inserted and adopted as subsection (e) of the reconciled version to read as:

(e) The City of Isabela in the Province of Basilan; and

15. Subsection (d) of the House version was amended and adopted as subsection (f) of the reconciled version, to read as:

(f) All other contiguous areas where a resolution of the local government unit or a petition of at least ten percent (10%) of the registered voters in the area seeks for their inclusion at least two (2) months prior to the conduct of the ratification of this Organic Law.

The establishment of the territorial jurisdiction of the Bangsamoro Autonomous Region shall take effect upon ratification of this Organic Law by majority of the votes cast in the above-mentioned territorial jurisdiction in a plebiscite conducted for the purpose: *Provided*, That in all cases, the political units directly affected shall vote favorably in the plebiscite, as provided in Section 3, Article XV of this Organic Law.

16. Section 3 of the House version, was amended and adopted as Section 3 of the reconciled version, to read as follows:

SEC. 3. ***Inland Waters.*** – All inland waters such as lakes, rivers, river systems, and streams within its territorial jurisdiction shall form part of the Bangsamoro Autonomous Region inland waters. The preservation and management of the inland waters shall be under the Bangsamoro Government as provided for in Section 22, Article XIII of this Organic Law.

17. Section 4 of the House version was amended adopted as Section 4 of the reconciled version to read as:

SEC. 4. ***Bangsamoro Municipal and Regional Waters.*** – The municipal and regional waters of the Bangsamoro Autonomous Region shall extend up to fifteen (15) kilometers and nineteen (19) kilometers, respectively, from the low-water mark of the coasts that are part of the Bangsamoro territorial jurisdiction.

Where a constituent local government unit of the Bangsamoro Autonomous Region and an adjoining local government unit are so situated on opposite shores such that there is thirty (30) kilometers of waters or less between them, a line equally distant from the opposite shores shall be drawn to demarcate the Bangsamoro waters and the municipal waters of the adjoining local government unit.

In case the constituent local government unit of the Bangsamoro Autonomous Region and an adjoining local government unit are so situated on opposite shores that there is more than thirty (30) kilometers but less than thirty-four (34) kilometers of waters between them, a line shall be drawn at the edge of the fifteen-kilometer municipal waters of the adjoining local government unit to demarcate it from the Bangsamoro waters.

18. *Section 5 of the House version was amended adopted as Section 5 of the reconciled version and was amended to read:*

SEC. 5. ***Constituent Units.*** – The constituent units of the Bangsamoro Autonomous Region are the provinces, cities, municipalities, barangays, and geographical areas within its territorial jurisdiction.

ARTICLE IV
GENERAL PRINCIPLES AND POLICIES

19. The title of Article IV of both the House and the Senate versions was amended and adopted as the title of Article IV of the reconciled version;

20. In Section 1 of the Senate version, the word ALL was replaced with OWE and was amended and adopted as Section 1 of the reconciled version, to read as:

SEC. 1. ***Territorial Integrity and Allegiance.*** – The Bangsamoro Autonomous Region is an integral, indivisible, and inseparable part of the territory of the Republic of the Philippines. The Bangsamoro people shall uphold the Constitution as the fundamental law of the land and unequivocally owe allegiance and fidelity to the Republic of the Philippines.

21. Section 1 of the House version was amended and adopted as Section 2 of the reconciled version, to read as:

SEC. 2. ***Self-Governance.*** – In the exercise of its right to self-governance, the Bangsamoro Autonomous Region is free to pursue its political, economic, social, and cultural development as provided for in this Organic Law.

22. Section 2 of the House version was amended and adopted as Section 3 of the reconciled version, to read as:

SEC. 3. ***Democratic Political System.*** – The Bangsamoro Autonomous Region shall have a democratic political system that allows its people to freely participate in the political processes within its territorial jurisdiction. The Bangsamoro Autonomous Region shall have a parliamentary form of government.

23. Section 3 of the House version was amended and adopted as Section 4 of the reconciled version, to read as:

SEC. 4. ***Electoral System.*** – The Bangsamoro Government shall adopt an electoral system which shall be consistent with national election laws, allow democratic participation, encourage the formation of genuinely principled political parties, and ensure accountability.

24. Section 4 of the House version was amended and adopted as Section 5 of the reconciled version, to read as:

SEC. 5. ***Civilian Government.*** – Governance in the Bangsamoro Autonomous Region shall be the responsibility of the duly elected civilian government. Civilian authority is, at all times, supreme over the military.

25. Section 5 of the House version was amended and adopted as Section 6 of the reconciled version, to read as:

SEC. 6. ***Promotion of Unity.*** – The Bangsamoro Government shall promote unity, peace, justice, and goodwill among all peoples, as well as encourage a just and peaceful settlement of disputes.

26. Section 7 of the House version was amended and adopted as Section 7 of the reconciled version, to read as:

SEC. 7. ***Social Justice.*** – The Bangsamoro Government shall ensure every Filipino citizen in its territorial jurisdiction the provision of the basic necessities and equal opportunities in life. Social justice shall be promoted in all aspects of life and phases of development in the Bangsamoro Autonomous Region.

27. Section 8 of the House version was amended and adopted as Section 8 of the reconciled version, to read as:

SEC. 8. ***International Treaties and Agreements.*** – The Bangsamoro Government shall respect and adhere to all international treaties and agreements binding upon the National Government.

28. Section 9 of the House version was amended and adopted as Section 9 of the reconciled version, to read as:

SEC. 9. ***Rights of Non-Moro Indigenous Peoples***. – The Bangsamoro Government shall recognize and promote the rights of non-Moro indigenous peoples within the framework of the Constitution and national laws.

29. A new section was added and was amended and adopted by the conferees from both Houses, to read as:

SEC. 10. ***Freedom of Choice.*** – The freedom of choice of all peoples within the Bangsamoro Autonomous Region shall be respected. Indigenous peoples shall have the freedom to retain their distinct indigenous and ethnic identity in addition to their Bangsamoro political identity. There shall be no discrimination on the basis of identity, religion, and ethnicity.

ARTICLE V
POWERS OF GOVERNMENT

30. The title of Article V of both the House and the Senate versions was amended and adopted as the title of Article V of the reconciled version;

31. Sections 1 and 2 of the Senate version were amended and adopted as Sections 1 and 2 of the reconciled version, to read as:

SEC. 1. ***Powers of the National Government.*** – All powers, functions, and responsibilities not granted by the Constitution or by national law to the Bangsamoro Government shall be vested in the National Government.

SEC. 2. ***Powers of the Bangsamoro Government.*** – Subject to Section 20, Article X of the Constitution and this Organic Law, the Bangsamoro Government shall exercise its authority over the following matters without prejudice to the general supervision of the President of the Republic of the Philippines:

(a) Administration of justice;
(b) Administrative organization;
(c) Agriculture, livestock, and food security;
(d) Ancestral domain and natural resources;
(e) Barter trade and countertrade;
(f) Budgeting;
(g) Business name registration;
(h) Cadastral land survey;
(i) Civil service;
(j) Classification of public lands;
(k) Cooperatives and social entrepreneurship;
(l) Creation, division, merger, abolition or alteration of boundaries of municipalities and barangays;
(m) Creation of government-owned or controlled corporations and pioneer firms;
(n) Creation of sources of revenues;
(o) Cultural exchange, and economic and technical cooperation;
(p) Culture and language;
(q) Customary laws;
(r) Development programs and laws for women, labor, the youth, the elderly, the differently-abled, and indigenous peoples;
(s) Disaster risk reduction and management;
(t) Ecological solid waste management and pollution control;
(u) Economic zones, industrial centers, and free ports;
(v) Education and skills training;
(w) Eminent domain;
(x) Environment, parks, forest management, wildlife, and nature reserves conservation;
(y) Fishery, marine, and aquatic resources;
(z) Grants and donations;
(aa) *Hajj* and *Umrah*;
(bb) Health;
(cc) Housing and human settlements;

(dd) Humanitarian services and institutions;

(ee) Human rights;

(ff) Indigenous peoples' rights;

(gg) Inland waters;

(hh) Inland waterways for navigation;

(ii) Islamic banking and finance;

(jj) Labor, employment, and occupation;

(kk) Libraries and museums, and historical, cultural and archaeological sites;

(ll) Loans, credits, and other forms of indebtedness;

(mm) Mechanisms for consultations for women and marginalized sectors;

(nn) People's organizations;

(oo) Power sector investments;

(pp) Public utilities' operations;

(qq) Public works and infrastructure;

(rr) Quarantine regulations;

(ss) Registration of births, marriages, and deaths, copies to be furnished the Philippine Statistics Authority;

(tt) Regulation of the manufacture and distribution of food, drinks, drugs, and tobacco;

(uu) Science and technology, research councils and scholarship programs;

(vv) Social services, social welfare, and charities;

(ww) Sports and recreation;

(xx) Technical cooperation for human resource development;

(yy) Tourism development;

(zz) Trade and industry;

(aaa) Urban and rural planning development;

(bbb) Urban land reform and land use; and Water supply and services, flood control, and irrigation systems

32. A new section was added and was amended and adopted by the conferees from both Houses, to read as:

SEC. 3. ***General Welfare***. – The Bangsamoro Government shall exercise the powers expressly granted, those necessarily implied therefrom, as well as powers necessary, appropriate, or incidental for its efficient and effective governance and those which are essential to the promotion of general welfare. Within its territorial jurisdiction, the Bangsamoro Government shall ensure and support, among other things, the preservation and enrichment of culture, promote health and safety, enhance the right of the people to a balanced ecology, encourage and support the development of appropriate and self-reliant scientific and technological capabilities, improve public morals, enhance economic prosperity and social justice, promote full employment among its residents, maintain peace and order, and preserve the comfort and convenience of its inhabitants.

ARTICLE VI
INTERGOVERNMENTAL REALTIONS

33. The title, Article VI INTERGOVERNMENTAL RELATIONS of both the House and Senate versions was amended and adopted as the title of Article V of the reconciled version;

34. Section 1 of the Senate version was amended and adopted as Section 1 of the reconciled version, to read as:

SEC. 1. ***General Supervision.*** – The President shall exercise general supervision over the Bangsamoro Government to ensure that laws are faithfully executed. The President may suspend the Chief Minister for a period not exceeding six (6) months for willful violation of the Constitution, national laws, or this Organic Law.

35. Sections 2,3,4,5,6,7,8 and 9 of the Senate version were amended and adopted as Sections 2,3,4,5,6,7,8 and 9 of the reconciled version, to read as:

SEC. 2. ***Intergovernmental Relations Mechanism.*** – There is hereby created a National Government - Bangsamoro Government Intergovernmental Relations Body, hereinafter referred to as "*Intergovernmental Relations Body*," to coordinate and resolve issues on intergovernmental relations through regular consultation and continuing negotiation in a non-adversarial manner.

The Intergovernmental Relations Body shall exhaust all means to resolve issues brought before it. Unresolved issues shall be elevated to the President, through the Chief Minister.

The National Government and the Bangsamoro Government shall each appoint representatives to the Intergovernmental Relations Body. The Intergovernmental Relations Body shall be supported by a joint secretariat.

SEC. 3. ***Philippine Congress – Bangsamoro Parliament Forum.*** – There shall be

created a Philippine Congress – Bangsamoro Parliament Forum for purposes of cooperation and coordination of legislative initiatives.

SEC. 4. ***Intergovernmental Fiscal Policy Board.*** – There is hereby created an Intergovernmental Fiscal Policy Board that shall address revenue imbalances and fluctuations in regional financial needs and revenue-raising capacity of the Bangsamoro Government, whose functions and composition are provided for in Sections 37 to 38, Article XII of this Organic Law.

SEC. 5. ***Joint Body for the Zones of Joint Cooperation.*** – There is hereby created a Joint Body for the Zones of Joint Cooperation, which shall be responsible for formulating policies relating to the Zones of Joint Cooperation in the Sulu Sea and Moro Gulf as provided for in Section 19, Article XIII of this Organic Law.

SEC. 6. ***Intergovernmental Infrastructure Development Board.*** – There is hereby created an Intergovernmental Infrastructure Development Board, which shall be responsible for coordinating and synchronizing national and Bangsamoro infrastructure development plans.

The Intergovernmental Infrastructure Development Board shall be composed of the heads or representatives of the appropriate ministries and offices in the Bangsamoro Government. The National Government shall likewise be represented in the Intergovernmental Infrastructure Development Board by the Secretary of Public Works and Highways and such other officials as may be necessary to be designated by the Secretary of Public Works and Highways.

SEC. 7. ***Intergovernmental Energy Board.*** – There is hereby created an Intergovernmental Energy Board. It shall resolve all matters specified in Section 36, Article XIII of this Organic Law and other energy issues referred to it by the Intergovernmental Relations Body. It shall be composed of the representatives of the National Government and the Bangsamoro Government from their respective energy regulatory commissions and electrification administrations.

SEC. 8. ***Bangsamoro Sustainable Development Board.*** – The Parliament shall create a Bangsamoro Sustainable Development Board composed of representatives from the National Government and the Bangsamoro Government. The Bangsamoro Sustainable Development Board shall ensure the integration and harmonization of economic, social, and environmental considerations as vital dimensions of sustainable development policy and practice in the Bangsamoro Autonomous Region.

The funding support for the Bangsamoro Sustainable Development Board shall be included in the annual budget of the Bangsamoro Government. However, if there are revenues collected from the exploration, development, and utilization of any natural resources within the Bangsamoro Autonomous Region, a certain percentage of the revenues shall be allocated for the operation of the Bangsamoro Sustainable Development Board, as may be provided in a law to be passed by the Parliament.

SEC. 9. ***Council of Leaders.*** – There shall be a Council of Leaders that shall advise the Chief Minister on matters of governance in the Bangsamoro Autonomous Region. It shall consist of the following members:

(a) Chief Minister as head of the council;

(b) Members of the Congress of the Philippines from the Bangsamoro Autonomous Region;

(c) Provincial governors, and mayors of chartered cities in the Bangsamoro Autonomous Region;

(d) Representatives of traditional leaders, non-Moro indigenous communities, women, settler communities, the Ulama, youth, and Bangsamoro communities outside of the Bangsamoro Autonomous Region; and

(e) Representatives of other sectors.

The mechanism of representation and number of representatives in paragraphs (d) and (e) shall be determined by the Parliament. The representation of the non-Moro indigenous communities shall be pursuant to their customary laws and indigenous processes.

36. Section 7 of the House version was amended and adopted as Section 10 of the reconciled version, to read as:

SEC. 10. ***Bangsamoro Government and its Constituent Local Government Units.*** – The authority of the Bangsamoro Government to regulate the affairs of its constituent local government units shall be guaranteed in accordance with this Organic Law and a Bangsamoro local government code to be

enacted by the Parliament. The privileges already enjoyed by local government units under Republic Act No. 7160, otherwise known as the "*Local Government Code of 1991*," as amended, and other existing laws shall not be diminished.

The Parliament may create, divide, merge, abolish, or substantially alter boundaries of municipalities or barangays in accordance with a law enacted by the Parliament. The municipalities or barangays created, divided, merged, or whose boundaries are substantially altered, shall be entitled to their appropriate share in the national taxes or Internal Revenue Allotment: *Provided,* That the criteria laid down in Republic Act No. 7160, as amended, and other national laws shall be satisfied: *Provided, Further*, that it shall be approved by a majority of the votes cast in a plebiscite in the political units directly affected.

When such acts require the creation of a legislative district, the Bangsamoro Government shall cooperate and coordinate with the National Government through the Philippine Congress – Bangsamoro Parliament Forum to prioritize the deliberations on the creation of a legislative district.

Nothing in this Organic Law shall be construed to allow the Bangsamoro Government to create legislative districts.

37. Sections 12, 13 and 14 of the Senate version were amended and adopted as Sections 11, 12 and 13 of the reconciled version, to read as:

SEC. 11. ***Bangsamoro Participation in National Government.*** – As far as practicable, the Bangsamoro Government shall be represented in the departments, offices, commissions, agencies and bureaus of the National Government that implement and enforce policies, programs, and projects of the National Government in the Bangsamoro Autonomous Region.

SEC. 12. ***Assistance to Other Bangsamoro Communities.*** – The National Government shall ensure the protection of the rights of the Bangsamoro people residing in communities outside the Bangsamoro Autonomous Region and undertake programs for their rehabilitation and development. The Bangsamoro Government, in coordination with the local government units where these communities are located and the appropriate national government agencies, shall provide assistance to enhance their economic, social, and cultural development.

SEC. 13. ***National Programs and Projects.*** – National programs and projects such as the *Pantawid Pamilyang Pilipino* Program, Health Facility Enhancement Program, School Building Program, retained hospitals of the Department of Health, PhilHealth, social pension for senior citizens, and the Task Force *Bangon* Marawi shall continue to be funded by the National Government, without prejudice to the power of the Bangsamoro Government to provide for supplemental funding for such programs and projects.

ARTICLE VII
BANGSAMORO GOVERNMENT

38. The title ARTICLE VII BANGSAMORO GOVERNMENT of both the House and Senate versions was amended and adopted as the title of ARTICLE VII BANGSAMORO GOVERNMENT of the reconciled version;

39. Sections 1 and 2 of the House and Senate versions were the same and were amended and adopted as Sections 1 and 2 of the reconciled version, to read as:

SEC. 1. ***Seat of Government.*** – The Parliament shall fix by law the permanent seat of the Bangsamoro Government anywhere within the territorial jurisdiction of the Bangsamoro Autonomous Region taking into consideration accessibility and efficiency in which its mandate may be carried out under this Organic Law.

SEC. 2. ***Powers of Government.*** – The powers of government shall be vested in the Parliament which shall exercise those powers and functions expressly granted to it in this Organic Law, and those necessary for, or incidental to, the proper governance and development of the Bangsamoro Autonomous Region. It shall set policies, legislate on matters within its authority, and elect a Chief Minister who shall exercise executive authority on its behalf.

40. Section 3 of the Senate version was amended and adopted as Section 3 of the reconciled version, to read as:

SEC. 3. ***Legislative Authority.*** – The Parliament shall have the authority to enact laws on matters that are within the powers and competencies of the Bangsamoro Government.

41. Section 4 of the Senate version was amended and adopted as Section 4 of the reconciled version, to read as follows:

SEC. 4. ***Executive Authority.*** – The executive function and authority shall be exercised by the Cabinet which shall be headed by a Chief Minister. The Chief Minister shall be elected by a majority vote of all the members of the Parliament.

The Chief Minister shall nominate two (2) Deputy Chief Ministers who shall be elected by the Parliament, as provided for in Section 32 of this Article, and appoint the members of the Cabinet, majority of whom shall come from the Parliament.

BANGSAMORO PARLIAMENT

42. The subtitle of BANGSAMORO PARLIAMENT of both the House and the Senate versions was amended and adopted as the subtitle of the reconciled version;

43. The House and the Senate panels introduced a new section 5, to read as:

SEC. 5. ***Powers.*** – The Parliament shall have the following powers:

(a) Enact laws to promote, protect, and ensure the general welfare of the Bangsamoro people and other inhabitants in the Bangsamoro Autonomous Region;

(b) Call for a referendum on important issues affecting the Bangsamoro Autonomous Region;

(c) Enact a law on initiatives;

(d) Conduct inquiries in aid of legislation in accordance with its rules. The rights of persons appearing in or affected by such inquiry shall be respected;

(e) Enact a law that allows the Chief Minister, Speaker of the Parliament, and the Presiding Justice of the *Shari'ah* High Court to augment any item in the general appropriations law for their respective offices from savings in other items of their respective appropriations;

(f) Enact a law within the competencies of the Bangsamoro Government to regulate the grant of regional franchises and concessions, and empower the Chief Minister to grant leases, permits, and licenses over agricultural lands and for forest management;

(g) Discipline its members as provided in Sec. 26, Article VII of this Organic Law;

(h) Enact laws declaring Bangsamoro holidays; and

(i) Be consulted on matters affecting the environment.

44. Section 5 of the Senate version was amended and adopted as Section 6 of the reconciled version, amended to read as follows:

SEC. 6. ***Composition.*** – The Parliament shall be composed of eighty (80) members, unless otherwise increased by the Congress of the Philippines.

45. Section 6 of the House version was amended and adopted as Section 7 of the reconciled version, to read as:

SEC. 7. ***Classification and Allocation of Seats.*** – The seats in the Parliament shall be classified and allocated as follows:

(a) *Party Representatives.* – One-half of the members of the Parliament shall be representatives of political parties who are elected through a system of proportional representation based on the Bangsamoro territorial jurisdiction.

Any organized group in the Bangsamoro Autonomous Region may register as a political party with the Bangsamoro Electoral Office, with qualifications to be prescribed by the Bangsamoro Electoral Code.

Each registered political party shall submit to the Bangsamoro Electoral Office before the election a manifestation of intent to participate in the parliamentary election of party representatives in the Bangsamoro Autonomous Region, incorporating therein a list of nominees, ranked from one (1) to forty (40), from which party representatives shall be chosen in case they obtain the required number of votes. No person shall be nominated in more than one (1) list.

The number of seats allocated for each political party shall be based proportionately on the percentage of votes obtained by each political party as against the total votes cast in the Bangsamoro Autonomous Region for the election of party representatives.

Any elected party representative who changes political party affiliation during the representative's term of office shall forfeit the seat in the Parliament: *Provided*, That if the elected party representative changes political party affiliation within six (6) months before an election, the same person shall not be eligible for nomination as party representative under the new party or organization.

(b) *Parliamentary District Seats.* – Not more than forty percent (40%) of the members of Parliament shall be elected from single member parliamentary districts apportioned for the areas and in the manner provided for by the Parliament. For the first parliamentary election following the ratification of this Organic Law, the allocation of the parliamentary district seats shall be determined by the Bangsamoro Transition Authority as provided for in Section 4, Article XVI of this Organic Law. In the allocation of district seats, the Bangsamoro Transition Authority shall adhere to the standards set in Section 10, Article VII of this Organic Law.

The Parliament may undertake by law new redistricting in order to ensure a more equitable representation of the constituencies in the Parliament.

The district representatives shall be elected through direct plurality vote by the registered voters in the parliamentary districts.

(c) *Reserved Seats and Sectoral Representatives.* – Reserved seats and sectoral representatives shall constitute at least ten percent (10%) of the members of the Parliament, which shall include two (2) reserved seats each for non-Moro indigenous peoples and settler communities. Women, youth, traditional leaders, and the *Ulama* shall have one sectoral seat each: *Provided,* That the reserved seats and sectoral representatives shall in no case be less than eight (8) seats.

The Parliament shall determine the manner of election of the reserved seats and sectoral representatives.

For the first parliamentary election following the ratification of this Organic Law, the allocation of reserved and sectoral representative seats shall be determined by the Bangsamoro Transition Authority as provided for in Section 4, Article XVI of this Organic Law.

46. Section 7 of the House and Senate versions were the same and was amended and adopted as Section 8 of the reconciled version, to read as:

SEC. 8. ***Election for Reserved Seats for Non-Moro Indigenous Peoples.*** – Notwithstanding the immediately preceding sections, reserved seats for non-Moro indigenous peoples, such as Teduray, Lambangian, Dulangan Manobo, B'laan, and Higaonon, shall adhere to their customary laws and indigenous processes based on the following:

(a) Primacy of customary laws and practices;

(b) Primacy of consensus building;

(c) Acceptability to the community;

(d) Inclusivity and full participation;

(e) Representation of the collective interests and aspirations of non-Moro indigenous peoples;

(f) Sustainability and strengthening of indigenous political structures;

(g) Track record and capability; and

(h) Gender equality.

47. Section 9 of the Senate version was amended and adopted as Section 9 of the reconciled version, to read as follows:

SEC. 9. ***Regional Parties.*** – A free and open regional party system shall be allowed to evolve according to the free choice of the people. Towards this end, only regional political parties duly accredited by the Bangsamoro Electoral Office, as approved by the Commission on Elections, shall participate in the parliamentary elections in the Bangsamoro Autonomous Region. The Bangsamoro Government shall ensure the inclusion of women's agenda and the involvement of women and the youth in the electoral nominating process of the political parties.

48. Section 10 of the Senate version was amended and adopted as Section 10 of the reconciled version, to read as:

SEC. 10. ***Redistricting for Parliamentary Membership.*** – The Parliament shall have the power to reconstitute by law the parliamentary districts apportioned among the provinces, cities, municipalities, and geographical areas of the Bangsamoro Autonomous Region to ensure equitable representation in the Parliament. The redis-tricting, merging, or creation of parliamentary districts shall be based on the number of inhabitants and additional provinces, cities, municipalities, and geographical areas, which shall become part of the Bangsamoro territorial jurisdiction.

For the purpose of redistricting, parliamentary districts shall be apportioned based on population and geographical area: *Provided*, That each district shall comprise, as far as practicable, contiguous, compact, and adjacent territorial jurisdiction; *Provided,*

Further, that each district shall have a population of at least one hundred thousand (100,000).

49. Section 13 of the Senate version was amended and adopted as Section 11 of the reconciled version, to read as:

SEC. 11. ***Term of Office.*** – The term of office of the members of the Parliament shall be three (3) years: *Provided,* That no member shall serve for more than three (3) consecutive terms. Voluntary renunciation of office for any length of time or the dissolution of the Parliament by the *Wali* shall not be considered as an interruption in the continuity of the service for the full term for which the member was elected.

50. The first paragraph of the House version was amended and adopted as the first paragraph of Section 12 of the reconciled version, to read as:

SEC. 12. ***Qualifications.*** – No person shall be a member of the Parliament unless the person is a citizen of the Philippines, at least twenty-five (25) years of age on the day of the election, able to read and write, and a registered voter in the Bangsamoro Autonomous Region.

51. The second paragraph of the Senate version was amended and adopted as the second paragraph of the same section, to read:

52. A candidate for district representative must be a registered voter of the district in which the person is a candidate, and has resided in the district for at least one (1) year immediately preceding the day of the election.

53. The third paragraph of the Senate version was amended and adopted as the third paragraph still of the same section, to read:

A candidate for district representative must be a registered voter of the district in which the person is a candidate, and has resided in the district for at least one (1) year immediately preceding the day of the election.

54. Section 16 of the Senate version was amended and adopted as Section 13 of the reconciled version, to read:

SEC. 13. ***Salaries of Members of the Parliament.*** – The Parliament shall determine the salaries and emoluments of its members: *Provided*, That the salaries and emoluments of the members of the Parliament shall not be higher than those of a Provincial Governor: *Provided, Further*, That the salaries and emoluments of the Deputy Chief Ministers and the Speaker of the Parliament shall be one salary grade higher than those of the members: *Provided, Furthermore,* That the salaries and emoluments of the Chief Minister shall not be higher than those of the Members of the Congress of the Philippines.

The Parliament shall adopt the Revised Compensation and Position Classification System of the National Government as provided for in Republic Act No. 6758, as amended, and relevant executive issuances. *Provided, Furthermore,* That no increase in the compensation shall take effect until after the expiration of the full term of all the members of the Parliament approving such increase.

For the first Parliament, the salaries and emoluments of its members shall be determined by a law to be passed by the Bangsamoro Transition Authority.

Members of the Parliament shall not receive during their tenure other salary and emoluments from the Bangsamoro Government or from the National Government.

55. Sections 16 and 17 of the House and the Senate versions were the same and were adopted as Section 14 of the reconciled version, to read as:

SEC. 14. ***Disclosure.*** – Members of the Parliament shall, upon their assumption of office, make a full disclosure of their financial and business interests, including those of their spouses and children. They shall notify the Parliament of any potential conflict of interest that may arise from the filing of bills or resolutions of which they are authors.

56. Sections 17 and 18 of the House and the Senate versions were the same and were adopted as Section 15 of the reconciled version, to read as:

SEC. 14. ***Disclosure.*** – Members of the Parliament shall, upon their assumption of office, make a full disclosure of their financial and business interests, including those of their spouses and children. They shall notify the Parliament of any potential conflict of interest that may arise from the filing of bills or resolutions of which they are authors.

57. A new section was added and was amended and adopted by the conferees from both Houses as Section 16 of the reconciled version, to read as:

SEC. 16. ***Prohibited Business and Pecuniary Interest.*** –

(a) It shall be unlawful for the Chief Minister, Deputy Chief Ministers, members of the Cabinet, and members of the Parliament to directly or indirectly:

(i) Engage in any business transaction with the Bangsamoro Government or with any of its authorized boards, officials, agents, or attorneys, whereby money is to be paid, or property or any other thing of value is to be transferred, directly or indirectly, out of the resources of the Bangsamoro Government to such person or firm;

(ii) Hold such interests in any cockpit or other games licensed by the Bangsamoro Government;

(iii) Purchase any real estate or other property forfeited in favor of the Bangsamoro Government for unpaid taxes or assessment, or by virtue of a legal process at the instance of the Bangsamoro Government;

(iv) Be a surety for any person contracting or doing business with the Bangsamoro Government for which a surety is required; and

(v) Possess or use any public property of the Bangsamoro Government for private purposes.

(b) All other prohibitions governing the conduct of national public officers relating to prohibited business and pecuniary interest so provided for under Republic Act No. 6713, otherwise known as the "*Code of Conduct and Ethical Standards for Public Officials and Employees*" and other national laws shall also be applicable to the Chief Minister, Deputy Chief Ministers, members of the Cabinet, and members of the Parliament.

58. A new section was added and was amended and adopted by the conferees from both Houses as Section 17 of the reconciled version, to read as:

SEC. 17. ***Practice of Profession.*** –

(a) The Chief Minister, Deputy Chief Ministers, and members of the Cabinet are prohibited from practicing their profession or engaging in any occupation other than the exercise of their functions as officials of the Bangsamoro Government.

(b) Members of the Parliament who are not holding Cabinet positions may practice their professions, engage in any occupation, or teach in schools except during session hours: *Provided*, That members of the Parliament who are also members of the Philippine Bar shall not:

(1) Appear as counsel before any court in any civil case wherein the Bangsamoro Government or any office, agency, or instrumentality of the government is the adverse party;

(2) Appear as counsel in any criminal case wherein an officer or employee of the National Government or the Bangsamoro Government is accused of an offense committed in relation to the office;

(3) Collect any fee for appearance in administrative proceedings involving the Bangsamoro Government; and

(4) Use property and personnel of the government except when the member concerned is defending the interest of the government.

(c) Doctors of medicine may practice their profession even during official hours of work only on occasions of emergency: *Provided*, That the members concerned do not derive monetary compensation therefrom.

59. A new section was added and was amended and adopted by the conferees from both Houses as Section 18 of the reconciled version, to read as:

SEC. 18. ***Statement of Assets, Liabilities and Net Worth.*** – Officials and employees of the Bangsamoro Government shall file sworn statements of assets, liabilities, and net worth, lists of relatives within the fourth civil degree of consanguinity or affinity in government service, financial and business interests, and personnel data sheets as required by national law.

60. Section 18 of the House version was amended and adopted as Section 19 of the reconciled version, to read as:

SEC. 19. ***Forfeiture of Seat.*** – The seat of a member of the Parliament shall be forfeited under any of the following circumstances:

(a) Voluntary resignation in the form of either a written or oral declaration in the Parliament;

(b) Conviction of a grave offense by a regular court or a finding of guilt of a grave offense as defined by the rules of the Parliament for treason, high crimes, heinous crimes, crimes against morality, or other crimes punishable by more than six (6) years of imprisonment;

(c)` Permanent physical or mental incapacity that makes the Member unable to discharge the duties of a member, or death;

(d) Substitution by the party to which the member belongs with another member of the same party, the member having been elected under the proportional representation system;

(e) Expulsion by the Parliament for disorderly behavior, with the concurrence of two-thirds of all its members; and

(f) Such other grounds as may be provided in the Bangsamoro Electoral Code.

61. Section 19 and Section 20 of the House and Senate versions were the same and were amended and adopted as Section 20 of the reconciled version, to read as:

SEC. 20. ***Filling of Vacancy.*** – In case of a vacancy of a proportional representation seat, the party to which that seat belongs shall fill the vacancy.

In case of a vacancy of a district seat by an affiliated member of the Parliament, the party to which the member belongs shall, within thirty (30) days from the occurrence of such vacancy, nominate a new members who shall be appointed by the Chief Minister subject to the Bangsamoro Electoral Code.

In case of a vacancy in the seat occupied by an unaffiliated member of the Parliament occurring at least one (1) year before the expiration of the term of office, a special election may be called to fill such vacancy in the manner prescribed by a law enacted by the Parliament.

The appointed or elected member of the Parliament, as the case may be, shall serve the unexpired term of the vacant office.

62. Section 21 of the Senate version was amended and adopted as Section 21 of the reconciled version, to read as:

SEC. 21. ***Privileges and Immunities.*** – Any member of the Parliament who commits an offense within the Bangsamoro territorial jurisdiction that is punishable by not more than six (6) years imprisonment, shall be privileged from arrest while the Parliament is in session.

No member of the Parliament shall be questioned or be held liable in any other place for any speech or debate in the Parliament or in any of its committees.

63. Section 21 of the House version was amended and adopted as Section 22 of the reconciled version, to read as:

SEC. 22. ***Sessions of the Parliament.*** – The Parliament shall conduct its regular session forty-five (45) days after the election of the Parliament up to thirty (30) days before the opening of its next regular session, unless earlier dissolved by a vote of no confidence. A special or emergency session may be called by the Speaker, upon the request of the Chief Minister or by a majority of all the members of the Parliament.

64. Section 22 of the House version was amended and adopted as Section 23 of the reconciled version, to read as:

SEC. 23. ***Officers of the Parliament.*** – On the first day of session of the Parliament following their election, the members shall elect by a majority vote of all its members the Speaker, a Deputy Speaker, and the other officers of the Parliament, as the rules of the Parliament may provide.

In case of death, removal, resignation, or permanent disability or legal incapacity of the Speaker, the Deputy Speaker shall act as Speaker until a new Speaker shall have been elected by the Parliament.

65. Section 23 and Section 24 of the House and Senate versions were the same and were amended and adopted as Section 24 of the reconciled version, to read as:

SEC. 24. ***Presiding Officer.*** – The Speaker, Deputy Speaker, or any other person presiding over the Parliament shall:

(a) Secure the honor and dignity of the Parliament;

(b) Ensure the rights and privileges of all the members; and

(c) Assure public access to the proceedings of the Parliament and its committees.

66. Section 25 of the Senate version was amended

and adopted as Section 25 of the reconciled version, to read as:

SEC. 25. ***Rules of the Parliament.*** – The Parliament shall adopt its own rules for the conduct of its business.

(a) Every bill passed by the Parliament shall embrace only one subject which shall be expressed in the title thereof.

(b) No bill shall become a law in the Bangsamoro Autonomous Region unless it has passed three (3) readings on separate days and printed copies thereof in its final form have been distributed to members of the Parliament three (3) days before its passage, except when the Chief Minister certifies to the necessity of its immediate enactment to meet a public calamity or emergency.

(c) Every bill passed by the Parliament shall, before it becomes a law, be presented to the Chief Minister. The Chief Minister shall sign the bill within thirty (30) days after the date of its receipt, otherwise, it shall become a law as if the Chief Minister had signed it.

(d) The Speaker of the Parliament shall, within ten (10) working days from their approval thereof, submit to the President and to the Congress of the Philippines a certified true copy of all laws and resolutions approved by the Parliament.

(e) The rules of the Parliament or any amendment thereto shall be effective fifteen (15) days following its complete publication in a regional newspaper of general circulation.

67. Section 25 of the House version and Section 26 of the Senate version were the same and were amended and adopted as Section 26 of the reconciled version, to read as:

SEC. 26. ***Proceedings.*** – A majority of all the members of the Parliament shall constitute a quorum to do business, but a smaller number may adjourn from day to day and may compel the attendance of absent members in such manner, and under such penalties as the Parliament may provide.

The Parliament may punish its members for disorderly behavior, and with the concurrence of two-thirds of all its members, suspend or expel a member. A penalty of suspension, when imposed, shall not exceed sixty (60) days.

The Parliament shall keep a Journal of its proceedings, and from time to time publish the same, excepting such parts as may, in its judgment affect national and/or regional security; and the *yeas* and *nays* on any question shall, at the request of one-fifth of the members present be entered into the Journal. The Parliament shall also keep a record of its proceedings.

68. Section 28 of the Senate version was amended and adopted as Section 27 of the reconciled version, to read as follows:

SEC. 27. ***Appropriations.*** – No public money, including the block grant and other national government subsidies and support funds given in lump sum, shall be spent without an appropriations law clearly defining the purpose for which it is intended. The Parliament shall pass an annual appropriations law.

69. Section 29 of the Senate version was amended and adopted as Section 28 of the reconciled version, to read as:

SEC. 28. ***Budget.*** – The form, content, and manner of preparation of the Bangsamoro budget shall be prescribed by law enacted by the Parliament, consistent with existing laws, rules and regulations of the National Government. For this purpose, the Parliament shall create a Bangsamoro Budget Office.

70. Section 30 of the Senate version was amended and adopted as Section 29 of the reconciled version, to read as:

SEC. 29. ***Reenacted Budget.*** – If, by the end of a fiscal year, the Parliament shall have failed to pass the Bangsamoro appropriations bill for the ensuing fiscal year, the Bangsamoro appropriations law for the preceding fiscal year shall be deemed reenacted and shall remain in force and effect until a new Bangsamoro appropriations bill is passed by the Parliament.

Only the annual appropriations for salaries and wages of existing positions, statutory and contractual obligations, and operating expenses authorized in the annual budget of the preceding year shall be deemed reenacted and the disbursement of funds shall be in accordance therewith.

EXECUTIVE OFFICERS

71. The subtitle EXECUTIVE OFFICERS of both the House and the Senate versions was amended and adopted as the subtitle of the reconciled version;

72. Section 30 of the House version and Section 31 of the Senate version were the same and were amended and adopted as Section 30 of the reconciled version, to read as:

SEC. 30. ***Qualifications of the Chief Minister.*** – No person shall be elected as Chief Minister unless a member of Parliament, a natural-born citizen of the Philippines, and at least twenty-five (25) years of age on the day of the election.

73. Section 31 and Section 32 of the House and Senate versions were the same and were amended and adopted as Section 31 of the reconciled version, to read as:

SEC. 31. ***Election of the Chief Minister.*** – On the first day of session following the election of the members of the Parliament, the Parliament shall elect the Chief Minister by a majority vote of all its members.

If no member of the Parliament obtains the majority vote necessary to be elected Chief Minister in the first round of voting, a runoff election shall be conducted: *Provided*, That the members of the Parliament shall elect the Chief Minister from the two (2) candidates who obtained the highest number of votes cast in the first round.

74. Section 32 of the House version and Section 33 of the Senate version were the same, and were amended and adopted as Section 32 of the reconciled version, to read as:

SEC. 32. ***Powers, Duties, and Functions of the Chief Minister.*** – The Chief Minister shall exercise the following powers, duties, and functions:

(a) Head the Bangsamoro Government;

(b) Appoint heads of ministries, agencies, bureaus, and offices of the Bangsamoro Government or other officers of Bangsamoro-owned or controlled corporations or entities with original charters;

(c) Appoint other officers in the Bangsamoro Government, as may be provided by the Parliament;

(d) Formulate a platform of government subject to the approval of the Parliament;

(e) Issue executive orders and other policies of the Bangsamoro Government;

(f) Represent the Bangsamoro Government in the affairs of the Bangsamoro Autonomous Region;

(g) Proclaim a state of calamity whenever typhoons, flash floods, earthquakes, tsunamis, or other natural or man-made calamities that cause widespread damage or destruction to life or property in the Bangsamoro Autonomous Region; and

(h) Exercise such other powers and functions inherent to the office.

75. Section 33 of the House and Section 32 of the Senate versions were similar and were amended and adopted as Section 33 of the reconciled version, to read as:

SEC. 33. ***Administration of the Oath of Office.*** – The *Wali* shall administer the oath of office of the Chief Minister and all the members of the Parliament upon their election.

76. Section 34 of the House version was amended and adopted as Section 34 of the reconciled version to read as follows:

SEC. 34. ***Membership in Other Offices.*** – The Chief Minister shall be a member of the Mindanao Development Authority. The Chief Minister shall be an *ex officio* member of the National Security Council and the National Economic and Development Authority Board on matters concerning the Bangsamoro Autonomous Region.

77. Section 35 of the House version and Section 36 of the Senate version were the same and were amended and adopted as Section 35 to read as follows:

SEC. 35. ***Deputy Chief Ministers.*** – There shall be two (2) Deputy Chief Ministers who shall be nominated by the Chief Minister and elected by members of the Parliament.

The Bangsamoro Autonomous Region shall have three (3) subregions, namely: south western Mindanao, north central Mindanao, and south central Mindanao, all within the Bangsamoro territorial jurisdiction. To ensure representation of all the subregions, the two (2) Deputy Chief Ministers shall come from the other two (2) subregions different from that of the Chief Minister.

For purposes of this provision, the coverage of each subregion shall be determined by the Parliament.

The Deputy Chief Ministers may each hold a cabinet position.

In case of death, permanent physical or mental incapacity, removal from office, or resignation of the Chief Minister, the Deputy

Chief Minister, more senior in age, shall act as the Chief Minister until the Parliament shall have elected a new Chief Minister. The election shall be held within thirty (30) days from the occurrence of the vacancy.

78. Section 36 of the House version and Section 37 of the Senate version were amended and was amended and adopted as Section 36 of the reconciled version, to read as:

SEC. 36. ***Dissolution of Parliament Upon a Vote of No Confidence.*** – Within seventy-two (72) hours upon a vote of no confidence of at least two-thirds (2/3) of all the members of the Parliament against the government of the day, the Chief Minister shall advise the *Wali* to dissolve the Parliament and call for a new parliamentary election. The election for a new parliament shall be held not later than one hundred twenty (120) days from the date of dissolution.

The incumbent Chief Minister and the Cabinet shall continue to conduct the affairs of the Bangsamoro Government until a new Parliament is convened and a new Chief Minister is elected and qualified.

In no case shall the *Wali* countermand the advice of the Chief Minister.

79. Section 38 of the Senate version was amended and adopted as Section 37 of the reconciled version, amended to read as follows:

SEC. 37. ***Prohibitions During Holdover.*** – After a vote of no confidence against the government of the day shall have been obtained, and before a new government is formed, the - Chief Minister and the Cabinet shall continue to perform their duties and functions; *Provided*, That they shall not contract loans, approve new contracts, or disburse public funds except those for payment of salaries and wages and expenses for the regular operations of the government.

The Chief Minister and the Cabinet, during the holdover period, shall not make appointments, except temporary appointments to positions when continued vacancies therein will prejudice public service or endanger public safety.

80. A new section was added and adopted by the conferees from both Houses, to read as:

Administrative Organization

SEC. 38. ***Organization of the Bureaucracy***. – The Bangsamoro Government shall have the power to create offices and organize its own bureaucracy. It may establish other offices and institutions necessary for the exercise of its functions and delivery of social services in the Bangsamoro Autonomous Region.

SEC 39. ***Civil Service***. – The Civil Service Commission shall establish a regional Civil Service field office and other field offices as may be needed in the Bangsamoro Autonomous Region for the efficient performance of its powers and duties.

The Bangsamoro Government shall enact a civil service law: *Provided*, That it shall be in accordance with existing national laws. In case of conflict with the national laws, the Constitution and existing national civil service laws, rules, and regulations shall prevail.

This law shall govern the conduct of civil servants, the qualifications for non-elective positions, adopt the merit and fitness system, and protect civil service eligibles in various government positions, including government-owned or controlled corporations with original charters in the Bangsamoro Autonomous Region. The Bangsamoro Government shall have disciplinary authority over its own officials and employees.

SEC. 40. ***Bangsamoro Electoral Office.*** – The Commission on Elections shall establish a Bangsamoro Electoral Office under its supervision and control which shall implement and enforce its orders, rulings, and decisions. The budget of the Bangsamoro Electoral Office shall be part of the yearly budget of the Commission on Elections.

SEC. 41. ***Accountability of Public Officers***. – Public office is a public trust. Public officers and employees shall at all times be accountable to the people, serve them with utmost responsibility, integrity, loyalty, and efficiency, act with patriotism and justice, and lead modest lives.

SEC. 42. ***Other Offices.*** – The Parliament may create other offices such as for the youth, women, settler communities, disaster risk reduction management, and planning and development, including a Bangsamoro Pilgrimage Authority which shall exercise jurisdiction over *Hajj* and *Umrah* matters affecting pilgrims from within the Bangsamoro Autonomous Region.

ARTICLE VIII
WALI

81. The title of ARTICLE VIII of both the House

and the Senate versions was amended and adopted as the title of ARTICLE VIII of the reconciled version;

82. Section 1 of both the House and the Senate versions contained the same provision and was amended and adopted as Section 1 of the reconciled version, to read as:

SEC. 1. ***Appointment of Wali.*** – Consistent with a parliamentary form of government, there shall be a *Wali* who shall serve as the ceremonial head of the Bangsamoro Government.

The Parliament shall issue a resolution reflecting its consensus on the selection of the *Wali* from a list of names of eminent residents of the Bangsamoro Autonomous Region submitted by the Council of Leaders.

83. Section 2 of the Senate version was amended and adopted as Section 2 of the reconciled version, to read as;

SEC. 2. ***Qualifications of the Wali.*** – The *Wali* shall possess the following qualifications at the time of his nomination:

- Natural-born citizen of the Philippines;
- Able to read and write in Filipino, English, or Arabic;
- At least forty (40) years of age;
- A resident of the Bangsamoro Autonomous Region for at least fifteen (15) years; and
- No prior conviction for any criminal or administrative offense by any court or quasi-judicial body.

84. Section 3 of the House version was amended and adopted as Section 3 of the reconciled version, to read as:

SEC. 3. ***Ceremonial and Ministerial Duties of the Wali.*** – The *Wali* shall only perform ceremonial duties such as opening the session of the Parliament, administering the oath of office, dissolving the Parliament upon the advice of the Chief Minister after a vote of no confidence against the government of the day, calling for election of a new Parliament, and attending to public ceremonies.

85. Section 4 of the Senate version was amended and adopted as Section 4 of the reconciled version, to read as:

SEC. 4. ***Oath and Term of Office of the Wali.*** – The first *Wali*, who shall hold office for three (3) years, shall be appointed by the Bangsamoro Transition Authority through a resolution reflecting its consensus. *The Wali* shall take his oath of office before a duly authorized officer. Each succeeding *Wali* shall hold office for a term of six (6) years.

86. Section 5 of the House version was amended and adopted as Section 5 of the reconciled version, to read:

SEC. 5. ***Per Diem* of the *Wali.*** – The *Wali* shall receive *per diem*, subject to existing rules and regulations on the grant of *per diems*.

The *per diem* shall be sourced from the funds of the Bangsamoro Government and shall be provided for in its annual appropriations law.

87. Section 6 of the Senate version was amended and adopted as Section 6 of the reconciled version, to read as follows:

SEC. 6. ***Grounds for Removal of the Wali.*** – The *Wali* may be removed from office by the Parliament on any of the following grounds:

(a) Failure to dissolve the Parliament after a vote of no confidence;

(b) Conviction of a crime involving moral turpitude;

(c) Failure to perform the functions of a *Wali*; and

(d) Such other grounds as the Parliament may provide.

ARTICLE IX
BASIC RIGHTS

88. The title of ARTICLE IX of both the House and the Senate versions was amended and adopted as the title of ARTICLE IX of the reconciled version;

89. A new section was added and was amended and adopted as Section 1 by the conferees from both Houses, to read as:

SEC. 1. ***Transitional Justice.*** – The Bangsamoro Parliament, taking into account the report of the Transitional Justice and Reconciliation Commission, shall enact a transitional justice mechanism to address the legitimate grievances of the Bangsamoro people and the indigenous peoples, such as historical injustices, human rights violations, and marginalization through unjust dispossession of territorial and proprietary rights and customary land tenure.

90. Section 2 of the Senate version was amended and adopted as Section 2 of the reconciled version, amended to read as:

SEC. 2. ***Reparation for Unjust Dispossession.*** – The Parliament shall enact laws providing for adequate reparation to the Bangsamoro people affected by unjust dispossession of territorial and proprietary rights or customary land tenure, which may include payment of just compensation to and relocation of such people. No land title issued by the National Government under the Torrens System shall be invalidated.

91. Section 4 of the Senate version was amended and adopted as Section 3 of the reconciled version, amended to read as:

SEC. 3. ***Indigenous Peoples' Rights.*** – The Bangsamoro Government recognizes the rights of the indigenous peoples and shall adopt measures for the promotion and protection of the following rights:

(a) Native titles or *fusaka inged*;

(b) Indigenous customs and traditions;

(c) Justice systems and indigenous political structures;

(d) Equitable share in revenues from the utilization of resources in their ancestral lands;

(e) Free, prior and informed consent;

(f) Political participation in the Bangsamoro Government including reserved seats for the non-Moro indigenous peoples in the Parliament;

(g) Basic services; and

(h) Freedom of choice as to their identity.

The Bangsamoro Government shall create a ministry for indigenous peoples and shall have the primary responsibility to formulate and implement policies, plans, and programs to promote the well-being of all indigenous peoples in the Bangsamoro Autonomous Region in recognition of their ancestral domain as well as their rights thereto.

Any measure enacted by the Parliament shall in no way diminish the rights and privileges granted to indigenous peoples by virtue of the United Nations Declaration of the Rights of Indigenous Peoples and the United Nations Declaration on Human Rights, and other laws pertaining to indigenous peoples in the Bangsamoro Autonomous Region.

This Organic Law shall not in any manner diminish the rights and benefits of the non-Moro indigenous peoples in the Bangsamoro Autonomous Region under the Constitution, national laws, particularly Republic Act No. 8371, otherwise known as the "*Indigenous Peoples' Rights Act of 1997*."

92. Section 5 of both the House and Senate versions were the same and were adopted as Section 4 of the reconciled version to read as:

SEC. 4. ***Customary Rights and Traditions.*** – The customs, beliefs, and traditions of the Bangsamoro people are hereby recognized, protected, and guaranteed.

The Parliament shall adopt measures to ensure mutual respect and protection of the distinct beliefs, customs, and traditions of the Bangsamoro people and the other inhabitants in the Bangsamoro Autonomous Region.

No person in the Bangsamoro Autonomous Region shall be subjected to any form of discrimination on account of creed, religion, ethnic origin, parentage, or gender.

93. Section 6 of the Senate version was amended and adopted as Section 5 of the reconciled version, to read as:

SEC. 5. ***Religious Freedom.*** – The Bangsamoro Government shall guarantee religious freedom and the free exercise thereof pursuant to the Constitution, national laws, and principles of international law. The Bangsamoro Government shall protect all persons from harassment or any undue pressure, coercion, and violence on account of religion. Any establishment and institution shall be free to implement policies and undertake activities pursuant to their respective religious beliefs and values.

94. Section 6 of both the House and Senate versions were the same, were amended and adopted as Section 6 of the reconciled version, to read as:

SEC. 6. ***Human Rights.*** – The Bangsamoro Government shall fully respect human rights.

95. Section 8 of the Senate version was amended and adopted as Section 7 of the reconciled version, to read as:

SEC. 7. ***Bangsamoro Human Rights Commission.*** – There is hereby created a Bangsamoro Human Rights Commission. The chairperson and two commissioners of the Commission shall be appointed by the President upon recommendation of the Chief Minister. The composition of the Commission shall reflect the ethnic distribution of the

population of the Bangsamoro Autonomous Region. The chairperson shall be a member of the Philippine Bar and a resident of the Bangsamoro Autonomous Region. A commissioner shall preferably be a member of the Philippine Bar or holder of bachelor degree from colleges or universities recognized by the National Government, and a resident of the Bangsamoro Autonomous Region.

The functions, duties, and responsibilities of the Commission shall be provided by law to be enacted by the Parliament. It shall cooperate and closely coordinate with the national Commission on Human Rights.

The Parliament shall fix the salaries and perquisites of the chairperson and the commissioners of the Commission in consonance with Republic Act No. 6758, as amended.

SOCIAL JUSTICE

96. The subtitle SOCIAL JUSTICE of both the House and the Senate versions was amended and adopted as the subtitle of the reconciled version;

97. Section 9 of the Senate version was amended and adopted as Section 8 of the reconciled version, amended to read as:

SEC. 8. ***Right of Access to Basic Services.*** – The Bangsamoro Government shall provide, maintain, and ensure the delivery of basic and responsive health programs, quality education, appropriate services, livelihood opportunities, affordable and progressive housing projects, power and electricity, and water supply, among others, to the Bangsamoro people and other inhabitants of the Bangsamoro Autonomous Region. It shall maintain appropriate disaster-preparedness units for immediate and effective relief services to victims of natural and man-made calamities. It shall also ensure the rehabilitation of calamity-affected areas and victims of calamities.

98. Section 9 of the House version and Section 10 of the Senate version were the same, and were adopted as Section 9 of the reconciled version, to read as:

SEC. 9. ***Housing and Human Settlements.*** – The Parliament shall pass a law creating a housing and human settlements agency to address the lack of shelters, settlements, and livelihood for the disadvantaged and homeless, especially those victims of conflicts and atrocities. The agency may directly solicit and receive assistance, donations, aids, and grants from donors for its housing, settlements, and livelihood programs and development.

The Bangsamoro Government, in cooperation with the private sector, shall develop its own housing and human settlement programs.

99. Section 10 of the House version was amended and adopted as Section 10 of the reconciled version, to read as:

SEC. 10. ***Rights of Labor.*** – The Bangsamoro Government shall guarantee the fundamental rights of all workers to self-organization, collective bargaining and negotiations, and peaceful concerted activities, including the right to strike, in accordance with the Constitution and the Labor Code of the Philippines. In this regard, the rights of workers, whether publicly or privately employed, to form unions, associations, or federations shall not be abridged.

The workers shall participate in policy and decision-making processes affecting their rights and benefits, as may be provided by a law that shall be enacted by the Parliament. The rights of workers to security of tenure, humane conditions of work, and a living wage shall be guaranteed. No trafficking of persons and engagement of minors in any hazardous or deleterious forms of employment shall be tolerated.

The Parliament may pass labor laws that expand or enhance the rights stated herein.

100. Section 11 of the House version and Section 12 of the Senate version were the same, amended and adopted as Section 11 of the reconciled version, to read as:

SEC. 11. ***Participation of Women in the Bangsamoro Government.*** – Aside from the reserved seat for women in the Parliament, there shall be at least one (1) woman to be appointed to the Bangsamoro Cabinet. The Parliament shall enact a law that gives recognition to the important role of women in nation-building and regional development, ensuring the representation of women in other decision-making and policy-determining bodies of the Bangsamoro Government.

The Parliament shall create by law a commission on women and shall define its powers, functions, and composition.

101. Section 13 of the House version and Section 14 of the Senate version were the same, and was amended and adopted as Section 12 of the reconciled version to read as:

SEC. 12. ***Protection of Women.*** – The Bangsamoro Government shall uphold and protect the fundamental rights of women, including the right to engage in lawful employment, and to be protected from exploitation, abuse, or discrimination, as embodied in the Convention on the Elimination of all Forms of Discrimination Against Women.

The Parliament shall enact the necessary laws for the implementation of this section.

102. Section 12 of the House version and Section 13 of the Senate version were the same, and was amended and adopted as Section 13 of the reconciled version to read as:

SEC. 13. ***Rights of the Youth.*** – The Bangsamoro Government shall recognize the vital role of the youth in nation-building, promote and protect their physical, moral, spiritual, intellectual, and social well-being. It shall inculcate patriotism and nationalism, encourage involvement in public and civic affairs, and promote mental and physical fitness through sports.

The Parliament shall create by law a commission on youth affairs and shall define its powers, functions, and composition.

103. Section 15 of the House version and Section 16 of the Senate version were the same, and was amended and adopted as Section 15 of the reconciled version;

SEC. 14. ***Rights of Children.*** – The Bangsamoro Government shall respect, protect, and promote the rights of children, especially orphans of tender age. They shall be protected from exploitation, abuse, or discrimination. Their education and development, both physical and mental, shall be fully addressed.

Bangsamoro policies and programs shall take into utmost consideration the best interest of children, and promote and protect the rights of children, youth, and adolescents, including their survival and development.

The Bangsamoro Government and its constituent local government units shall provide for adequate funding and effective mechanisms for the implementation of this policy.

EDUCATION

104. The subtitle EDUCATION of both the House and the Senate versions was amended and adopted as the subtitle of the reconciled version;

105. Section 17 of the Senate version was amended and adopted as Section 16 of the reconciled version, to read as follows:

SEC. 16. ***Integrated System of Quality Education.*** – It shall be a top priority of the Bangsamoro Government to establish, maintain, and support a complete and integrated system of quality education, which shall be a subsystem of the national education system. The Bangsamoro Government shall develop an educational framework relevant and responsive to the needs, ideals, and aspirations of the Bangsamoro people. For this purpose, the Bangsamoro Government shall conform to the minimum standards set by the National Government.

The Bangsamoro Government shall institutionalize peace education in all levels of education.

Any school, college or university existing in the Bangsamoro Autonomous Region as of the effectivity of this Organic Law, and such other schools and institutions that may be established hereinafter, shall be deemed integral components of the educational system of the Bangsamoro Autonomous Region, and shall be governed by their respective charters. The National Government shall continue to support, enhance, and strengthen the Mindanao State University System.

The Chairperson of the appropriate committee in the Parliament shall be a member in the boards of the state universities and colleges in the Bangsamoro Autonomous Region.

The Bangsamoro Government shall supervise and regulate private schools, including sectarian and non-sectarian institutions of learning in any level. Three (3) representatives of private schools shall have the right to participate in the deliberations of the appropriate Bangsamoro Government ministry, and Bangsamoro offices of the Commission on Higher Education, Technical Education and Skills Development Authority, and other government agencies on matters dealing with private schools.

The right of sectarian and educational institutions to propagate their religious beliefs shall not be curtailed. The regional educational system shall not discriminate against the sectarian educational institutions in any manner or form.

106. Section 18 of the Senate version was amended and adopted as Section 17 of the reconciled version, to read as:

SEC. 17. ***Vocational, Technical, Non-formal, and Special Education.*** – The thrusts and programs of vocational, technical, non-formal, and special education of the Bangsamoro Autonomous Region educational system for the poor, illiterate, out-of-school youth, persons with special needs, disadvantaged, and senior citizens shall be supportive and relevant to the human resource requirements of the Bangsamoro Autonomous Region, which shall conform to the minimum standards set by the National Government.

107. Section 18 of the House version was amended and adopted as Section 18 of the reconciled version, to read as follows:

SEC. 18. ***Madaris Educational System, Islamic and Arabic Studies***. – In coordination with the Department of Education, Commission on Higher Education, and Technical Education and Skills Development Authority, the Bangsamoro Government shall establish, maintain, and supervise *Madaris* education in the Bangsamoro Autonomous Region. In the case of *Madaris* teachers, the Civil Service Commission shall promulgate rules and regulations to set the standards for their qualifications, appointments, and promotions.

The Bangsamoro Government shall ensure the integration in the elementary and high school education curricula the teaching of Islamic and Arabic studies for Muslim pupils and students in public schools.

The Parliament shall enact legislation to develop and strengthen the *Madaris* educational system in the Bangsamoro Autonomous Region.

108. Section 19 of the House version and Section 20 of the Senate version were the same and were adopted as Section 19 of the reconciled version to read as:

SEC. 19. ***Tribal University System.*** – The Parliament shall create a tribal university system in the Bangsamoro Autonomous Region to address the higher educational needs of the non-Moro indigenous peoples.

The Parliament shall pass a law to recognize and support the indigenous peoples' educational system for its integration in the Bangsamoro educational system.

109. Section 20 of the House version and Section 23 of the Senate version were the same, and adopted as Section 20 of the reconciled version to read as:

SEC. 20. ***Physical Education, Sports Development, and Bangsamoro Sports Commission.*** – The Bangsamoro educational system shall develop and maintain an integrated and comprehensive physical education program. It shall develop healthy, disciplined, innovative, and productive individuals, and promote sportsmanship, cooperation, and teamwork.

The Bangsamoro educational system shall encourage and support sports programs, league competitions, indigenous games, martial arts, and amateur sports including training for regional, national, and international competitions.

The Parliament shall pass a law creating a Bangsamoro sports commission.

SCIENCE AND TECHNOLOGY

110. The subtitle SCIENCE AND TECHNOLOGY of both the House and the Senate versions was amended and adopted as the subtitle of the reconciled version;

111. Section 21 of the House version was amended and adopted as Section 21 of the reconciled version to read as:

SEC. 21. ***Science and Technology.*** - The Bangsamoro Government recognizes science and technology as essential to national and regional progress. The Bangsamoro Government shall give priority to science, research, inventions, technology education, and their development. It shall ensure the full and effective participation of all sectors in the planning, programming, coordination, and implementation of scientific and technological researches. The Bangsamoro Government shall prioritize the acquisition, adoption, innovation, and application of science and technology for development.

HEALTH

112. The subtitle HEALTH of both the House and the Senate versions was amended and adopted as the subtitle of the reconciled version;

113. Section 22 of the House version and Section 21 of the Senate version were the same, were amended and adopted as Section 22 of the reconciled version, to be read as:

SEC. 22. ***Comprehensive and Integrated Health Service Delivery.*** – The Bangsamoro Government shall adopt a policy on health that provides for a comprehensive and integrated health service delivery for its

constituents. It shall establish by law a general hospital system to serve the health requirements of its people and ensure that the individual basic right to life shall be attainable through the prompt intervention of excellent and affordable medical services.

The Bangsamoro Government shall protect and promote the right to health of the people and instill health consciousness among them. It shall also uphold the people's right to have access to essential goods, health, and other social services that promote their well-being. The Parliament shall enact appropriate legislation towards this end, including the regulation of the manufacture and distribution of food, drinks, drugs, and tobacco in accordance with the policies, rules and regulations of the concerned national government agencies.

The Bangsamoro Government shall assist and cooperate with the National Government in the provision of quarantine services for the prevention and control of epidemic and other communicable diseases.

114. Section 23 of the House version and Section 22 of the Senate version were the same, were amended and adopted as Section 23 of the reconciled version, to be read as:

SEC. 23. ***Support for Persons with Special Needs, Senior Citizens, and Disadvantaged Groups.*** – The Bangsamoro Government shall establish a special agency, support facilities and livelihood or skills training for persons with special needs, and other disadvantaged persons for their rehabilitation and productive integration into mainstream society.

The Bangsamoro Government shall coordinate all existing governmental and non-governmental agencies concerned with the rehabilitation and education of these persons.

The Bangsamoro Government shall ensure the welfare of senior citizens by upholding their rights and providing the benefits and privileges they presently enjoy.

ARTS AND CULTURE

115. The subtitle ARTS AND CULTURE of both the House and the Senate versions was amended and adopted as the subtitle of the reconciled version;

116. Section 24 of the House version was amended and adopted as Section 24 of the reconciled version, amended and adopted as follows:

SEC. 25. ***Primary Responsibility of the Bangsamoro Commission for the Preservation of Cultural Heritage.*** – The Bangsamoro Commission for the Preservation of Cultural Heritage shall have the primary responsibility to write the history of the Bangsamoro people and to establish and sustain the cultural institutions, programs, and projects in the Bangsamoro Autonomous Region. The Commission shall coordinate and work closely with the National Commission for Culture and the Arts, National Historical Commission of the Philippines, National Museum of the Philippines, and other concerned cultural agencies for the preservation of cultural heritage, shall establish libraries and museums, declare and restore historical shrines and cultural sites to preserve the Bangsamoro heritage for posterity. The Commission shall ensure the inclusion of Philippine history, culture, and heritage in the establishment of museums and similar institutions, programs and projects to foster unity among the Filipinos.

117. Section 25 of the Senate version was amended and adopted as Section 25 of the reconciled version, to read as:

SEC. 25. ***Primary Responsibility of the Bangsamoro Commission for the Preservation of Cultural Heritage.*** – The Bangsamoro Commission for the Preservation of Cultural Heritage shall have the primary responsibility to write the history of the Bangsamoro people and to establish and sustain the cultural institutions, programs, and projects in the Bangsamoro Autonomous Region. The Commission, in coordination with the National Commission for Culture and the Arts, National Historical Commission of the Philippines, National Museum of the Philippines, and other concerned cultural agencies for the preservation of cultural heritage, shall establish libraries and museums, and declare and restore historical shrines and cultural sites to preserve the Bangsamoro heritage for posterity. The Commission shall ensure the inclusion of Philippine history, culture, and heritage in the establishment of museums and similar institutions, programs and projects to foster unity among the Filipinos.

In the implementation of its responsibilities under this section, the Commission shall work closely with the cultural agencies of the National Government.

118. Section 26 of the House and Senate versions

were the same, were amended and adopted as Section 26 of the reconciled version, to read as:

SEC. 26. ***Management of Bangsamoro Historical and Cultural Sites.*** – The National Government shall transfer the management of Bangsamoro historical and cultural sites currently under the jurisdiction of the National Museum of the Philippines, National Historical Commission of the Philippines, or other agencies of the National Government to the Bangsamoro Commission for the Preservation of Cultural Heritage through the intergovernmental relations mechanisms. The Bangsamoro Commission for the Preservation of Cultural Heritage shall coordinate with relevant agencies of the National Government on the regulation, excavation, and preservation of cultural artifacts and on the recovery of lost historical and cultural heritage.

ARTICLE X
BANGSAMORO JUSTICE SYSTEM

119. The provisions on Article X were the result of the proposals submitted by a subcommittee created in the meeting. The conferees adopted the submission of the subcommittee as Article X of the reconciled version, to read as follows:

ARTICLE X
BANGSAMORO JUSTICE SYSTEM

SEC. 1. ***Justice System in the Bangsamoro.*** – The Bangsamoro justice system shall be administered in accordance with the unique cultural and historical heritage of the Bangsamoro.

The dispensation of justice in the Bangsamoro Autonomous Region shall be in consonance with the Constitution, *Shari'ah*, traditional or tribal laws, and other relevant laws.

Shari'ah or Islamic law forms part of the Islamic tradition derived from religious precepts of Islam, particularly the *Qur'an* and *Sunnah*.

Shari'ah shall apply exclusively to cases involving Muslims. Where a case involves a non-Muslim, *Shari'ah* law may apply only if the non-Muslim voluntarily submits to the jurisdiction of the *Shari'ah* court.

The traditional or tribal laws shall be applicable to disputes of indigenous peoples within the Bangsamoro Autonomous Region.

The provisions of this Article shall not prejudice the rights of non-Muslims and non-indigenous peoples.

SEC. 2. ***Shari'ah Courts.*** – *Shari'ah* courts within the Bangsamoro territorial jurisdiction shall form part of the Philippine judicial system subject to the supervision of the Supreme Court. The regular courts within the Bangsamoro Autonomous Region shall continue to function under the supervision of the Supreme Court.

The Congress of the Philippines may create additional *Shari'ah* courts in the Bangsamoro Autonomous Region upon the recommendation of the Supreme Court. It may also create *Shari'ah* courts outside the Bangsamoro Autonomous Region in areas where a considerable number of Muslims reside.

SEC. 3. ***Sources of Shari'ah.*** – The following are the sources of *Shari'ah*:

Principal Sources:

(a) Al-Qur'an or the Koran;

(b) Al-Sunnah or traditions of Prophet Muhammad SAW;

Secondary Sources:

(a) Al-Ijma or Consensus; and

(b) Al-Qiyas or Analogy.

SEC. 4. ***Power of the Parliament to Enact Laws Pertaining to Shari'ah.*** - The Parliament shall have the power to enact laws on personal, family, and property law jurisdiction.

The Parliament has the power to enact laws governing commercial and other civil actions not provided for under Presidential Decree No. 1083, as amended, otherwise known as the "*Code of Muslim Personal Laws of the Philippines*," and criminal jurisdiction on minor offenses punishable by *arresto menor* or *ta'zir* which must be equivalent to *arresto menor* or fines commensurate to the offense.

SEC. 5. ***Jurisdiction of the Shari'ah Circuit Courts.*** – The *Shari'ah* Circuit Courts in the Bangsamoro Autonomous Region shall exercise exclusive original jurisdiction over the following cases where either or both parties are Muslims: *Provided*, That the non-Muslim party voluntarily submits to its jurisdiction:

(a) All cases involving offenses defined and punished under Presidential Decree No. 1083, where the act or omission has

been committed in the Bangsamoro Autonomous Region;

(b) All civil actions and proceedings between parties residing in the Bangsamoro Autonomous Region who are Muslims or have been married in accordance with Article 13 of Presidential Decree No. 1083, involving disputes relating to:

(1) Marriage;

(2) Divorce;

(3) Betrothal or breach of contract to marry;

(4) Customary dower or mahr;

(5) Disposition and distribution of property upon divorce;

(6) Maintenance and support, and consolatory gifts; and

(7) Restitution of marital rights;

(c) All cases involving disputes relative to communal properties;

(d) All cases involving Ta'zir offenses defined and punishable under *Shari'ah* law enacted by the Parliament punishable by arresto menor or the corresponding fine, or both;

(e) All civil actions under *Shari'ah* law enacted by the Parliament involving real property in the Bangsamoro Autonomous Region where the assessed value of the property does not exceed Four hundred thousand pesos (P400,000.00); and

(f) All civil actions, if they have not specified in an agreement which law shall govern their relations, where the demand or claim does not exceed Two hundred thousand pesos (P200,000.00).

SEC. 6. ***Jurisdiction of the Shari'ah District Courts.*** – The *Shari'ah* District Courts in the Bangsamoro Autonomous Region shall exercise exclusive original jurisdiction over the following cases where either or both are Muslims: *Provided*, That the non-Muslim party voluntarily submits to its jurisdiction:

(a) All cases involving custody, guardianship, legitimacy, and paternity and filiation arising under Presidential Decree No. 1083;

(b) All cases involving disposition, distribution, and settlement of the estate of deceased Muslims, probate of wills, issuance of letters of administration, or appointment of administrators or executors regardless of the nature or the aggregate value of the property;

(c) Petitions for the declaration of absence and death, and for the cancellation or correction of entries in the Muslim Registries mentioned in Title VI of Book Two of Presidential Decree No. 1083;

(d) All actions arising from customary and Shari'ah compliant contracts in which the parties are Muslims, if they failed to specify the law governing their relations;

(e) All petitions for mandamus, prohibition, injunction, certiorari, habeas corpus, and all other auxiliary writs and processes in aid of its appellate jurisdiction;

(f) Petitions for the constitution of a family home, change of name, and commitment of an insane person to an asylum;

(g) All other personal and real actions not falling under the jurisdiction of the Shari'ah Circuit Courts wherein the parties involved are Muslims, except those for forcible entry and unlawful detainer, which shall fall under the exclusive original jurisdiction of the Municipal Trial Court;

(h) All special civil actions for interpleader or declaratory relief wherein the parties are Muslims residing in the Bangsamoro Autonomous Region or the property involved belongs exclusively to Muslims and is located in the Bangsamoro Autonomous Region;

(i) All civil actions under Shari'ah law enacted by the Parliament involving real property in the Bangsamoro Autonomous Region where the assessed value of the property exceeds Four hundred thousand pesos (P400,000.00); and

(j) All civil actions, if they have not specified in an agreement which law shall govern their relations where the demand or claim exceeds Two hundred thousand pesos (P200,000.00).

The *Shari'ah* District Court in the Bangsamoro Autonomous Region shall exercise appellate jurisdiction over all cases decided upon by the *Shari'ah* Circuit Courts in the Bangsamoro Autonomous Region within its territorial jurisdiction, as provided under Article 144 of Presidential Decree No. 1083, as amended.

SEC. 7. ***Shari'ah High Court.*** – There is hereby created within the Bangsamoro territorial jurisdiction, as part of the Philippine judicial system, a *Shari'ah* High Court. It shall exercise exclusive original jurisdiction over the following cases where either or both parties are Muslims: *Provided*, That the non-Muslim party voluntarily submits to its jurisdiction:

(a) All petitions for mandamus, prohibition, injunction, certiorari, habeas corpus, and all other auxiliary writs and processes, in aid of its appellate jurisdiction; and

(b) All actions for annulment of judgments of Shari'ah District Courts.

The *Shari'ah* High Court shall exercise exclusive appellate jurisdiction over cases under the jurisdiction of the *Shari'ah* District Courts within or outside the Bangsamoro Autonomous Region.

The decisions of the *Shari'ah* High Court shall be final and executory except on questions of law which may be raised before the Supreme Court following the procedure for appeals from the Court of Appeals to the Supreme Court.

Nothing contained herein shall affect the original and appellate jurisdiction of the Supreme Court as provided in the Constitution.

Pending the complete organization of the *Shari'ah* High Court, the decisions of the *Shari'ah* District Courts shall be appealable to the Court of Appeals.

SEC. 8. ***Qualifications of Shari'ah Judges.*** –

(a) Shari'ah Circuit Court. – No person shall be appointed judge of the Shari'ah Circuit Court unless a citizen of the Philippines who is a Muslim, a regular member of the Philippine Bar, at least thirty (30) years of age, must have been engaged in the practice of law for five (5) years or more, and has completed at least two (2) years of Shari'ah or Islamic Jurisprudence.

(b) Shari'ah District Court. – No person shall be appointed judge of the Shari'ah District Court unless a citizen of the Philippines who is a Muslim, a regular member of the Philippine Bar, at least thirty-five (35) years of age, must have been engaged in the practice of law for ten (10) years or more, and has completed at least two (2) years of Shari'ah or Islamic Jurisprudence.

(c) Shari'ah High Court. — No person shall be appointed justice of the Shari'ah High Court unless a natural-born citizen of the Philippines who is a Muslim, a regular member of the Philippine Bar, at least forty (40) years of age, must have been engaged in the practice of law for fifteen (15) years or more, and has completed at least two (2) years of Shari'ah or Islamic Jurisprudence.

A *Shari'ah* Justice or Judge must be a person of competence, integrity, probity, and independence.

The Supreme Court may grant the incumbent *Shari'ah* District and Circuit Court judges who are not regular members of the Philippine Bar a reasonable period within which to qualify, pending which they shall be allowed to continue discharging their duties.

SEC. 9. ***Composition of the Shari'ah High Court.*** –The *Shari'ah* High Court shall be composed of five (5) Justices, including the Presiding Justice.

SEC. 10. ***Compensation, Benefits, Tenure, and Privileges.*** – Justices of the *Shari'ah* High Court shall have the same rank, prerogatives, salaries, allowances, benefits, tenure, and privileges as the Justices of the Court of Appeals.

Judges of the *Shari'ah* District Courts shall have the same rank, prerogatives, salaries, allowances, benefits, tenure, and privileges as judges of the Regional Trial Court.

Judges of the *Shari'ah* Circuit Courts shall have the same rank, prerogatives, salaries, allowances, benefits, tenure, and privileges as judges of the Municipal Trial Court.

SEC. 11. ***Shari'ah Rules of Court.*** – The existing Special Rules of Procedure in *Shari'ah* courts shall continue to be in force and effect until the Supreme Court promulgates a new *Shari'ah* Rules of Court.

SEC. 12. ***Special Bar Examinations for Shari'ah.*** – The Supreme Court shall administer *Shari'ah* Special Bar Examinations for admission of applicants to the Philippine Bar as special members thereof to practice law in the *Shari'ah* courts. A successful

examinee who has qualified for special membership in the Philippine Bar shall be duly conferred the title of counselor-at-law.

SEC. 13. ***Practice of Law Before Shari'ah Courts.*** – The following are eligible to practice before *Shari'ah* courts:

(a) A Shari'ah counselor-at-law; and

(b) A regular member of the Philippine Bar: Provided, That a Muslim, or a non-Muslim who submits to the jurisdiction of the Shari'ah court, who acts on one's behalf as counsel, shall be allowed to appear as such before any Shari'ah court.

SEC. 14. ***Appointment and Discipline of Shari'ah Court Personnel.*** – The Supreme Court shall appoint the *Shari'ah* court personnel and shall have the power to discipline them.

SEC. 15. ***Bangsamoro Shari'ah Integrated Bar.*** – The Supreme Court may adopt the rules for the integration of the *Shari'ah* Bar under such conditions as it shall see fit in order to raise the standards of the profession and improve the administration of justice in the Bangsamoro Autonomous Region.

SEC. 16. ***Creation of New Offices.*** – The Parliament may create a *Shari'ah* public assistance office, a *Shari'ah* special prosecution service, a *Shari'ah* academy, and the Office of the Jurisconsult of Islamic Law. Pending the creation of the *Shari'ah* special prosecution service, the existing national prosecution service of the Department of Justice shall prosecute criminal cases before the *Shari'ah* courts.

SEC. 17. ***Traditional or Tribal Justice Systems.*** – The Parliament shall enact laws to promote and support the traditional or tribal justice systems that are appropriate for the indigenous peoples.

The indigenous peoples shall have the right to use their own commonly accepted justice systems, conflict resolution institutions, peace building processes or mechanisms, and other customary laws and practices within their respective communities and as may be compatible with the national legal system and with internationally recognized human rights.

The traditional justice systems are the mechanisms to determine, settle, and decide controversies and enforce decisions involving disputes between members of the indigenous peoples concerned in accordance with the customary laws of these communities.

SEC. 18. ***Office for Traditional or Tribal Justice System.*** – There is hereby created an Office for Tribal Justice System that shall be responsible for overseeing the study, preservation, and development of the tribal justice system within the Bangsamoro Autonomous Region. The powers and functions of the Office for Tribal Justice System shall be defined by the Parliament.

The Office for Tribal Justice System shall ensure the full participation of indigenous peoples in the formulation, implementation, and evaluation of policies related to the strengthening of tribal justice systems: *Provided*, That such systems shall maintain their indigenous character in accordance with the respective practices of each tribe.

SEC. 19. ***Regular Courts.*** – Regular courts in the Bangsamoro Autonomous Region shall continue to exercise their judicial functions, as provided by national law.

SEC. 20. ***Alternative Dispute Resolution***. The Bangsamoro Government shall adopt the principles of conciliation and mediation in settling disputes, with the Parliament enacting the necessary legislation to institute the mechanism for alternative dispute resolution. The *Shari'ah* Courts and traditional or tribal adjudicatory tribunals may utilize this mode of settlement and resolution of cases.

120. The provisions on Article XI were the result of the proposals submitted by a subcommittee created in the meeting. The conferees adopted the submission of the subcommittee as Article XI of the reconciled version, to read as follows:

ARTICLE XI
NATIONAL DEFENSE AND SECURITY, PUBLIC ORDER AND SAFETY, AND COAST GUARD SERVICES

SEC. 1. ***National Defense and Security.*** – The defense and security of the Bangsamoro Autonomous Region shall be the responsibility of the National Government.

SEC. 2. ***Public Order and Safety.*** – The Philippine National Police shall create a Police Regional Office in the Bangsamoro Autonomous Region which shall be organized, maintained, supervised, and utilized for the primary purpose of law enforcement and maintenance of peace and order in the

Bangsamoro in accordance with Republic Act No. 6975, otherwise known as the "*Department of the Interior and Local Government Act of 1990*," as amended by Republic Act No. 8551, otherwise known as the "*Philippine National Police Reform and Reorganization Act of 1998*." The Police Regional Office in the Bangsamoro Autonomous Region shall be under the direct operational control and supervision of the Philippine National Police.

The Police Regional Office in the Bangsamoro Autonomous Region shall be headed by a Regional Director who shall, upon consultation with the Chief Minister, be appointed in accordance with Republic Act No. 6975, as amended.

To facilitate entry into the Philippine National Police of Moro Islamic Liberation Front and Moro National Liberation Front members from the Bangsamoro Autonomous Region, the age, height, and educational attainment requirements may be waived by the National Police Commission, subject to existing rules and regulations: *Provided*, That such shall be availed of within a period of five (5) years from the ratification of this Organic Law: *Provided, Further*, That the requirement of educational attainment shall be complied within fifteen (15) years from their entry: *Provided, finally,* That their ranks and grades shall be subject to existing laws, rules and regulations governing the Philippine National Police.

SEC. 3. ***Regional Office of the National Police Commission.*** – The National Police Commission shall establish the National Police Commission Bangsamoro Regional Office under its direct control, supervision, and administration, in accordance with Republic Act No. 6975, as amended. The Secretary of the Interior and Local Government shall appoint the Regional Director who shall head the National Police Commission Bangsamoro Regional Office.

The National Police Commission Bangsamoro Regional Office shall have the power to investigate complaints against members of the Police Regional Office in the Bangsamoro Autonomous Region. Appeals from the decisions of the National Police Commission Bangsamoro Regional Office shall be filed with the National Police Commission. Pending resolution of the appeal, the decision of the National Police Commission Bangsamoro Regional Office may be executed.

SEC. 4. ***Consultation with the Chief Minister on Police Matters Affecting the Police Regional Office in the Bangsamoro Autonomous Region.*** – The National Police Commission shall consult the Chief Minister on police matters affecting the Police Regional Office in the Bangsamoro Autonomous Region.

SEC. 5. ***Jail Management and Penology.*** – The Bureau of Jail Management and Penology shall establish a regional office in the Bangsamoro Autonomous Region under its direct operational and administrative control and supervision, in accordance with Republic Act No. 6975, as amended, and Republic Act No. 9263, otherwise known as the "*Bureau of Fire Protection and Bureau of Jail Management and Penology Professionalization Act of 2004*." The Bureau of Jail Management and Penology shall support the regional office in the establishment, maintenance, and improvement and procurement of jail facilities, the appropriation for the subsistence of detainees and prisoners, the establishment, maintenance, operation, and management of separate detention homes, and the designation of jail wardens.

SEC. 6. ***Fire Protection.*** – The Bureau of Fire Protection shall establish a regional office in the Bangsamoro Autonomous Region under its direct operational and administrative control and supervision, in accordance with Republic Act No. 6975, as amended, and Republic Act No. 9263. The Bureau of Fire Protection shall support the regional office in the establishment, maintenance, and improvement and procurement of fire protection and prevention facilities, the enforcement of Republic Act No. 9514, otherwise known as the "*Comprehensive Fire Code of the Philippines*," and other existing laws on fire safety enforcement, protection, and prevention.

SEC. 7. ***Coast Guard Services.*** – The Philippine Coast Guard shall establish a regional office in the Bangsamoro Autonomous Region which shall be organized, maintained, supervised, and utilized for the primary purpose of law enforcement over coast guard matters. It shall be under the direct operational and administrative control and supervision of the Philippine Coast Guard.

ARTICLE XII
FISCAL AUTONOMY

121. The title of Article XII of both the House and the Senate versions was amended and

adopted as the title of Article XII of the reconciled version;

122. Section 1 of the House version was amended and adopted as Section 1 of the reconciled version, to read as:

SEC. 1. ***Fiscal Autonomy.*** – The Bangsamoro Government shall enjoy fiscal autonomy with the end in view of attaining economic self-sufficiency and genuine development. The Bangsamoro Government is entitled to all fund sources enumerated herein, and shall have the power to create its sources of revenues as provided in this Organic Law, which shall be spent in a programmatic, transparent, performance-based, and phased manner. It shall prepare its budget and allocate funds in accordance with an annual appropriations law passed by the Parliament.

123. Section 2 of the House version was amended and adopted as Section 2 of the reconciled version, to read as:

SEC. 2. ***Auditing.*** – Pursuant to the Constitution, the Commission on Audit shall be the exclusive auditor of the Bangsamoro Government and its constituent local government units. The Bangsamoro Government shall establish an auditing body which shall have internal auditing responsibility in accordance with Republic Act No. 3456, otherwise known as the *"Internal Auditing Act of 1962*," as amended. The Bangsamoro Government shall implement transparency and accountability mechanisms consistent with open government practices and generally accepted financial management principles.

124. Section 3 of the House version was amended and adopted as Section 3 of the reconciled version to read as:

SEC. 3. ***Local Government Finance.*** – There is hereby created a Bangsamoro Regional Office of the Bureau of Local Government Finance under the Department of Finance which shall have the authority to coordinate, assist, and monitor the treasury and assessment operations of constituent local government units within the Bangsamoro Autonomous Region in pursuance of good governance and local autonomy. The regional office shall be guided by the standards set by the Department of Finance-Bureau of Local Government Finance including the requirements set for the appointment of local treasurers.

125. Section 12 of the Senate version was amended and adopted as Section 4 of the reconciled version to read as:

SEC. 4. ***Bangsamoro Treasury Office.*** – There is hereby created a Bangsamoro Treasury Office whose primary function is to receive and safeguard all the revenues generated and collected by the Bangsamoro Government. The Office shall be headed by a Regional Treasurer who shall be appointed by the Chief Minister and whose term shall be determined by a law to be passed by the Parliament.

126. Section 4 of the House version was amended and adopted as Section 5 of the reconciled version, amended to read as:

SEC. 5. ***National Government Assistance.*** – The National Government shall extend assistance to the Bangsamoro Government on tax administration and fiscal management, including capacity building and training programs, in accordance with the plans to be developed by the Bangsamoro Government in consultation with the National Government.

SOURCES OF REVENUES

127. The subtitle SOURCES OF REVENUES of both the House and the Senate versions was amended and adopted as the subtitle of the reconciled version;

128. Section 6 of the reconciled version was amended and adopted to read as:

129. Section 7 of the reconciled version was amended and adopted to read as follows:

SEC. 7. ***Uniform and Equitable Taxation; Prohibition Against Confiscatory Taxes, Fees and Charges*** – The Parliament shall exercise, subject to the provisions of the Constitution, the power to levy taxes, fees, and charges, which shall inure solely to the benefit of the Bangsamoro Autonomous Region: *Provided*, That the principles of uniformity and equity in taxation shall be observed: *Provided, Further*, That such shall not be unjust, excessive, oppressive, confiscatory, or contrary to public policy: *Provided*, *Furthermore*, That their collection shall not be delegated to any private person.'

The power to impose any tax under this Organic Law shall be exercised by the Parliament, through an appropriate legislation, which shall not be enacted without any prior public hearing conducted for the purpose. The Bangsamoro Government shall evolve a progressive, responsive, and culture sensitive

system of taxation which shall, among other things, provide for incentives for the prompt payment of taxes and penalize tax evasion and delinquency.

Nothing in this provision shall preclude any future legislation on national taxes nor allow both National Government and Bangsamoro Government to impose similar taxes on the same entity.

130. Section 8 of the Senate version was amended and adopted as Section 8 of the reconciled version to read as:

SEC. 8. ***Tax Incentives.*** – The Parliament may grant tax exemptions and incentives under this Organic Law upon a vote of majority of all its members: *Provided*, That these tax exemptions and incentives shall not diminish national revenues: *Provided, Further*, That the grant of tax exemptions and incentives administered by the Regional Board of Investments of the Autonomous Region in Muslim Mindanao as provided for in Executive Order No. 458, Series of 1991, in relation to Executive Order No. 226, Series of 1987, otherwise known as the "*Omnibus Investment Code*," shall continue to apply.

Nothing in this Organic Law shall be construed to alter, diminish, or repeal the incentives already granted and administered by investment promotion agencies of the National Government to existing locators or registered business entities.

131. Section 10 of the House version and Section 9 of the Senate version were amended and adopted as Section 9 of the reconciled version to read as:

SEC. 9. ***Limitations on the Taxing Powers; Exceptions.*** – Unless otherwise provided herein, the taxing power of the Bangsamoro Government shall not extend to the following:

(a) Income tax, except when levied on banks and other financial institutions;

(b) Customs duties, registration fees of vessels and wharfage on wharves, tonnage dues, and all other kinds of customs fees, charges, and dues except vessels which are registered by their owners with the Bangsamoro Government and wharfage on wharves constructed and maintained by the Bangsamoro Government or its constituent local government units;

(c) Taxes, fees, or charges and other impositions upon goods carried into or out of, or passing through the territorial jurisdictions of the provinces, cities, municipalities, or barangays in the Bangsamoro Autonomous Region in the guise of charges for wharfage, tolls for bridges or otherwise, or other taxes, fees, or charges in any form whatsoever upon such goods or merchandise, except tolls on bridges or roads constructed and maintained by the Bangsamoro Government or its constituent provinces, cities, municipalities, or barangays concerned;

(d) Taxes, fees, or charges on agricultural and aquatic products when sold by marginal farmers or fisherfolk;

(e) Taxes on business enterprises certified by the Board of Investments or by the Parliament as pioneer or non-pioneer for a period of six (6) and four (4) years, respectively, from the date of registration;

(f) Excise taxes on articles enumerated under the National Internal Revenue Code of 1997, as amended, and taxes, fees, or charges on petroleum products;

(g) Percentage or value-added tax on sales, barters, or exchanges or similar transactions on goods or services except as otherwise provided by national law;

(h) Taxes on the gross receipts of transportation contractors and persons engaged in the transportation of passengers or freight by hire and common carriers by air, land, or water except as provided in this Organic Law;

(i) Taxes on premiums paid by way of reinsurance or retrocession;

(j) Taxes, fees, or other charges on Philippine products actually exported, except as otherwise provided by law enacted by the Congress of the Philippines;

(k) Taxes, fees, or charges on countryside and barangay business enterprises and cooperatives duly registered under Republic Act No. 6810, otherwise known as the "*Magna Carta for Countryside and Barangay Business Enterprises*," and Republic Act No. 6938, otherwise known as the "*Cooperative Code of the Philippines*," as amended, and

(l) Taxes, fees, or charges of any kind on the National Government, its agencies and instrumentalities, and local govern-

ment units except on government-owned or controlled corporations or entities that are primarily organized to do business.

However, where all taxable elements are within the Bangsamoro territorial jurisdiction, the Parliament may impose the following taxes to the exclusion of the Bureau of Internal Revenue of the National Government:

(1) Capital Gains Tax. – Tax imposed on the gains presumed to have been realized by the seller from the sale, exchange, or other disposition of real properties, classified as capital assets, including *pacto de retro* sales and other forms of conditional sale;

(2) Documentary Stamp Tax. – Tax on documents, instruments, loan agreements, and papers evidencing the acceptance, assignment, sale, or transfer of the obligation, right or property incident thereto;

(3) Donor's Tax. – Tax on a donation or gift that is imposed on the gratuitous transfer of property between two or more persons who are living at the time of the transfer. It shall apply whether the transfer is in trust or otherwise, whether the gift is direct or indirect, and whether the property is real or personal, tangible or intangible; and

(4) Estate Tax. – Tax on the right of the deceased person to transmit to the lawful heirs and beneficiaries of the deceased person at the time of death and on certain transfers, which are made by law as equivalent to testamentary disposition.

In case the Parliament does not impose the abovementioned taxes, the Bureau of Internal Revenue of the National Government shall continue to levy and collect said taxes: *Provided,* That if the Bangsamoro Government shall impose them, the tax rates shall be pursuant to the National Internal Revenue Code of 1997, as amended: *Provided, Further,* That in no case shall the abovementioned taxes be imposed and collected by both the Bureau of Internal Revenue and the Bangsamoro Government.

The Intergovernmental Fiscal Policy Board shall promulgate rules on the determination of taxable elements in relation to taxes (1) to (4) above, and the sharing of revenues from the collection of such taxes where the taxable elements are both situated within and outside of the Bangsamoro territorial jurisdiction. Any dispute between the National Government and the Bangsamoro Government arising from the imposition of the above taxes shall be resolved by the Intergovernmental Fiscal Policy Board.

132. Section 11 of the House version was amended and adopted as Section 10 of the reconciled version, to read as:

SEC. 10. ***Sharing of Taxes Collected by the National Government.*** – National Government taxes, fees, and charges collected in the Bangsamoro Autonomous Region, other than tariff and customs duties, shall be shared as follows:

(a) Twenty-five percent (25%) to the National Government: *Provided,* That for the first ten (10) years following the effectivity of this Organic Law, this share shall accrue to the Bangsamoro Government: *Provided, Further*, That after this first ten (10)-year period, upon petition of the Bangsamoro Government, the National Government may extend the period as it shall deem necessary; and

(b) Seventy-five percent (75%) to the Bangsamoro Government, inclusive of the shares of the constituent local government units.

The shares in taxes, fees, and charges provided under this section shall be separate and distinct from the annual block grant appropriated to the Bangsamoro Government under Section 15 of this Article.

133. Section 12 of the House version was amended and adopted as Section 11 of the reconciled version, to read as:

SEC. 11. ***Assessment and Collection of Taxes; Bangsamoro Revenue Office.*** – The Parliament shall establish by law the Bangsamoro Revenue Office for the assessment and collection of Bangsamoro taxes, as well as all other collectible taxes in the Bangsamoro Autonomous Region.

Until such time that the Bangsamoro Revenue Office is established, tax collection shall be undertaken by the Bureau of Internal Revenue. The share of the Bangsamoro Government shall be retained by the National Government collecting agencies and remitted to the Bangsamoro Government in lump sum without need of an appropriations law.

Upon its establishment, the Bangsamoro Revenue Office shall start collecting such taxes regularly: *Provided*, That it shall report promptly all its collections to, and remit the

share of, the National Government through a duly accredited government depository bank: *Provided, Further*, That the National Government and the Bangsamoro Government shall share the costs of administering the tax collection as provided herein.

134. Section 13 of the House version was amended and adopted as Section 12 of the reconciled version, to read as:

SEC. 12. ***Payment of Taxes by Corporations, Partnerships or Firms.*** - Corporations, partnerships, or firms directly engaged in business in the Bangsamoro Autonomous Region shall pay their corresponding taxes, fees, and charges in the province or city where the corporation, partnership, or firm is doing business.

Corporations, partnerships, or firms whose central, main, or head offices are located outside the Bangsamoro Autonomous Region but are doing business within its territorial jurisdiction, shall pay the income taxes for income derived from their business operations in the Bangsamoro Autonomous Region to the city or municipality where their branch offices or business operations or activities are located. The Bureau of Internal Revenue and the Bangsamoro Revenue Office shall agree on modalities for the filing of income tax returns through the Intergovernmental Fiscal Policy Board.

The Intergovernmental Fiscal Policy Board shall promulgate rules to implement this provision, including the determination of covered entities and the allocation of income for covered entities.

135. Section 14 of the House version was amended and adopted as Section 13 of the reconciled version, to read as:

SEC. 13. ***Share of the Constituent Local Government Units in Taxes within the Bangsamoro Autonomous Region.*** – The Parliament shall enact a law detailing the shares of constituent local government units in the seventy-five percent (75%) share of the Bangsamoro Government in the national taxes, fees, and charges collected in the Bangsamoro territorial jurisdiction.

136. Section 15 of the Senate version was amended and adopted as Section 14 of the reconciled version, to read as:

SEC. 14. ***Bangsamoro Tax and Revenue Code.*** – The Parliament shall enact a Bangsamoro tax and revenue code, which shall cover the taxing powers of the Bangsamoro Government, in accordance with the Constitution and this Organic Law.

BLOCK GRANT

137. The subtitle BLOCK GRANT of both the Senate and the House versions was amended and adopted as the subtitle of the reconciled version;

138. Section 17 of the House version was amended and adopted as Section 15 of the reconciled version, to read as follows:

SEC. 15. ***Annual Block Grant.*** – The National Government shall provide an annual block grant which shall be the share of the Bangsamoro Government in the national internal revenue tax collections of the Bureau of Internal Revenue and collections of the Bureau of Customs. The amount shall be sufficient for the exercise of the powers and functions of the Bangsamoro Government under this Organic Law and in no case shall be less than the last budget received by the Autonomous Region in Muslim Mindanao immediately before the establishment of the Bangsamoro Autonomous Region.

139. Section 16 of the reconciled version was amended and adopted to read as:

SEC. 16. ***Block Grant Amount.*** – For the budget year immediately following the year of the effectivity of this Organic Law, the amount of the block grant shall be equivalent to five percent (5%) of the net national internal revenue tax collection of the Bureau of Internal Revenue and the net collection of the Bureau of Customs from the third fiscal year immediately preceding the current fiscal year.

For purposes of this section, the net national internal revenue tax collections of the Bureau of Internal Revenue is the sum of all internal revenue tax collections of the Bureau of Internal Revenue during the base year less the internal revenue allotment of local government units, the amount released during the same year for tax refunds, payments for informers' reward, and any portion of internal revenue tax collections which are presently set aside, or hereafter earmarked under special laws for payment to third persons.

140. Section 17 of the reconciled version was amended and adopted to read as:

SEC. 17. ***Automatic Appropriation.*** –

The annual block grant shall be automatically appropriated in the General Appropriations Act of the Congress of the Philippines to the Bangsamoro Government.

141. Section 20 of the House version and Section 21 of the Senate version were amended and adopted to read as Section 18 of the reconciled version, to read as:

SEC. 18. ***Regular Release.*** – The block grant shall be released without need of any further action, directly and comprehensively to the Bangsamoro Government, and shall not be subject to any lien or holdback that may be imposed by the National Government for whatever purpose.

142. Section 19 of the reconciled version was amended and adopted to read as:

SEC. 19. ***Allocation of the Block Grant.*** – The Parliament shall pass an annual appropriations law allocating the block grant to various agencies and programs according to the powers and functions of the Bangsamoro Government. The Parliament shall assign the highest budgetary priority to education, health, and social services as may be provided in its appropriations law. The Parliament shall not include the procurement of firearms, ammunition, armaments, and explosives in its annual appropriations law from the block grant. Copies of the development plans of the Bangsamoro Government shall be furnished the Department of the Interior and Local Government. In the allocation of the block grant, the national laws and the budgeting rules and regulations implemented by the Department of Budget and Management and Department of the Interior and Local Government applicable to local government units shall apply.

The Bangsamoro Government's annual appropriations law shall set performance standards and targets for each sector. Any unspent amount in the current year's block grant shall revert to the Bangsamoro Treasury under a Special Fund for re-appropriation: *Provided, However,* That any subsequent appropriation thereof shall follow the same conditions as provided in this section. \

143. Section 20 of the reconciled version was amended and adopted to read as:

SEC. 20. ***General Limitations.*** – The use of funds shall be subject to the following limitations:

(a) The total appropriations, whether annual or supplemental, for Personal Services of the Bangsamoro Government for one (1) fiscal year shall not exceed forty-five percent (45%) of the total revenue sources of the Bangsamoro Government as provided under Section 6 of this Article. The appropriations for salaries, wages, representation and transportation allowances of officials and employees of the public utilities and economic enterprises owned, operated, and maintained by the Bangsamoro Government shall not be included in the annual budget or in the computation of the maximum amount for Personal Services. The appropriations for Personal Services of such economic enterprises shall be charged against their respective budgets;

(b) No official or employee shall be entitled to a salary rate higher than the maximum fixed for the position or other positions of equivalent rank by applicable laws or rules and regulations issued thereunder;

(c) The Bangsamoro Government shall not appropriate funds to provide any salaries, wages or any form of emoluments to officials and employees of the National Government;

(d) In cases of abolition of positions and the creation of new ones resulting from the abolition of existing positions in the Bangsamoro Government, such abolition or creation shall be made in accordance with Section 10, Article XVI of this Organic Law. The provisions of civil service laws, rules, and regulations shall apply suppletorily;

(e) Positions in the official plantilla for career positions that are occupied by incumbents holding permanent appointments shall be covered by adequate appropriations;

(f) No changes in designation or nomenclature of positions resulting in a promotion or demotion in rank or increase or decrease in compensation shall be allowed except when the position is actually vacant, and the filling of such positions shall be strictly made in accordance with civil service laws, rules, and regulations; and

(g) The creation of new positions and salary increases or adjustments shall not be made retroactive.

144. Section 21 of the reconciled version was amended and adopted to read as:

SEC. 21. ***Deductions from the Block Grant; Exceptions.*** – Twenty (20) years from the operationalization of the Bangsamoro Government, the following shall be deducted from the block grant:

(a) Revenues from the following taxes imposed and collected in the Bangsamoro territorial jurisdiction by the Bangsamoro Government three (3) years prior:

(1) Capital Gains Tax;

(2) Documentary Stamp Tax;

(3) Donor's Tax; and

(4) Estate Tax; and

(b) Share of the Bangsamoro Government in the income derived from the exploration, development, and utilization of natural resources, as provided under Section 34, Article XII of this Organic Law, collected three (3) years prior.

The amount allocated for the operation of the Bangsamoro Sustainable Development Board, as provided in Section 8, Article VI of this Organic Law, shall not be included in the amount herein to be deducted from the block grant. The abovementioned deduction shall not include the shares of constituent local government units and of indigenous communities in government income derived from the exploration, development, and utilization of natural resources under Sections 35 and 36 of this Article, respectively.

145. Section 23 of the Senate version was amended and adopted as Section 22 of the reconciled version, to read as:

SEC. 22. ***Review of the Block Grant Formula.*** – The formula of the block grant, as provided above, shall be reviewed by the Intergovernmental Fiscal Policy Board five (5) years after its effectivity, and every five years thereafter to consider, among others, the fiscal needs of the Bangsamoro Government and the actual revenues it shall be able to generate and to ensure that all block grant expenditures are transparent and performance-based: *Provided,* That if the National Government shall no longer have any representative in the Intergovernmental Fiscal Policy Board, the review shall be undertaken by the Intergovernmental Relations Body.

146. Section 23 of the House version was amended and adopted as Section 23 of the reconciled version, to read as:

SEC. 23. ***Development Programs and Projects.*** – Immediately after the ratification of this Organic Law, and for another five (5) years thereafter, the National Government shall provide for additional funds that will subsidize expenditures for development projects and infrastructure in the Bangsamoro Autonomous Region, including provincial and municipal roads, in accordance with a development plan formulated by the Bangsamoro Government. The National Government and the Bangsamoro Government, through the Intergovernmental Relations Body, shall agree on the amount and manner of the release of said amount to the Bangsamoro Government.

LOANS

147. The subtitle LOANS of both the Senate and the House versions was amended and adopted as the subtitle of the reconciled version;

148. Section 25 of the Senate version was amended and adopted as Section 24 of the reconciled version, to read as:

SEC. 24. ***Foreign and Domestic Loans; Bonds, Notes, and Obligations.*** –

(a) Loans, Credits, and Other Forms of Indebtedness. – The Bangsamoro Government may contract loans, credits, and other forms of indebtedness to finance the construction, installation, improvement, expansion, operation or maintenance of public utilities, infrastructure facilities, housing projects, acquisition of real property, implementation of other capital investment projects, and for the development and welfare of the people of the Bangsamoro.

Subject to acceptable credit worthiness, and in compliance with the Constitution, relevant laws and regulations, such loans may be secured from domestic and foreign lending institutions, except foreign and domestic loans requiring sovereign guaranty, whether explicit or implicit, which would require the approval of the National Government.

The Parliament by a vote of the majority of all its members may authorize the Chief Minister to contract such domestic or foreign loans.

The National Government shall assist the Bangsamoro Government in complying with the requirements for a

speedy issuance of the sovereign guaranty to finance local infrastructure and other socio-economic development projects in accordance with the Bangsamoro Development Plan. Within thirty (30) days from the submission by the Bangsamoro Government of its application for sovereign guaranty, the National Government shall inform the Bangsamoro Government of the actions taken on the application.

(b) Bonds, Notes, Debentures, and Obligations. – The Bangsamoro Government shall have the authority to issue bonds, debentures, securities, collaterals, notes, obligations, and other debt papers or documents, as well as redeem or retire the same, pursuant to a law enacted by the Parliament, to finance self-liquidating and income-producing development or livelihood projects pursuant to the priorities established in its development plan.

(c) Payment of Loans and Indebtedness. – The Bangsamoro Government shall appropriate in its annual budget the amounts sufficient to pay its incurred loans and indebtedness: *Provided,* That the amount of appropriations for debt servicing shall not exceed twenty percent (20%) of the regular sources of revenue, excluding those coming from grants, endowments, donations, loans, foreign assistance and official development assistance of the Bangsamoro: *Provided, Further*, That not more than twenty percent (20%) of the block grant shall be utilized for loan payments.

(d) Publication. – Any domestic or foreign-assisted loan and the purpose thereof shall be published once a week for two (2) consecutive weeks in at least one (1) newspaper of general circulation in the Bangsamoro Autonomous Region. –

149. Section 26 of the Senate version was amended and adopted as Section 25 of the reconciled version, to read as:

SEC. 25. ***Official Development Assistance.*** – The Bangsamoro Government may avail of official development assistance, upon review and approval of the National Government in accordance with Republic Act No. 8182, otherwise known as the "*Official Development Assistance Act of 1996*," as amended, to achieve inclusive growth and poverty reduction through the implementation of priority development projects.

GRANTS AND DONATIONS

150. The subtitle GRANTS AND DONATIONS of both the Senate and the House versions was amended and adopted as the subtitle of the reconciled version;

151. Section 27 of the Senate version was amended and adopted as Section 26 of the reconciled version, to read as:

SEC. 26. ***Grants and Donations.*** – Departments, bureaus, offices, and state universities and colleges of the Bangsamoro Government may accept donations, contributions, grants, bequests, or gifts, in cash or in kind, from domestic or foreign sources for purposes relevant to their functions.

In case of such grants or donations from governments of foreign countries, their agencies and instrumentalities or multilateral institutions or organizations, acceptance thereof shall be subject to the prior clearance and approval by the President or his authorized representative.

The Intergovernmental Fiscal Policy Board shall promulgate rules for the implementation of this section.

ECONOMIC AGREEMENTS AND CONVENTIONS

152. The subtitle ECONOMIC AGREEMENTS AND CONVENTIONS of both the Senate and the House versions was amended and adopted as the subtitle of the reconciled version;

153. Section 27 of the reconciled version was amended and adopted to read as:

SEC. 27. ***Economic Agreements.*** – Subject to the provisions of the Constitution, the Bangsamoro Government shall evolve a system of economic agreements and trade compacts to generate block grants for regional investments and improvements of regional economic structures which shall be authorized by a law enacted by the Parliament. Pursuant to specific recommendations of a regional economic and development planning body which shall be created by the Parliament, the Bangsamoro Government may assist its constituent local government units in their requirements for counterpart funds for foreign-assisted projects.

154. Section 29 of the Senate version was amended and adopted as Section 28 of the reconciled version, to read as:

SEC. 28. ***Cultural Exchange, and Economic and Technical Cooperation.*** – The Bangsamoro Government may establish linkages for cultural exchange, economic and technical cooperation with countries having diplomatic relations with the Philippines upon review and approval of the National Government. The Bangsamoro Government may recommend to the National Government the assignment of qualified persons in Philippine embassies and consulates, and their participation in international delegations.

155. Section 30 of the Senate version was amended and adopted as Section 29 of the reconciled version, to read as:

SEC. 29. ***Benefits from Conventions.*** – The Bangsamoro Government shall be entitled to benefits resulting from conventions to which the National Government is a party. Such benefits shall be equitable and shall consider the available human and material resources and comparative advantage of the Bangsamoro Autonomous Region, as well as its socio-economic conditions and needs.

GOVERNMENT-OWNED OR CONTROLLED CORPORATIONS

156. The subtitle GOVERNMENT-OWNED OR CONTROLLED CORPORATIONS of both the Senate and the House versions was amended and adopted as the subtitle of the reconciled version;

157. Section 30 of the reconciled version was amended and adopted to read as:

SEC. 30. ***Government-Owned or Controlled Corporations***. – Upon coordination with the National Government, the Parliament shall have the power to create government-owned or controlled corporations in compliance with the provisions of Republic Act No. 10149, otherwise known as the "*GOCC Governance Act of 2011*," by a grant of legislative charter, or under *Batas Pambansa Blg*. 68, otherwise known as the "*Corporation Code of the Philippines*:" *Provided*, That those duly registered with the Securities and Exchange Commission may likewise operate outside the Bangsamoro Autonomous Region.

The Parliament may create pioneering firms and other business entities to boost economic development in the Bangsamoro Autonomous Region.

158. Section 31 of the House version was amended and adopted as Section 31 of the reconciled version, to read as:

SEC. 32. ***Existing Government-Owned or Controlled Corporations in the Bangsamoro Autonomous Region.*** – The Bangsamoro Government shall be represented in the board of directors or in the policy-making bodies of government-owned or controlled corporations that operate a substantial portion of their businesses directly or through their subsidiaries in the Bangsamoro Autonomous Region or where the Bangsamoro Government has a substantial interest.

The Intergovernmental Fiscal Policy Board shall determine the extent of the participation of the Bangsamoro Government as well as its shares from the results of the operations of these corporations and their subsidiaries based on a formula that it shall determine: *Provided,* That Bangsamoro Government shall have at least one (1) seat in the governing boards of the said corporations.

159. Section 32 of the reconciled version was amended and adopted to read as:

SEC. 33. ***Southern Philippine Development Authority and Al-Amanah Islamic Investment Bank.*** – Within six (6) months from the establishment of the Bangsamoro Transition Authority, the Intergovernmental Fiscal Policy Board shall determine the participation of the Bangsamoro Government in the *Al-Amanah* Islamic Investment Bank of the Philippines and the Southern Philippines Development Authority as provided in Presidential Decree No. 690, as amended. In the event of the transfer of ownership or disposal any property of the Southern Philippines Development Authority, the local government unit where the property is located shall have the preferential right to acquire the property

160. Section 32 of the Senate version was amended and adopted as Section 33 of the reconciled version, to read as:

SEC. 33. ***Existing Government-Owned or Controlled Corporations in the Bangsamoro Autonomous Region.*** – The Bangsamoro Government shall be represented in the board of directors or in the policy-making bodies of government-owned or controlled corporations that operate a substantial portion of their businesses directly or through their subsidiaries in the Bangsamoro Autonomous Region or where the Bangsamoro Government has a substantial interest. The Intergovernmental Fiscal Policy Board shall determine the extent of their participation. In

no case shall the Bangsamoro Government have less than one (1) seat in the governing board of such entities.

The share of the Bangsamoro Government from the results of operations of government-owned or controlled corporations and their subsidiaries operating in the Bangsamoro Autonomous Region shall be based on a formula determined by the Intergovernmental Fiscal Policy Board.

SHARING IN THE EXPLORATION, DEVELOPMENT, AND UTILIZATION OF NATURAL RESOURCES

161. The subtitle SHARING IN THE EXPLORATION, DEVELOPMENT, AND UTILIZATION OF NATURAL RESOURCES of both the Senate and the House versions was amended and adopted as the subtitle of the reconciled version;

162. Section 35 of the Senate version was amended and adopted as Section 34 of the reconciled version, to read as:

SEC. 34. ***Sharing in Exploration, Development and Utilization of Natural Resources.*** – Government revenues generated from the exploration, development, and utilization of all natural resources in the Bangsamoro Autonomous Region, including mines and minerals, shall pertain fully to the Bangsamoro Government. In the case of uranium and fossil fuels such as petroleum, natural gas, and coal, the same may be co-managed and the revenues shared equally between the National Government and Bangsamoro Government, subject to the limitations provided in the Constitution.

163. Section 36 of the Senate version was amended and adopted as Section 35 of the reconciled version, to read as:

SEC. 35. ***Share of the Constituent Local Government Units.*** – The share of the Bangsamoro Government in the revenues referred to in the immediately preceding section shall be inclusive of those for its constituent local government units.

The share of the Bangsamoro Government is hereby apportioned as follows: thirty percent (30%) to the Bangsamoro Government; and to all its constituent local government units, twenty percent (20%) to the provinces; fifteen percent (15%) to the cities; twenty percent (20%) to the municipalities; and fifteen percent (15%) to the barangays.

164. Section 37 of the Senate version was amended and adopted as Section 36 of the reconciled version, to read as:

SEC. 36. ***Share of Indigenous Communities.*** – Indigenous peoples and communities shall have an equitable share of the revenues generated from the exploration, development, and utilization of natural resources that are found within the territories covered by a native, traditional, or customary title in their favor, which shall be provided by a law to be passed by the Parliament detailing the sharing mechanism and percentages: *Provided,* That the rights and privileges granted to indigenous peoples by Republic Act No. 8371 and other laws pertaining to indigenous peoples shall not be diminished.

INTERGOVERNMENTAL FISCAL POLICY BOARD

165. The subtitle INTERGOVERNMENTAL FISCAL POLICY BOARD of both the Senate and the House versions was amended and adopted as the subtitle of the reconciled version;

166. Section 37 of the reconciled version was amended and adopted to read as:

SEC. 37. ***Functions.*** – The Intergovernmental Fiscal Policy Board created under Section 4, Article VI of this Organic Law shall have the following functions:

(a) Recommend the necessary fiscal policy adjustments by undertaking periodic reviews of the taxing powers, tax base, rates, wealth sharing arrangements, and sources of revenues of the Bangsamoro Government vis-à-vis its development needs;

(b) Address disputes between the National Government and the Bangsamoro Government involving the collection of capital gains tax, documentary stamp tax, donor's tax, and estate tax;

(c) Determine the extent of the participation of the Bangsamoro Government in the board of directors or the policy-making bodies of government-owned or controlled corporations that operate a substantial portion of their businesses directly or through their subsidiaries in the Bangsamoro Autonomous Region or where the Bangsamoro Government has substantial interest;

(d) Determine the participation of the Bangsamoro Government in the

operations of government-owned or controlled corporations and their subsidiaries operating in the Bangsamoro Autonomous Region, and its shares from the results of said operations;

(e) Determine the participation of the Bangsamoro Government in the *Al-Amanah* Islamic Investment Bank of the Philippines, and the Southern Philippines Development Authority, subject to the provisions of Section 33 of this Article; and

(f) Define the modalities for the filing of income tax returns for corporations or firms whose central, main, or head offices are located outside the Bangsamoro Autonomous Region but are doing business within its territorial jurisdiction to determine the income realized from such operations in the Bangsamoro Autonomous Region, which shall be attributed as income derived therein and subject to the sharing scheme between the National Government and the Bangsamoro Government.

167. Section 39 of the House version was amended and adopted as Section 38 of the reconciled version, to read as:

SEC. 38. ***Composition of the Intergovernmental Fiscal Policy Board.*** – The Intergovernmental Fiscal Policy Board shall be composed of the heads or representatives of the appropriate departments and agencies of the National Government and heads or representatives of the ministries and offices in the Bangsamoro Government; *Provided*, that the Secretary of Finance and the Minister of the appropriate ministry from the Bangsamoro Government shall be its co-chairpersons: *Provided, Further*, That the Secretary of Budget and Management, Secretary of Trade and Industry, and the Director-General of the National Economic and Development Authority shall be members thereof.

162. Section 40 of the Senate version was amended and adopted as Section 39 of the reconciled version, to read as:

SEC. 39. ***Meetings and Annual Report.*** – The Intergovernmental Fiscal Policy Board shall meet at least once every six (6) months or as often as necessary, and shall adopt its own rules of procedure for the conduct of its meetings.

An annual report shall be submitted by the Intergovernmental Fiscal Policy Board to the National Government and the Bangsamoro Government, and shall be made available to the public.

168. Section 41 of the Senate version was amended and adopted as Section 40 of the reconciled version, to read as:

SEC. 40. ***Full Disclosure Policy.*** – The Bangsamoro Government adopts a policy of full disclosure of its budget, finances, bids and public offerings, and shall provide protocols for the guidance of local authorities in the implementation of said policy which shall include, among others, the posting of the Summary of Income and Expenditures, and the participation of representatives from civil society in the budget process. The same policy shall apply to its constituent local government units, as may be provided in a Bangsamoro local government code to be enacted by the Parliament.

169. Section 42 of the Senate version was amended and adopted as Section 41 of the reconciled version, to read as:

SEC. 41. ***Additional Fiscal Powers.*** – The Intergovernmental Fiscal Policy Board may recommend to the Congress of the Philippines or the appropriate agency of the National Government the grant of additional fiscal powers to the Bangsamoro Government.

ARTICLE XIII
REGIONAL ECONOMY
AND PATRIMONY

166. The title, ARTICLE XIII of both the House and the Senate versions were adopted as the title of Article XIII of the reconciled version;

167. Section 1 of the Senate version was amended and adopted as Section 1 of the reconciled version, to read as:

SEC. 1. ***Social Justice and Economic System.*** – The Bangsamoro Government shall establish an economic system based on the principles and state policies declared in the Constitution. Pursuant to these principles, the Parliament shall enact laws pertaining to the Bangsamoro Autonomous Region economy and patrimony that are responsive to the needs of its people.

SUSTAINABLE DEVELOPMENT

168. The subtitle of SUSTAINABLE DEVELOPMENT of both the House and the Senate versions was adopted as the subtitle of the reconciled version;

169. Section 2 of the Senate version was amended and adopted as Section 2 of the reconciled version, to read as:

SEC. 2. ***Equitable and Sustainable Development.*** – In order to protect and improve the quality of life of its inhabitants, the development in the Bangsamoro Autonomous Region shall be carefully planned, taking into consideration the ecological balance and the natural resources that are available for its use and for the use of future generations.

The Bangsamoro Government shall promote the effective use of economic resources and endeavor to attain economic development that facilitates growth and full employment, human development, and social justice.

The Bangsamoro Government shall likewise provide equitable opportunities for the development of constituent local government units and shall strengthen governance systems to ensure people's participation.

170. Section 3 of the Senate version was amended and adopted as Section 3 of the reconciled version, to read as:

SEC. 3. ***Comprehensive Framework for Sustainable Development.*** – The Bangsamoro Government shall develop a comprehensive framework for sustainable development through the proper conservation, utilization, and development of natural resources, which shall guide it in adopting program and policy mechanisms that focus on the environment dimensions of social and economic interventions. It shall include measures for environmental justice and governance, as well as for the reduction of the vulnerability of women and marginalized groups to climate change and variability.

171. Section 5 of the Senate version was amended and adopted as Section 4 of the reconciled version, to read as:

SEC. 4. ***Bangsamoro Economic and Development Council.*** – The Parliament shall establish the Bangsamoro Economic and Development Council which shall serve as the planning, monitoring, and coordinating agency for all development plans, programs, and projects of the Bangsamoro Government. It shall evaluate and recommend short, medium, and long-term comprehensive development plans, programs, and projects for the Bangsamoro Autonomous Region for approval by the Parliament. The development plans, programs, and projects shall take into account the development plans of the provinces, cities, municipalities, and barangays as approved by their respective local development councils.

166. Section 6 of the Senate version was amended and adopted as Section 5 of the reconciled version to read as:

SEC. 5. ***Gender and Development.*** – The Bangsamoro Government shall recognize the role of women in governance and ensure their fundamental equality before the law. It shall guarantee full and direct participation of women in governance and development process, ensuring that women shall benefit equally in the implementation of development programs and projects.

In the utilization of public funds, the Bangsamoro Government shall ensure that the needs of the Bangsamoro people, regardless of gender, are adequately addressed. For this purpose, at least five percent (5%) of the total budget appropriation of each ministry, office, and constituent local government unit of the Bangsamoro Autonomous Region shall be set aside for gender-responsive programs, in accordance with a gender and development plan. In the same manner, five percent (5%) to thirty percent (30%) of the official development assistance received by the Bangsamoro Government shall be set aside to complement the gender and development budget allocation.

The Bangsamoro Government shall establish a mechanism for consultation with women and local communities to further ensure the allocation and proper utilization of development funds. It shall identify and implement special development programs and laws for women.

172. Section 7 of the Senate version was amended and adopted as Section 6 of the reconciled version, to read as:

SEC. 6. ***Participation in National Development Planning.*** –To ensure that the Bangsamoro development plans are reflected in the national development plans, a representative of the Bangsamoro Government shall sit as member of a national development plan steering committee or its equivalent and shall participate in relevant planning activities of the National Economic and Development Authority.

173. The conferees introduced and adopted a new section, to read as:

SEC. 7. ***Disaster Risk Reduction and Management and Climate Change Adaptation***. – The Bangsamoro Government recognizes the importance of disaster risk reduction and management and climate change adaptation.

There is hereby created a Bangsamoro Disaster Risk Reduction and Management Council headed by the Chief Minister, with powers and functions that shall be defined by the Parliament in a law providing for disaster preparedness and response: *Provided*, That it shall formulate the Bangsamoro Disaster Risk Reduction and Management Plan, which shall complement that of the National Government: *Provided, Further*, That through the Chief Minister, it shall recommend to the President the mobilization of resources of national defense in times of disaster in the Bangsamoro Autonomous Region.

The relevant agencies of the National Government and Bangsamoro Government shall cooperate and coordinate on disaster risk reduction and management.

The Bangsamoro Government, consistent with Republic Act No. 9729, otherwise known as the "*Climate Change Act of 2009*," shall ensure that its constituent local government units formulate their respective local climate change action plans and for the proper and effective implementation thereof.

NATURAL RESOURCES

174. The subtitle of NATURAL RESOURCES of both the House and the Senate versions was adopted as the subtitle of the reconciled version;

175. Section 8 of the reconciled version was adopted to read as:

SEC. 8. ***Natural Resources, Nature Reserves, and Protected Areas.*** – Subject to the provisions of the Constitution, the Bangsamoro Government shall have the power, authority, and right to explore, develop, and utilize the natural resources, including surface and subsurface rights, inland waters, coastal waters, and renewable and nonrenewable resources in the Bangsamoro Autonomous Region.

The protection, conservation, rehabilitation, and development of forests, coastal, and marine resources, including the adoption of programs and projects, to ensure the maintenance of ecological balance and biodiversity shall be given priority.

The Bangsamoro Government shall also have the power to declare nature reserves and aquatic parks, forests, watershed reservations, and other protected areas in the Bangsamoro Autonomous Region.

The Parliament shall pass a law to establish protected areas, the procedure for the declaration and the management thereof, and the role of the Bangsamoro Government and other stakeholders in the process: *Provided*, That protected areas to be declared within the ancestral domains shall be subject to the free, prior and informed consent of the non-Moro indigenous peoples.

Pending the enactment of such law, the declaration and management of protected areas shall be governed by existing laws, rules and regulations. Existing nature reserves and protected areas shall remain as such. These, including those to be declared, shall be managed in accordance with sustainable development and biodiversity conservation policies and principles as contained in international conventions and treaties to which the Philippines is a party.

176. Section 9 of the Senate version was amended and adopted as Section 9 of the reconciled version, to read as:

SEC. 9. ***Transfer of Management of Existing Nature Reserves and Protected Areas.*** – The management and protection of nature reserves and aquatic parks, forests, watershed reservations, and other protected areas in the territorial jurisdiction of the Bangsamoro that have already been defined by and under the authority of the National Government shall be transferred to the Bangsamoro Government.

Within three (3) months from the establishment of the Bangsamoro Transition Authority, the Bangsamoro Government and the Department of Environment and Natural Resources, as well as other relevant government agencies, shall start the process of transferring the management of these areas to the Bangsamoro Government, including the conduct of surveys of all affected areas and the planning and transition for each and every protected area. The transfer shall be completed within a period not exceeding two (2) years.

177. Section 10 of the reconciled version was adopted to read as:

SEC. 10. ***Exploration, Development, and Utilization of Fossil Fuels and***

Uranium. – Subject to the provisions of the Constitution and national laws, the Bangsamoro Government and the National Government shall jointly exercise the power to grant rights, privileges, and concessions over the exploration, development, and utilization of uranium and fossil fuels such as petroleum, natural gas, and coal in the territorial jurisdiction of the Bangsamoro. The use of renewable energy shall be promoted for power generation to achieve the sustainable development goals and promote low carbon energy generation policies as provided in Section 2 of this Article.

The National Government, through the Department of Energy, and the Bangsamoro Government shall adopt a competitive and transparent process for the grant of rights, privileges, and concessions in the exploration, development, and utilization of fossil fuels and uranium.

The Department of Energy and the Bangsamoro Government shall identify and select prospective contract areas to be offered for exploration and development. Qualified Filipino citizens who are *bona fide* residents of the Bangsamoro Autonomous Region shall be given a rating higher than other proponents during the evaluation process. The award of the service contract shall be made jointly by the Department of Energy and the Bangsamoro Government.

178. Section 11 of the Senate version was amended and adopted as Section 11 of the reconciled version to read as:

SEC. 11. ***Preferential Rights of Bona Fide Residents of the Bangsamoro Autonomous Region.*** – Qualified citizens who are *bona fide* residents of the Bangsamoro Autonomous Region, all other conditions being equal, shall have preferential rights over the exploration, development, and utilization of natural resources, including uranium and fossil fuels such as petroleum, natural gas, and coal within the territorial jurisdiction of the Bangsamoro. Existing rights over the exploration, development, and utilization of natural resources shall be respected until the expiration of the corresponding leases, permits, franchises, or concessions, unless legally terminated.

179. Section 12 of the Senate version was amended and adopted as Section 12 of the reconciled version to read as:

SEC. 12. ***Rights of Indigenous Peoples to Natural Resources.*** – The Parliament shall enact a law recognizing the rights of indigenous peoples in the Bangsamoro Autonomous Region in relation to natural resources within the areas covered by a native title, including their share in revenues as provided in this Organic Law, and priority rights in the exploration, development, and utilization of such natural resources within their area.

The right of indigenous peoples to free, prior and informed consent in relation to development initiatives and the exploration, development and utilization of the natural resources within ancestral domains covered by Certificate of Ancestral Domain Title shall be respected.

180. Section 13 of the Senate version was amended and adopted as Section 13 of the reconciled version to read as:

SEC. 13. ***Mines and Mineral Resources.*** – Subject to the provisions of the Constitution and national laws, the Bangsamoro Government shall have the authority and jurisdiction over the exploration, development, and utilization of mines and minerals in its territorial jurisdiction, taking into consideration environmental protection and ecological balance. The Bangsamoro Government shall have the power to grant permits, licenses, and contracts for this purpose.

181. Section 14 of the Senate version was amended and adopted as Section 14 of the reconciled version to read as:

SEC. 14. ***Financial and Technical Assistance Agreements.*** – The Bangsamoro Government may endorse to the President financial and technical agreements covering mineral resources in the Bangsamoro Autonomous Region, in accordance with the mining policy that shall be adopted by the Parliament.

182. Section 15 of the Senate version was amended and adopted as Section 15 of the reconciled version to read as:

SEC. 15. ***Regulation of Small-Scale Mining.*** – Small-scale mining shall be regulated by the Bangsamoro Government to the end that the ecological balance, safety and health, and the interests of the affected communities, the miners, the indigenous peoples, and the local government units of the place where such operations are conducted are duly protected and safeguarded. All gold produced by small-scale miners in any mineral area shall be sold to the *Bangko Sentral ng Pilipinas*, or its duly authorized

representatives, which shall buy the same at prices competitive with those prevailing in the world market, regardless of volume or weight.

183. Section 17 of the House version was amended and adopted as Section 16 of the reconciled version to read as:

SEC. 16. ***Bangsamoro Mining Policy.*** – Policies on mining and other extractive industries shall be established by the Parliament in accordance with a comprehensive sustainable development plan and over-all medium-term and long-term Bangsamoro Development Plan.

SEC. 16. ***Bangsamoro Mining Policy.*** – Policies on mining and other extractive industries shall be established by the Parliament in accordance with a comprehensive sustainable development plan and over-all medium-term and long-term Bangsamoro Development Plan.

184. Section 18 of the House version was amended and adopted as Section 17 of the reconciled version to read as:

SEC. 17. ***Cadastral Land Surveys; Land Classification and Urban Land Reform and Land Use Program***. – The classification of public lands in the Bangsamoro into alienable and disposable lands shall be recommended by the Bangsamoro Government to the President for the timely implementation of Bangsamoro development plans and targets.

The Bangsamoro Government may, upon authority of the President, conduct cadastral surveys, lot surveys, and isolated and special surveys in the Bangsamoro: *Provided*, That it shall furnish the results of these surveys to, and coordinate with, the relevant national government agencies to effect inclusion into the National Cadastral Survey.

Subject to the provisions of the Constitution, the Parliament may enact an urban land reform and land use program for the region.

185. Section 18 of the reconciled version was adopted to read as:

SEC. 18. ***Zones of Joint Cooperation.*** – Zones of Joint Cooperation in the Sulu Sea and the Moro Gulf are hereby created, the coordinates of which shall be defined by an *ad hoc* joint body composed of representatives from the Department of Environment and Natural Resources and the National Mapping and Resource Information Authority, and a corresponding number of representatives from appropriate agencies of the Bangsamoro Government.

The Joint Body shall be convened within thirty (30) days after the ratification of this Organic Law and shall cease to exist after it has established the coordinates of the Bangsamoro territorial jurisdiction, including the Bangsamoro Waters and the Zones of Joint Cooperation.

186. Section 19 of the reconciled version was adopted to read as:

SEC. 19. ***Joint Body for the Zones of Joint Cooperation.*** – The Joint Body created for the Zones of Joint Cooperation provided in Section 5, Article VI of this Organic Law, shall establish the policies therein and shall be composed of the following:

(a) Secretary of the Department of Agriculture and a Bangsamoro Minister as co-Chairpersons;

(b) Secretary of Environment and Natural Resources and a counterpart Minister of the Bangsamoro Government;

(c) Secretary of Transportation of the National Government and a counterpart Minister of the Bangsamoro Government;

(d) At least one (1) representative of a constituent local government unit of the Bangsamoro Autonomous Region adjacent to the Sulu Sea;

(e) At least one (1) representative of a constituent local government unit of the Bangsamoro Autonomous Region adjacent to the Moro Gulf;

(f) At least one (1) representative from an adjoining non-Bangsamoro local government unit adjacent to the Sulu Sea; and

(g) At least one (1) representative from an adjoining non-Bangsamoro local government unit adjacent to the Moro Gulf.

The Bangsamoro Government and the National Government shall ensure the free movement of vessels, goods, and people in these Zones of Joint Cooperation, working together to regulate the waters therein and formulating policies jointly for the following purposes:

(a) Protection of the traditional fishing grounds;

(b) Equitable sharing of the benefits from the resources therein; and

(c) Ensuring the interconnectivity of the islands and mainland areas comprising the Bangsamoro Autonomous Region towards a cohesive Bangsamoro political entity.

187. Section 20 of the reconciled version was adopted to read as:

SEC 20. ***Exploration, Development, and Utilization of Nonliving Resources in the Zones of Joint Cooperation.*** – Subject to the limitations provided in the Constitution, the Joint Body for the Zones of Joint Cooperation shall ensure the cooperation and coordination between the National Government and the Bangsamoro Government on the exploration, development, and utilization of nonliving resources in the Zones of Joint Cooperation, and determine the sharing of income and revenues derived therefrom.

188. Section 23 of the House version was amended and adopted as Section 21 of the reconciled version to read as:

SEC. 21. ***Transportation Routes in the Zones of Joint Cooperation.*** – Direct transportation routes connecting the islands in Sulu, Basilan, Tawi-Tawi, or the mainland parts of the Bangsamoro Autonomous Region and passing through the Zones of Joint Cooperation shall be considered intra-regional routes.

189. Section 22 of the reconciled version was adopted to read as:

SEC. 22. ***Management of Inland Waters.*** – The Bangsamoro Government shall have exclusive powers over inland waters, including lakes, marshes, rivers, and tributaries within its territory, except those that provide energy to power generating plants. The Parliament shall enact laws on the regulation, conservation, management, and protection of these resources, and may classify inland waters in the Bangsamoro Autonomous Region. It shall create a Bangsamoro Authority and offices for specific inland bodies of water that shall exercise management and regulatory powers over these bodies of water.

If any inland water is a source of energy for areas outside of the Bangsamoro Autonomous Region, the principle of co-management of fossil fuels under Section 10 of this Article and Section 34 of Article XII of this Organic Law shall apply.

The Bangsamoro Government shall ensure that the utilization of these waters shall be for the primary benefit of the people in the Bangsamoro Autonomous Region and shall give host communities their share from the revenues generated from such utilization.

The Bangsamoro Government shall coordinate and cooperate with the Philippine Coast Guard concerning inland waterways for navigation.

190. Section 22 of the Senate version was amended and adopted as Section 23 of the reconciled version to read as:

SEC. 23. ***Agriculture, Fisheries, and Aquatic Resources.*** – Consistent with the provisions of Republic Act No. 8550, otherwise known as the "*Philippine Fisheries Code of 1998*," as amended, and other relevant national laws, the policies and laws of the Bangsamoro Government on agriculture, fisheries, and aquatic resources shall advance agriculture as a key development strategy, promote productivity measures, and provide support for small farmers, landholders, and marginal fisherfolk. The Bangsamoro people, indigenous peoples, and resident marginal fisherfolk shall enjoy preferential fishing rights in the Bangsamoro regional waters, without prejudice to the fishing rights of other citizens of the Philippines, whether residents or non-residents of the Bangsamoro Autonomous Region.

TRADE AND INDUSTRY AND TOURISM

191. The subtitle TRADE AND INDUSTRY AND TOURISM of both the House and the Senate versions was adopted as the subtitle of the reconciled version;

192. Section 23 of the Senate version was amended and adopted as Section 24 of the reconciled version to read as:

SEC. 24. ***Trade and Industry in the Bangsamoro Autonomous Region.*** – The Bangsamoro Government recognizes the private sector as a mover of trade, commerce, and industry. To achieve equity, social justice, and economic development, it shall encourage and support the building up of entrepreneurial capability in the Bangsamoro Autonomous Region and shall recognize, promote, protect, and support the development of cooperatives and other medium, small, and micro enterprises. It shall adopt and implement cooperative development policies and programs through the enactment of a Bangsamoro cooperative code.

The Bangsamoro Government shall promote trade and industry in the Bangsamoro Autonomous Region by providing avenues through which other countries may learn about its unique industries, economic opportunities, and culture through participation in trade missions, trade fairs, and other promotional activities. It may also organize trade missions to other countries observing the necessary coordination with the relevant government agencies.

The Bangsamoro Government shall also promote domestic trade preference for goods produced and materials sourced from within the Bangsamoro Autonomous Region and adopt measures to increase their competitiveness. The Bangsamoro Government shall also ensure that Bangsamoro products and services gain considerable access to the markets of its trading partners. Particular attention shall also be given to the markets of its trading partners who have historic and cultural ties to the Bangsamoro people.

193. Section 25 of the reconciled version was adopted to read as:

SEC. 25. ***Registration of Business Names.*** – The Bangsamoro Government shall have the power to register business names which shall be listed in the Philippine Business Registry.

194. Section 26 of the reconciled version was adopted to read as:

SEC. 26. ***Barter Trade and Countertrade.*** – The Bangsamoro Government shall regulate traditional barter trade with the Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA) Member States and countertrade with the Association of Southeast Asian Nations (ASEAN) Member States. The goods or items that are traded with the said countries shall not be sold elsewhere in the country without the payment of appropriate customs or import duties in accordance with existing national laws.

Countertrade with ASEAN Member States shall be in accordance with the spirit, intent, goals, processes, modalities, and arrangements in the ASEAN economic integration agreements.

195. Section 27 of the reconciled version was adopted to read as:

SEC. 27. ***Cooperatives and Social Entrepreneurship***. The Bangsamoro Government shall recognize, protect, and promote the establishment of cooperative enterprises. It shall likewise encourage and promote social entrepreneurship as a means to engage the private sector to assist in the development, funding, and implementation of solutions to social, cultural, or environmental issues.

The Parliament shall pass laws to strengthen the growth and development of social enterprises in the Bangsamoro Autonomous Region to achieve social justice, social equity, and economic efficiency.

196. Section 28 of the House version and Section 25 of the Senate version were amended and adopted as Section 28 of the reconciled version to read as:

SEC. 28. ***Economic Zones, Industrial Estates, and Free Ports.*** – The Bangsamoro Government may establish economic zones, industrial estates, and free ports in the Bangsamoro Autonomous Region, including the establishment of a Bangsamoro Economic Zone Authority which shall have similar powers as those of the Philippine Economic Zone Authority. The Parliament may provide such additional powers and functions to the Bangsamoro Economic Zone Authority as may be necessary to meet the special circumstances of the Bangsamoro Autonomous Region.

Once the Bangsamoro Economic Zone Authority is created, the Philippine Export Zone Authority shall no longer create any other economic zone within the Bangsamoro Autonomous Region. Any corporation, firm, or entity established within the Bangsamoro Autonomous Region by the Philippine Export Zone Authority shall be placed under the jurisdiction of the Bangsamoro Economic Zone Authority, and shall continue to enjoy the benefits granted to it by the Philippine Export Zone Authority.

Through the intergovernmental relations mechanism, the Bangsamoro Government and the National Government shall cooperate on customs, immigration, and quarantine services including the attendant international commitments thereto, in order to implement and make fully operational such economic zones, industrial estates, and free ports within one (1) year from their establishment. Business and other enterprises operating within the Bangsamoro economic zones, industrial estates, and free ports are entitled to the fiscal incentives and other benefits provided by the National Government to special eco-

nomic zones. The Bangsamoro Government shall provide fiscal incentives and other benefits to investors in economic zones, industrial estates, and free ports: *Provided*, That, for goods consumed and services rendered outside the established economic zones, industrial estates, and free ports in the Bangsamoro Autonomous Region, all relevant national taxes shall be imposed.

Bangsamoro free ports shall be contiguous or adjacent to a seaport or airport. The area of coverage of a free port may be so much as may be necessary of that portion of the constituent local government units in the Bangsamoro Autonomous Region, subject to such criteria as the Parliament may provide in a law for that purpose. The administration of existing free ports in the Autonomous Region in Muslim Mindanao are hereby transferred to the Bangsamoro Government.

197. Section 26 of the Senate version was amended and adopted as Section 29 of the reconciled version to read as:

SEC. 29. ***Prohibition Against Toxic or Hazardous Substances.*** – The Bangsamoro Government shall regulate, restrict, or prohibit the use, importation, transit, transport, deposit, disposal, and dumping of toxic or hazardous substances within the Bangsamoro Autonomous Region. It shall, in the same manner, regulate activities that may adversely impact the environment and may be harmful to the health, safety, and welfare of the Bangsamoro people.

198. Section 27 of the Senate version was amended and adopted as Section 30 of the reconciled version to read as:

SEC. 30. ***Halal Program.*** – The Bangsamoro Government shall have the power to accredit *halal*-certifying bodies in the Bangsamoro Autonomous Region. It shall promote awareness through the development and implementation of a *halal* campaign program.

The Parliament shall enact laws to further strengthen its policy and programs on *halal* development.

199. Section 28 of the Senate version was amended and adopted as Section 31 of the reconciled version to read as:

SEC. 31. ***Banks and Financial Institutions.*** – The Bangsamoro Government shall encourage the establishment of:

- Banks and financial institutions and their branches including an Islamic window in domestic and foreign conventional banks; and
- Off-shore banking units of foreign banks within the Bangsamoro Autonomous Region, and in accordance with the principles of the Islamic banking system.

200. Section 29 of the Senate version was amended and adopted as Section 32 of the reconciled version to read as:

SEC. 32. ***Islamic Banking and Finance.*** – The Bangsamoro Government, the Bangko Sentral ng Pilipinas, the Department of Finance, and the National Commission on Muslim Filipinos shall jointly promote the development of an Islamic banking and finance system, to include, among others, the establishment of a *Shari'ah* Supervisory Board and the promotion and development of *Shari'ah*-compliant financial institutions. The Bangko Sentral ng Pilipinas shall determine the type of organizational structure to be created and its composition.

To facilitate the establishment of an Islamic banking and finance system, the Bangsamoro Government and the National Government shall review existing market environment policies, adopt measures to enhance the competitiveness of Islamic finance products, and ensure that Islamic financial players are not inhibited from introducing Islamic finance products. It shall further promote investor awareness and acceptance in order to build a broader customer and asset base.

The operation of Islamic banks, *Shari'ah*-compliant financial institutions and other institutions performing similar functions shall be subject to the power of supervision of the Bangko Sentral ng Pilipinas.

The Parliament shall enact laws that promote the growth of Islamic finance such as those that promote tax incentives and ensure tax neutrality of Islamic finance transactions in the Bangsamoro Autonomous Region.

201. Section 33 of the House version was amended and adopted as Section 33 of the reconciled version to read as:

SEC. 33. ***Islamic Banking Unit in the Bangko Sentral ng Pilipinas.*** – An Islamic banking unit shall, as far as practicable, be established in the Bangko Sentral ng Pilipinas which shall be headed and staffed by qualified Islamic banking experts

202. Section 34 of the House version and Section 31 of the Senate version were amended and adopted as Section 34 of the reconciled version to read as:

SEC. 34. ***Functions of the Shari'ah Supervisory Board and Qualifications of Its Members.*** – Without prejudice to the crafting of the Bangsamoro Islamic banking and finance framework by the Parliament, the following are the functions and qualifications of the *Shari'ah* Supervisory Board:

(a) *Functions.* – The *Shari'ah* Supervisory Board shall be responsible for monitoring the compliance of *Shari'ah* rules in banking and finance transactions and issuance of *Shari'ah* products. Furthermore, as a representative of the various *Ulama*, it shall have the authority to issue *fatwas* regarding the products and practices employed by banks and other institutions.

(b) *Qualifications.* – Subject to other qualifications that the Parliament may enact, the members of the Board shall have the necessary knowledge of both Islamic jurisprudence and conventional banking and finance.

203. Section 35 of the reconciled version was adopted to read as:

SEC. 35. ***Tourism.*** – The Bangsamoro Government shall promote tourism within the Bangsamoro Autonomous Region.

It may recommend the designation of tourism enterprise zones to the Tourism Infrastructure and Enterprise Zone Authority, in accordance with Republic Act No. 9593, otherwise known as the "*Tourism Act of 2009*."

PUBLIC UTILITIES AND INFRASTRUCTURE

166. The subtitle PUBLIC UTILITIES AND INFRASTRUCTURE of the Senate version was adopted as the subtitle of the reconciled version;

204. Section 36 of the reconciled version was adopted to read as:

SEC. 36. ***Energy and Power Generation.*** – The Bangsamoro Government shall promote investments in the energy and power generation sector, domestic and international, public and private, in the power sector industry in the Bangsamoro Autonomous Region: *Provided*, That it shall as far as practicable, promote low carbon sustainable power generation in the Bangsamoro Autonomous Region consistent with sustainable development goals and sustainable power generation policies provided in this Organic Law: *Provided, Further,* That the Bangsamoro Government shall notify the National Government insofar as power generation investments are concerned.

(a) Power generation and distribution utilities operating exclusively in the Bangsamoro Autonomous Region. – The Bangsamoro Government shall have the authority to build power generation and distribution utilities operating exclusively in the Bangsamoro Autonomous Region through the Ministry of Energy it shall create: Provided, That the Bangsamoro Government shall divest its ownership of the utilities twenty-five (25) years after their creation. It shall promote investments, domestic and international, in the power sector industry in the Bangsamoro Autonomous Region.

Consistent with sustainable development goals and low carbon sustainable power generation policies to reduce costs associated with transmission including line losses and network investment, distributed power generation shall be aggressively promoted as part of the Bangsamoro Government's power development plan. Power generation plants and distribution utilities operating exclusively in the Bangsamoro Autonomous Region shall be able to interconnect, sell, and buy power over the national transmission grid subject to limitations under Republic Act No. 9136, otherwise known as "*Electric Power Industry Reform Act of 2001*." In the same way, transmission lines operating exclusively in the Bangsamoro Autonomous Region shall be able to connect to the national transmission grid. Such power plants and distribution networks may only sell power over the national transmission grid once the power supply needs of its customers have been completely met. The Bangsamoro Government may assist electric cooperatives operating exclusively in the Bangsamoro Autonomous Region in accessing funds and technology to ensure their financial and operational viability. Assistance may be in the form of restructuring of debts, with rehabilitation and efficiency improve-

ment measures based on a set of clear time-bound operational reform programs.

(b) Agus Hydropower Complex. – In the event of the privatization of the Agus Hydropower Complex, the Bangsamoro Government shall have preferential rights to acquire the hydroelectric plants situated within its territorial jurisdiction. Nevertheless, the National Government and the Bangsamoro Government shall cooperate and coordinate through the Intergovernmental Energy Board insofar as the utilization of water from Lake Lanao for the Agus Hydropower Complex is concerned. This is without prejudice to the payment of the obligation of National Power Corporation or Power Sector Assets and Liabilities Management Corporation to the Autonomous Region in Muslim Mindanao which now accrues to the Bangsamoro Government.

205. Section 33 of the Senate version was amended and adopted as Section 37 of the reconciled version to read as:

SEC. 37. ***Public Works and Infrastructure.*** – The National Government shall fund and implement the construction and maintenance of national roads, bridges, water supply and services, and flood control and irrigation systems and ~~for~~ the maintenance of existing airports, seaports, and wharves in the Bangsamoro Autonomous Region: *Provided*, That with regard to water supply and services, flood control, and irrigation systems that connect to or from facilities outside the Bangsamoro Autonomous Region, there shall be cooperation and coordination between the Bangsamoro Government and the appropriate national or local government bodies. All national roads and bridges in the Bangsamoro Autonomous Region shall be included in the National Road Network Information System. Nationally-funded infrastructure projects shall be implemented by the National Government.

The Bangsamoro Government shall submit proposals to the appropriate national government agency for the inclusion of the cost of such maintenance in the latter's budget that shall be submitted to the Congress of the Philippines for inclusion in the General Appropriations Act. Funding for national roads, bridges, and irrigation systems shall be regularly released to the relevant departments of the National Government;

206. The subtitle TRANSPORTATION AND TELECOMMUNICATIONS was adopted as the subtitle of the reconciled version;

Section 36 of the House version was amended and adopted as Section 38 of the reconciled version to read as:

SEC. 38. ***Transportation.*** – The Bangsamoro Government shall have the authority to grant regional franchises, licenses, and permits to land, sea, and air transportation plying routes in the provinces or cities within the Bangsamoro Autonomous Region: *Provided,* That the National Government shall regulate the airside operations of all existing airports.

The Bangsamoro Government shall have the authority over the following:

(a) Regulation of transportation in the Zones of Joint Cooperation, subject to the provisions in Section 19 of this Article;

(b) Registration of land, water, and air transportation operating exclusively within the Bangsamoro Autonomous Region; and

(c) Exercise of quasi-judicial powers over the operation of land and water transportation in the Bangsamoro Autonomous Region in accordance with the rules of procedure established by the Parliament.

207. Section 37 of the House version was amended and adopted as Section 39 of the reconciled version to read as:

SEC. 39. ***Telecommunications.*** - The Bangsamoro Government shall have the authority to grant regional franchises, licenses, and permits to telecommunication utilities whose frequencies are confined to and whose main offices are located within the Bangsamoro Autonomous Region: *Provided,* That nothing herein shall be construed as limiting in any way the power of the Congress of the Philippines to grant national franchises in the Bangsamoro Autonomous Region.

The Bangsamoro Government shall have authority over the following:

(a) Issuance of certificates of public convenience and necessity, special permits and provisional authority to operate telecommunication companies in the Bangsamoro Autonomous Region;

(b) Registration of telecommunication companies in the Bangsamoro Autonomous Region; and

(c) Exercise of quasi-judicial powers over the operation of telecommunication companies in the Bangsamoro Autonomous Region in accordance with the rules of procedure established by the Parliament.

ARTICLE XIV
REHABILITATION
AND DEVELOPMENT

166. The title, ARTICLE XIV of both the House and the Senate versions were adopted as the title of Article XIII of the reconciled version;

167. Section 1 of the House version was amended and adopted as Section 1 of the reconciled version, to read as:

SEC. 1. ***Rehabilitation and Development.*** –The Bangsamoro Government, with funding support from the National Government, shall intensify development efforts for the rehabilitation, reconstruction, and development of the Bangsamoro Autonomous Region as part of the normalization process. It shall formulate and implement a program for rehabilitation and development that will address the needs of Moro Islamic Liberation Front /Bangsamoro Islamic Armed Force members and its decommissioned women auxiliary force, Moro National Liberation Front/Bangsamoro Armed Forces members, and address the needs of internally displaced persons, widows and orphans, and poverty-stricken communities. It shall observe, promote, and ensure gender-responsiveness in all aspects of security and peace building, including the participation of women in decision-making.

208. Section 36 of the reconciled version was adopted to read as:

SEC. 2. ***Special Development Fund.*** – The National Government shall provide a special development fund to the Bangsamoro Government for the rebuilding, rehabilitation, and development of its conflict-affected communities.

The amount equivalent to Fifty billion pesos (P50,000,000,000.00), at Five billion pesos (P5,000,000,000.00) per year, for a period of ten (10) years from the ratification of this Organic Law, shall be allocated for this purpose.

The utilization of the funds shall be in accordance with the Bangsamoro Development Plan to be adopted by the Bangsamoro Government, as provided in Section 6, Article XIII of this Organic Law.

ARTICLE XV
PLEBISCITE

209. The title, ARTICLE XV PLEBISCITE of both the House and the Senate versions were adopted as the title of Article XV of the reconciled version;

210. Section 1 of the House version was amended and adopted as Section 1 of the reconciled version, to read as:

SEC. 1. ***Establishment of the Bangsamoro Autonomous Region.*** – The establishment of the Bangsamoro Autonomous Region and the determination of its territorial jurisdiction shall take effect upon ratification of this Organic Law by majority of the votes cast in a plebiscite in the following:

(a) The present geographical area known as the Autonomous Region in Muslim Mindanao created under Republic Act No. 6734, as amended by Republic Act No. 9054, which shall subsist as such until this Organic Law is ratified through a plebiscite;

(b) The municipalities of Baloi, Munai, Nunungan, Pantar, Tagoloan, and Tangkal in the Province of Lanao del Norte that voted for inclusion in the Autonomous Region in Muslim Mindanao during the 2001 plebiscite;

(c) The following thirty-nine (39) barangays in the municipalities of Aleosan, Carmen, Kabacan, Midsayap, Pigkawayan, and Pikit in the Province of North Cotabato that voted for inclusion in the Autonomous Region in Muslim Mindanao during the 2001 plebiscite:

(1) Dunguan, Lower Mingading, and Tapodoc in the Municipality of Aleosan (3);

(2) Manarapan and Nasapian in the Municipality of Carmen (2);

(3) Nanga-an, Simbuhay, and Sanggadong in the Municipality of Kabacan (3);

(4) Damatulan, Kadigasan, Kadingilan, Kapinpilan, Kudarangan, Central Labas, Malingao, Mudseng, Nabalawag, Olandang, Sambulawan, and Tugal in the Municipality of Midsayap (12);

(5) Lower Baguer, Balacayon, Buricain, Datu Binasing, Kadingilan, Matilac, Patot, and Lower Pangangkalan in the Municipality of Pigkawayan (8);

(6) Bagoinged, Balatican, S. Balong, S. Balongis, Batulawan, Buliok, Gokotan, Kabasalan, Lagunde, Macabual, and Macasendeg in the Municipality of Pikit (11);

(d) The City of Cotabato;

(e) The City of Isabela in the Province of Basilan; and

(f) Those qualified for inclusion in the plebiscite, by way of resolution or petition.

211. Section 2 of the Senate version was amended and adopted as Section 2 of the reconciled version, to read as:

SEC. 2. ***Period for Plebiscite.*** – The plebiscite herein mentioned shall be conducted not earlier than ninety (90) days nor later than one hundred fifty (150) days after the effectivity of this Organic Law.

For this purpose, the Commission on Elections shall undertake the necessary steps to enable the holding of the plebiscite within the period.

212. Section 3 of the House version was amended and adopted as Section 3 of the reconciled version, to read as:

SEC. 3. ***Results of the Plebiscite.*** –

(a) The Bangsamoro Autonomous Region shall be established and all the provinces and cities of the Autonomous Region in Muslim Mindanao created under Republic Act No. 6734, as amended by Republic Act No. 9054, shall form part of the Bangsamoro Autonomous Region if the majority of the votes cast in the Autonomous Region in Muslim Mindanao shall be in favor of the approval of this Organic Law: *Provided*, That the provinces and cities of the present Autonomous Region in Muslim Mindanao shall vote as one geographical area.

(b) Any of the municipalities of Baloi, Munai, Nunungan, Pantar, Tagoloan, and Tangkal in the Province of Lanao del Norte that votes favorably for its inclusion in the Bangsamoro Autonomous Region shall form part of the Bangsamoro Autonomous Region: *Provided*, That the majority of the votes cast in the Province of Lanao del Norte shall be in favor of the inclusion of the municipality in the Bangsamoro Autonomous Region;

(c) Any of the barangays in the municipalities of Kabacan, Carmen, Aleosan, Pigcawayan, Pikit, and Midsayap as enumerated in Paragraph c, Section 1 of this Article that votes favorably for its inclusion in the Bangsamoro Autonomous Region shall form part of the Bangsamoro Autonomous Region: *Provided,* That the majority of the votes cast in the municipality to which the barangay belongs shall be in favor of the inclusion of the barangay in the Bangsamoro Autonomous Region;

(d) The City of Cotabato shall form part of the Bangsamoro Autonomous Region if the majority of the votes cast in the city shall be in favor of its inclusion;

(e) The City of Isabela in the Province of Basilan shall form part of the Bangsamoro Autonomous Region if the majority of the votes cast in the city shall be in favor of its inclusion in the Bangsamoro Autonomous Region: *Provided*, That the majority of the votes cast in the Province of Basilan shall be in favor of the inclusion of the City of Isabela in the Bangsamoro Autonomous Region; and

(f) Any other contiguous area where there is a resolution of the local government unit or a petition of at least ten percent (10%) of the registered voters in the local government unit asking for its inclusion at least two (2) months prior to the conduct of the ratification of this Organic Law shall form part of the Bangsamoro Autonomous Region if the majority of the votes cast in the political units directly affected shall be in favor of the inclusion of the petitioning local government unit in the Bangsamoro Autonomous Region.

213. Section 4 of the House version was amended and adopted as Section 4 of the reconciled version, to read as:

SEC. 4. ***Reconstitution of Local Government Units.*** – The Parliament may, by law, provide for the reconstitution of geographical areas in the Bangsamoro Autonomous Region into appropriate territorial or political subdivisions depending on the results of the plebiscite. Nothing herein shall be construed to allow the Parliament to create legislative districts.

214. Section 5 of the House version was amended and adopted as Section 5 of the reconciled version, to read as:

SEC. 5. ***Plebiscite Questions.*** – The questions to be asked of the voters in the plebiscite shall be determined by the Commission on Elections.

215. Section 6 of the reconciled version was adopted to read as:

SEC. 6. ***Plebiscite Monitoring.*** – The Commission on Elections shall also provide for the accreditation of plebiscite monitors, including the international-domestic monitoring body created by the Government of the Republic of the Philippines and the Moro Islamic Liberation Front peace panels, in accordance with established international standards on election monitoring. The monitoring body shall have access to all operations related to the conduct of the plebiscite and conduct regular and random checks. The reports of the international-domestic monitoring body shall be made available to the peace panels for their disposition.

216. Section 7 of the House version was amended and adopted as Section 7 of the reconciled version, to read as:

SEC. 7. ***Qualified Voters.*** – All registered voters in the provinces, cities, municipalities, and barangays mentioned under Sections 1 and 3 of this Article, shall be qualified to participate in the plebiscite on the establishment of the Bangsamoro Autonomous Region.

217. Section 8 of the reconciled version was adopted to read as:

SEC. 8. ***Special Registration.*** – The Commission on Elections shall conduct a special registration before the date of the plebiscite.

218. Section 9 of the reconciled version was adopted to read as:

SEC. 9. ***Promulgation of Rules for the Conduct of Plebiscite.*** – The Commission on Elections shall promulgate rules necessary for the conduct of plebiscite, including those for the accreditation of plebiscite monitors, voluntary inclusion in the plebiscite, and the special registration of voters as provided herein, within fifteen (15) days from the effectivity of this Organic Law, with the primary objective of optimizing the opportunity for participation in the plebiscite of qualified voters in the areas specified for the establish-ment of the Bangsamoro Autonomous Region.

219. Section 10 of the reconciled version was adopted to read as:

SEC. 10. ***Information Campaigns.*** – The Commission on Elections shall supervise the conduct of information campaigns on the plebiscite, including sectoral campaigns for indigenous communities, women, youth, religious, professionals and public and private sector employees, in every barangay, municipality, city, and province where the plebiscite is to be conducted.

Public conferences, assemblies, or meetings on dates before the plebiscite day itself shall be held to inform the residents thereof regarding the significance and meaning of the plebiscite and to help them to cast their votes intelligently. Free, full, and constructive discussion and exchange of views on the issues shall be encouraged.

For this purpose, the Bangsamoro Transition Commission shall assist in the information dissemination campaign. Such campaign shall be without prejudice to other information dissemination and public advocacy initiatives by the other government or nongovernment groups or individuals.

For information campaigns and other public advocacy initiatives with indigenous communities, local leaders shall be engaged to lead discussions in their respective communities.

Public advocacy initiatives shall be conducted within the framework of solidarity, cooperation, and unity among Bangsamoro people, non-Moro indigenous peoples, and settler communities. Consultations shall give due respect to the roles of non-Moro indigenous and Moro women, and encourage their active participation.

220. Section 11 of the reconciled version was adopted to read as:

SEC. 11. ***Appropriations.*** – The amount necessary to provide for the requirements of the conduct of the plebiscite, including the monitoring, information campaign, and the registration of voters shall be charged against available funds in the current General Appropriations Act.

ARTICLE XVI
BANGSAMORO TRANSITION AUTHORITY

221. The title, ARTICLE XVI BANGSAMORO TRANSITION AUTHORITY of both the House and the Senate versions were adopted as the title of Article XVI of the reconciled version;

222. Section 1 of the Senate version was amended and adopted as Section 1 of the reconciled version, to read as:

SEC. 1. ***Transition Period.*** – The transition period for the establishment of the Bangsamoro Autonomous Region shall commence upon ratification of this Organic Law.

This Organic Law shall be deemed ratified when approved by a majority of the votes cast in a plebiscite as proclaimed by the Commission on Elections or its duly authorized officers.

The transition period shall end upon the dissolution of the Bangsamoro Transition Authority as provided in this Organic Law.

The transition period shall be without prejudice to the initiation or continuation of other measures that may be required by post-conflict transition and normalization even beyond the term of the Bangsamoro Transition Authority.

223. Section 2 of the reconciled version was adopted to read as:

SEC. 2. ***Bangsamoro Transition Authority.*** – There is hereby created a Bangsamoro Transition Authority which shall be the interim government in the Bangsamoro Autonomous Region during the transition period. The Moro Islamic Liberation Front shall lead the Bangsamoro Transition Authority, without prejudice to the participation of the Moro National Liberation Front in its membership.

The compensation of the members of the Bangsamoro Transition Authority shall be subject to existing rules and regulations of the National Government.

The Bangsamoro Transition Authority shall be composed of eighty (80) members, who shall be appointed by the President: *Provided*, That, in addition, the elected officials of the Autonomous Regional Government in Muslim Mindanao shall automatically become members of the Bangsamoro Transition Authority and shall serve until noon of the 30th of June 2019: *Provided, Further,* That non-Moro indigenous communities, youth, women, settler communities, traditional leaders, and other sectors shall have representatives in the Bangsamoro Transition Authority.

224. Section 3 of the reconciled version was adopted to read as:

SEC. 3. ***Powers and Authorities.*** – Legislative and executive powers in the Bangsamoro Autonomous Region during transition shall be vested in the Bangsamoro Transition Authority. During the transition period, executive authority shall be exercised by the interim Chief Minister who shall be appointed by the President as such, while legislative authority shall be exercised by the Bangsamoro Transition Authority.

All powers and functions of the Bangsamoro Government as provided in this Organic Law is vested in the Bangsamoro Transition Authority during the transition period.

For purposes of mechanisms for intergovernmental relations with the National Government and local government units in the Bangsamoro Autonomous Region, the Bangsamoro Transition Authority shall be deemed as the Bangsamoro Government for the duration of the transition period.

225. Section 4 of the reconciled version was adopted to read as:

SEC 4. ***Functions and Priorities.*** – The Bangsamoro Transition Authority shall ensure the accomplishment of the following priorities during the transition period:

(a) Enactment of priority legislations such as the Bangsamoro Administrative Code, Bangsamoro Revenue Code, Bangsamoro Electoral Code, Bangsamoro Local Government Code, and Bangsamoro Education Code consistent with powers and prerogatives vested in the Bangsamoro Government by this Organic Law: *Provided,* That until the abovementioned laws are enacted, the Muslim Mindanao Autonomy Act No. 25, otherwise known as the "*Autonomous Region in Muslim Mindanao Local Government Code*," and subsisting laws on elections and other electoral matters shall apply in the Bangsamoro Autonomous Region.

The Bangsamoro Transition Authority may also enact a Bangsamoro Civil Service Code, as provided in this Organic Law, subject to the Constitutional mandate of the Civil Service Commission.

The Bangsamoro Transition Authority shall enact a law to recognize, protect, promote, and preserve the rights of the indigenous peoples in the Bangsamoro Autonomous Region. Until the law is enacted, subsisting regional laws on

indigenous peoples in the Bangsamoro shall be operational.

These rights shall be promoted, protected, and enforced by the Ministry of Indigenous People's Affairs as provided under Section 8 of this Article.

(b) Determination of parliamentary districts for the first regular election for the members of the Parliament subject to the standards set in Section 10, Article VII of this Organic Law;

(c) Organization of the bureaucracy of the Bangsamoro Government during transition, including the approval and implementation of a transition plan, and the institution of a placement process for hiring of personnel during transition. This also includes the setting up of offices and other institutions necessary for the continued functioning of government and delivery of social services in the Bangsamoro Autonomous Region, as well as, those necessary for the smooth operations of the first elected Bangsamoro Government in 2022;

(d) Full transfer of powers and properties of the Autonomous Regional Government in Muslim Mindanao to the Bangsamoro Government, except those properties, land, and structures located outside of the Autonomous Region in Muslim Mindanao. The land and permanent buildings or structures located outside the Autonomous Region in Muslim Mindanao, owned, controlled, administered, or in the possession of the Autonomous Regional Government in Muslim Mindanao, shall be purchased by the National Government at a price to be determined through the intergovernmental relations mechanism within one (1) year from the ratification of this Organic Law. Any dispute on the price may be appealed to the Office of the President which shall decide on the price with finality within three (3) months from the receipt of the appeal. The proceeds of the purchase shall be remitted to the Bangsamoro Government;

(e) The disposition of the personnel of the Autonomous Regional Government in Muslim Mindanao as provided in Section 10 of this Article;

(f) Transition from the Autonomous Regional Government in Muslim Mindanao to the Bangsamoro Government, as provided in this Organic Law; and

(g) Other matters that may be necessary for the protection and promotion of the general welfare of the constituents of the Bangsamoro Autonomous Region.

226. Section 5 of the reconciled version was adopted to read as:

SEC 5. ***Continuity of Government*** – To foreclose any political interregnum in the governance of the region, the twenty-five (25) incumbent elected officials of the Autonomous Region in Muslim Mindanao, and the Bangsamoro Transition Commission, an independent body created by Executive Order No. 120, Series of 2012, as amended by Executive Order No. 08, Series of 2016, shall act as caretakers of the administration of the Bangsamoro Autonomous Region until the Bangsamoro Transition Authority is constituted.

227. Section 6 of the House version was amended and adopted as Section 6 of the reconciled version, to read as:

SEC. 6. ***Transition Plan.*** – Within the first sixty (60) days of the transition period, the interim Chief Minister shall submit to the Bangsamoro Transition Authority a transition plan that shall contain the proposed organizational plan, as well as, the schedule for implementation therefor. The Bangsamoro Transition Authority shall, by a majority vote of all its members, approve or otherwise act on the proposed transition plan within ten (10) days upon submission by the interim Chief Minister. If the transition plan is not acted upon within sixty (60) days, it shall be deemed approved. The transition plan shall be implemented within fifteen (15) days from its approval.

228. Section 7 of the House version was amended and adopted as Section 7 of the reconciled version, to read as:

SEC. 7. ***Interim Officers***. – The interim Chief Minister shall organize the interim Cabinet and shall appoint two (2) interim Deputy Chief Ministers, who shall also be members of the Bangsamoro Transition Authority. The interim Chief Minister shall also appoint such other ministers as may be necessary to perform the functions of government during the transition period, a majority of whom shall be from among the members of the Bangsamoro Transition Authority.

Members of the Bangsamoro Transition Authority who are appointed to cabinet positions shall serve their offices concurrently: *Provided,* That no member of the Bangsamoro Transition Authority may be appointed, elected or otherwise hold more than two (2) positions at the same time.

229. Section 8 of the House version was amended and adopted as Section 8 of the reconciled version, to read as:

SEC. 8. ***Interim Cabinet.*** - The Interim Cabinet shall be composed of fifteen (15) primary ministries with suboffices, namely:

(a) Finance, and Budget and Management;
(b) Social Services;
(c) Trade, Investments, and Tourism;
(d) Labor and Employment;
(e) Transportation and Communications;
(f) Basic, Higher and Technical Education;
(g) Indigenous Peoples' Affairs;
(h) Health;
(i) Public Works;
(j) Local Government;
(k) Environment, Natural Resources, and Energy;
(l) Human Settlements and Development;
(m) Science and Technology;
(n) Agriculture, Fisheries, and Agrarian Reform; and
(o) Public Order and Safety.

Other offices on youth, women, settler communities, disaster risk reduction and management, and planning and development, among others, may be created by the Bangsamoro Transition Authority.

The Attorney General's Office, under the Office of the Chief Minister, shall likewise be created by the Bangsamoro Transition Authority.

230. Section 9 of the reconciled version was adopted to read as:

SEC. 9. ***Interim Bureaucracy.*** – The authority of the Bangsamoro Transition Authority to create offices and organize the bureaucracy during the transition period is without prejudice to the authority of the Bangsamoro Government to reorganize the bureaucracy upon its constitution, or any time thereafter. In the exercise of this authority, the Bangsamoro Transition Authority shall ensure the least possible disruption to the functioning of government and the delivery of services in the region.

All offices and institutions of the Autonomous Regional Government in Muslim Mindanao shall be subject to the phase out plan that shall be adopted by the Bangsamoro Transition Authority.

231. Section 10 of the reconciled version was adopted to read as:

SEC. 10. ***Transfer of Powers and Properties and Disposition of Personnel.*** – All powers, functions, assets, capital, records, funds, receivables, equipment, and facilities of the Autonomous Regional Government in Muslim Mindanao at the time of the ratification of this Organic Law shall be transferred to the Bangsamoro Government, except those properties, land, and structures which are located outside of the Autonomous Region In Muslim Mindanao and subject to the conditions as provided in Paragraph (d), Section 4 of this Article.

The Bangsamoro Transition Authority shall schedule the gradual phasing out of offices of the Autonomous Regional Government in Muslim Mindanao, which are deemed abolished upon the ratification of this Organic Law.

In consideration of public interest and the delivery of services, officials holding appointive positions shall continue to perform their functions in accordance with the phase-out schedule. Employees in the sectors of health, education, and social welfare shall be absorbed and transferred to the Bangsamoro Government. The Bangsamoro Transition Authority shall conduct a human resource audit and shall subject all transferred and new employees to qualification standards as provided in the laws, rules, and regulations of the Civil Service Commission and those that may be set by the Bangsamoro Transition Authority.

The National Government shall provide the necessary funds for the benefits and entitlements of the affected employees of the Autonomous Regional Government in Muslim Mindanao during the transition period.

An inter-agency committee headed by the Office of the President, and composed of the Department of Budget and Management, Commission on Audit, and Civil Service Commission, shall conduct the requisite inventory to ensure that the liabilities of the

Autonomous Regional Government in Muslim Mindanao under law, contracts, or obligations shall be assumed by the National Government prior to the transfer of powers, functions, assets, capital, records, funds, receivables, equipment, and facilities of the Autonomous Regional Government in Muslim Mindanao to the Bangsamoro Transition Authority.

For this purpose, the Office of the Regional Governor of the Autonomous Regional Government in Muslim Mindanao shall turn over to the Bangsamoro Transition Authority, upon the latter's constitution, a summary report on the status of the Autonomous Regional Government in Muslim Mindanao as of the date of the ratification of this Organic Law, including information on the status of devolution, personnel, properties, and assets and liabilities of the Autonomous Regional Government in Muslim Mindanao.

The creation of the different offices and their respective staffing complement shall be consistent with existing budgeting, organization, staffing, position classification and compensation policies, guidelines, and standards of the National Government.

The affected personnel who will not be absorbed in the positions of the new staffing pattern of the different offices in the Bangsamoro Government, whether hired on a permanent, temporary, casual or contractual basis and with appointments attested by the Civil Service Commission, shall be entitled to applicable retirement or separation benefits as provided in this Organic Law.

The affected personnel who opt to retire or be separated shall be entitled to any of the following applicable incentives:

(a) One hundred percent (100%) of the monthly basic salary for every year of government service computed starting from the first year for those who have rendered one (1) year to less than five (5) years of service;

(b) One hundred fifty percent (150%) of the actual monthly salary for every year of government service computed starting from the first year for those who have rendered five (5) years of service but less than ten (10) years; or

(c) Two (2) months of actual monthly basic salary for every year of government service computed starting from the first year for those who have rendered ten (10) years or more of service.

Affected personnel who are retired or are separated from the service shall not be re-employed in any agency of the Bangsamoro Government or the National Government, including government-owned or controlled corporations for a period of five (5) years. The retired or separated personnel who are re-employed during the prohibited period shall refund, on a pro-rated basis, the separation incentives they received under this Section.

The Bangsamoro Transition Authority shall institute an independent, strictly merit-based, and credible placement and hiring process for all offices, agencies, and institutions in the Bangsamoro Government, and shall consider gender and ethnic balance.

232. Section 11 of the reconciled version was adopted to read as:

SEC. 11. ***Disposition of Personnel and Assets of National Government Offices and Agencies.*** – The National Government shall provide for the disposition of personnel of the National Government or national government-owned or controlled corporations whose mandate and functions are transferred to or now vested in the Bangsamoro Government by virtue of this Organic Law. Properties and assets shall be transferred to the Bangsamoro Government within three (3) months from the organization of the Bangsamoro Transition Authority, except those properties, land, and structures located outside of the Autonomous Region in Muslim Mindanao. The transfer of properties and assets is without prejudice to the power of the Bangsamoro Transition Authority to organize the bureaucracy during the transition period.

233. Section 12 of the reconciled version was adopted to read as:

SEC. 12. ***Dissolution of the Bangsamoro Transition Authority.*** – Immediately upon the election and qualification of the Chief Minister under the first Parliament, the Bangsamoro Transition Authority shall be deemed dissolved.

Within sixty (60) days from the assumption into office of all members of the first Parliament, the Bangsamoro Transition Authority shall submit its final report and recommendations on the status of government during the transition period to the Parliament, as well as to the House of Representatives, the Senate of the Philippines, and the Office of the President.

234. Section 13 of the Senate version was amended and adopted as Section 13 of the reconciled version, to read as:

SEC. 13. ***First Regular Election.*** – The first regular election for the Bangsamoro Government under this Organic Law shall be held and synchronized with the 2022 national elections. The Commission on Elections, through the Bangsamoro Electoral Office, shall promulgate rules and regulations for the conduct of the elections, enforce and administer them pursuant to national laws, this Organic Law and the Bangsamoro Electoral Code.

235. Section 14 of the reconciled version was adopted to read as:

SEC. 14. ***Initial Funding for Transition.*** – The amount necessary to carry out the requirements of transition, including the organizational activities of the Bangsamoro Transition Authority, organization of the bureaucracy, hiring of personnel, and the exercise of functions and powers of the Bangsamoro Transition Authority as provided in this Organic Law, shall be charged against available funds in the current General Appropriations Act. In addition, the current year's appropriations for the Autonomous Region in Muslim Mindanao shall also be transferred to the Bangsamoro Transition Authority for this purpose.

The initial funding shall be without prejudice to any supplemental budget that may be appropriated by the Congress of the Philippines to support the transition.

Government functions falling within the reserved powers of the National Government in the Bangsamoro Autonomous Region shall continue to be financed by the National Government funds.

ARTICLE XVII
AMENDMENTS AND REVISIONS

236. The title, ARTICLE XVII of both the House and the Senate versions were adopted as the title of Article XVII of the reconciled version;

237. Section 1 of the reconciled version was adopted to read as:

SEC. 1. ***Amendments and Revisions.*** - Any amendment to, revision, or repeal of this Organic Law shall be made by law enacted by the Congress of the Philippines.

ARTICLE XVIII
FINAL PROVISIONS

238. The title, ARTICLE XVIII of both the House and the Senate versions were adopted as the title of Article XVIII of the reconciled version;

239. Sections 1, 2, 3, 4, 5 and 6 of the reconciled version were adopted to read as:

SEC. 1. ***Subsisting Regional Laws.*** – All subsisting laws enacted by the Autonomous Region in Muslim Mindanao Regional Legislative Assembly by virtue of authorities provided under Republic Act No. 6734, as amended by Republic Act No. 9054, shall be deemed valid and in effect, unless inconsistent with this Organic Law or repealed by laws passed by the Parliament.

SEC. 2. ***Existing Local Government Units.*** – Notwithstanding the provisions of Republic Act No. 7160, as amended, the existing municipalities of Al-Barka, Hadji Mohammad Ajul, Akbar and Hadji Muhtamad in the Province of Basilan; and the municipalities of Datu Blah T. Sinsuat, Pandag, Mangudadatu, Northern Kabuntalan, Datu Anggal Midtimbang, Datu Hoffer, and Datu Salibo in the Province of Maguindanao are hereby converted into regular municipalities.

SEC. 3. ***Separability Clause.*** – The provisions of this Organic Law are deemed separate. If, for any reason, any section or provision of this Organic Law is declared unconstitutional, other sections or provisions, which are not affected by such declaration, shall continue to be in full force and effect.

SEC. 4. ***Amendatory Clause.*** – Upon the ratification of this Organic Law, the pertinent provisions of the following laws which are inconsistent with this Organic Law are hereby amended accordingly:

(a) Sections 25, 129, 289, 290, 297, 442 of Republic Act No. 7160, otherwise known as the "*Local Government Code of 1991*," as amended;

(b) Section 4 of Republic Act No. 6758, otherwise known as the "*Compensation and Position Classification Act of 1989*," as amended;

(c) Section 30 of Republic Act No. 8371, otherwise known as the "*Indigenous Peoples' Rights Act*";

(d) Articles 140, 143. 152, 153, 154, 164, 165, 166, 167 and 168 of Presidential Decree No. 1083, otherwise known as the "*Code*

of Muslim Personal Laws of the Philippines";

(e) Section 9 of Republic Act No. 9996, otherwise known as the "*Mindanao Development Authority Act of 2010*";

(f) Section 1 of Executive Order No. 115, Series of 1986, otherwise known as "*Reorganizing the National Security Council and Defining Its Membership, Function, and Authority and other Purposes*";

(g) Section 5, Chapter 2, Subtitle (c), Title II, Book V of Executive Order No. 287, Series of 1987, otherwise known as the "*Administrative Code of the Philippines*";

(h) Section 8 of Republic Act No. 9997, otherwise known as the "*National Commission on Muslim Filipinos Act of 2009*";

(i) Sections 7, 12-18, 19-23, 24-27, 37-45, and 46-48 of Republic Act No. 8651, otherwise known as the "*Charter of the Adiong Polytechnic State College*";

(j) Section 4 of Republic Act No. 1387, otherwise known as the "*Charter of the Mindanao State University*", as amended by Republic Act Nos. 1893, 3791 and 3868;

(k) Section 6 of Batas Pambansa Blg. 208, otherwise known as the "*Charter of Sulu State College*";

(l) Section 5 of Batas Pambansa Blg. 384, otherwise known as the "*Charter of Tawi-Tawi Regional Agricultural College*";

(m) Section 6 of Presidential Decree No. 1943, otherwise known as the "*Charter of Basilan State College*";

(n) Sections 15 and 30 of Republic Act No. 6975, otherwise known as the "*Department of Interior and Local Government Act of 1990*," as amended by Republic Act No. 8551;

(o) Section 3 of Republic Act No. 9263, otherwise known as the "*Bureau of Fire Protection and Bureau of Jail Management and Penology Professionalization Act of 2004*";

(p) Section 5 of Republic Act No. 9514, otherwise known as the "*Revised Fire Code of the Philippines of 2008*";

(q) Sections 6, 21, 23, 119 of Republic Act No. 8424, otherwise known as the "*Tax Reform Act of 1997*," as amended by Republic Act No. 9337;

(r) Sections 59, 60, 61 and 62 of Republic Act No. 9593, otherwise known as the "*Tourism Act of 2009*"; and

(s) Sections 2, 6, 37 of Republic Act No. 9136, otherwise known as the "*Electric Power Industry Reform Act.*"

All other laws, decrees, orders, rules and regulations, and other issuances or parts thereof, which are inconsistent with this Organic Law, are hereby repealed or modified accordingly.

SEC. 5 ***Repealing Clause.*** – Upon ratification of this Organic Law, Republic Act No. 6734, otherwise known as the "*Organic Act for the Autonomous Region in Muslim Mindanao*," as amended by Republic Act No. 9054 is hereby repealed.

SEC. 6 . ***Effectivity.*** – This Organic Law shall take effect fifteen (15) days following its complete publication in the *Official Gazette* and in at least two (2) national newspapers of general circulation and one (1) local newspaper of general circulation in the autonomous region.

240. Finally, on the title of the reconciled bill, the conferees agreed to adopt the title to read as:

AN ACT PROVIDING FOR THE ORGANIC LAW FOR THE BANGSAMORO AUTONOMOUS REGION IN MUSLIM MINDANAO, REPEALING FOR THE PURPOSE REPUBLIC ACT NO. 6734, ENTITLED "AN ACT PROVIDING FOR AN ORGANIC ACT FOR THE AUTONOMOUS REGION IN MUSLIM MINDANAO," AS AMENDED BY REPUBLIC ACT NO. 9054, ENTITLED "AN ACT TO STRENGTHEN AND EXPAND THE ORGANIC ACT FOR THE AUTONOMOUS REGION IN MUSLIM MINDANAO"

In case of a conflict between the statements stated in this Joint Explanation and the provisions of the consolidated bill in the accompanying Conference Committee Report, the provisions of the latter shall prevail.

APPROVAL OF THE CONFERENCE COMMITTEE REPORT

Submitted to a vote, there being no objection, the

Conference Committee Report on the disagreeing provisions of Senate Bill No. 1717 and House Bill No. 6475 was approved and ratified by the Body.

MANIFESTATION OF THE CHAIR

At this juncture, Senate President Sotto congratulated Senator Zubiri for the passage of the BOL.

EXPLANATION OF VOTE OF SENATOR HONTIVEROS

Senator Hontiveros explained why she voted in favor of the report, as follows:

> We all know that unlike most laws, this Act took an incredibly long, tricky, and arduous road. At the onset, at its helm, is a history of struggle that precedes all of us, a history of a region that is filled with narratives of violence and oppression, a region whose roads are paved with hunger, chaos, and countless deaths.
>
> But with the grace of Allah, here we all are. The entire process we went through—the deliberations on the bill, the public hearings in Mindanao, the arguments over provision per provision—was tedious and at times, frustrating. That is why I salute all my fellow legislators, the peace advocates, the OPAPP, the Bangsamoro Transition Commission, whose steadfast commitment to the process is unparalleled. The ratification today is a testament to our commitment to the democratic process. It is a sign that the system works. That all we needed was a shared and unwavering belief in justice and that all roads lead to peace.
>
> Because in the end, the BBL is not our achievement. It is the success story of our Moro brothers and sisters who have been fighting relentlessly for what rightfully belongs to them and their children. And that is life and a future where they don't have to raise their children in evacuation centers, where they can sleep at night without waking up to the ripping sound of firefights and explosions, where their farmers and fisherfolks can have a just share in their lands, waters, and resources. They earned it. The end of strife and the beginning of a simple, comfortable life of providing for their family, seeing their children play, go to school, and grow up to pursue their dreams.
>
> With the enactment of this bill carries with it our collective hope to see and realize Bangsamoro, a region that is living in harmony and peace. A place that will not be anymore used as a ruse for unnecessary militarization and unending Martial rule.
>
> My dear colleagues, I vote yes.
>
> And let me say, what I have said when I co-sponsored this bill in the plenary, the BBL is our recognition of the justness and legitimacy of the cause of the Bangsamoro people. It is the legislative expression of our commitment to the peace process. The enactment of the "Organic Law for the Bangsamoro Autonomous Region in Muslim Mindanao" is a good place to continue this long and overdue journey to a lasting and dignified peace.
>
> Thank you. *Maraming Salamat. Shukran.*

MANIFESTATION OF SENATOR ZUBIRI

Senator Zubiri also thanked Senator Lacson who helped craft the entire article on public order and security as well as Senators Trillanes, Gordon and Legarda, for their amendments. He also thanked Senator Recto for his extensive amendments which ensured transparency and accountability in the utilization of the funds for the region.

Senator Zubiri expressed his gratitude to Senator Honasan for his amendments on the AFP section of the bill, along with the amendments given by Senators Aquino and Villar.

He also thanked Senator Ejercito who risked his own life by going to Camp Darapanan despite the tense history between the Moro Islamic Liberation Front (MILF) and former president Joseph Estrada.

In closing, he thanked the Secretariat as well as all the other members of the Senate that supported him in a noble and historic moment which seeks to put an end to decades of war and deaths.

EXPLANATION OF VOTE OF SENATOR RECTO

In explaining his affirmative vote, Senator Recto stated that he supported the bicameral conference committee report as it was essentially the Senate version with the exception of two provisions over which he has serious reservation. He cited the deletion of the allocation of a 40% development fund in the Senate version which he proposed in order to ensure that 40% of about P370 billion that the government would allocate in the next three years would be spent for development projects.

He also expressed reservations over the scrapping of the proposed 50/50 sharing proposal considering that in the first 10 years the Bangsamoro region would not be making any contributions to the national government.

Nevertheless, Senator Recto congratulated Senator Zubiri and the Senate contingent for defending the Senate version of the bill.

Echoing Senator Recto's earlier media statement, Senator Zubiri agreed that he would rather have an expensive peace than a cheap war. He thanked Senator Recto for the latter's invaluable support on the measure.

ANNOUNCEMENT OF SENATOR ZUBIRI

Senator Zubiri requested the Members to remain in the Session Hall for the traditional photo session.

REMINDER OF THE CHAIR

The Chair requested the senators' spouses to remain in the hall after the photo session. He also advised the Members to be at the Session Hall of the House of Representatives by or before 3:30 p.m.

SUSPENSION OF SESSION

Upon motion of Senator Zubiri, there being no objection, the Chair declared the session suspended until four o'clock in the afternoon when the Body shall reconvene at the Session Hall of the House of Representatives to hear the State of the Nation Address of President Duterte in a Joint session of both Houses of Congress, after which the session of the Senate shall be considered adjourned until three o'clock in the afternoon of Tuesday, July 24, 2018.

Joint Session held at the Session Hall of the House of Representatives, Quezon City.

At 5:15 p.m., the Secretary General of the House of Representatives announced the arrival of the President of the Philippines.

OPENING OF THE JOINT SESSION

The President of the Senate and the Speaker of the House of Representatives declared the joint session open at 5:17 p.m.

NATIONAL ANTHEM AND PRAYER

The Tagum City Chamber Chorale led the Body in the signing of the national anthem.

Thereafter Ms. Luviña Mia L. Suguitan led the Congress for the nation's prayer, to wit:

Dakilang Panginoon, aming Ama, dinggin Ninyo ang aking panalangin sa ngalan ng aking mga kapuwa kabataan. Itinataas ko sa Inyong pangalan ang aming bayan. Bigyan Ninyo ang aming Pangulo ng Inyong karunungan na hindi nasusukat; tapang ng kalooban na piliin ang tamang daan kahit gaano kahirap na ito ay tahakin. Idinadalangin ko sa Inyo ang lahat ng namumuno sa amin nang mapagtagumpayan nila ang bawat pagsubok na gamitin ang kanilang kapangyarihan bilang sandata bagkus nang may pakundangan tulad ng pagkalong sa isang bata.

Pinapanalangin ko din po ang mga lider ng iba't-ibang relihiyon na marinig nila ang Iyong salita, makilala Kayo sa kanilang mga puso na sa kanilang pagluhod, kami ay dalhin sa trono ng Inyong pagpapala. Ipagkaloob Ninyo sa Inyong mga anak na lubusang nananampalataya at nagtitiwala sa Inyo, kagalakan, kapayapaan at kapanatagan ng kalooban sa isang bayan na masagana at nagkakaisa.

Ang lahat ng ito, samo at dalangin naming sa Inyong makapangyarihang pangalan.

Amen.

THE STATE OF THE NATION ADDRESS

The President of the Republic of the Philippines, Rodrigo Roa Duterte, delivered his State of the Nation Address, to wit:

Senate President Vicente Sotto III and the members of the Senate; House Speaker Pantaleon Alvarez and the members of the House of Representatives; Vice President Maria Leonor Robredo; Former Presidents Fidel V. Ramos, Joseph Ejercito Estrada, and Gloria Macapagal-Arroyo; His Excellency Gabriele Caccia and the esteemed members of the diplomatic corps; Executive Secretary Salvador Medialdea and the members of the Cabinet; Acting Chief Justice Antonio Carpio and the justices of the Supreme Court; my fellow workers in government; *mga kababayan.*

About two years ago, I solemnly took my oath as a worker of the national government.

I was as inspired to institute real changes for the greater good of the Filipino people, as I was greatly overwhelmed then by the daunting challenges that lay ahead.

Two years later, my solid commitment to directly and decisively address our nation's collective challenges remains. It has not wavered. In truth, it has even gotten stronger through adversity and the desire to give the people the most we can, within my term in this government.

Let me begin by putting it bluntly: the war against illegal drugs is far from over. Where before, the war resulted in the seizure of illegal drugs worth millions of pesos, today, they run billions in peso value. I can only shudder at the harm that those drugs could have caused had they reached the streets of every province, city, municipality, barangay and community throughout the country.

This is why the illegal drugs war will not be sidelined. Instead, it will be as relentless and chilling, if you will, as on the day it began. These drug dealers know fully well that their business is against the law. They know the consequences of their criminal acts, especially when caught in *flagrante delicto* and they violently resist arrest. They know that illegal drugs waste away lives, dysfunctionalize families, and ruin relationships. They know that once hooked, addicts will die slowly — slow deaths. And yet, they persist in doing what they do, oblivious to the terrible harm that they cause to the people and communities.

And when illegal drug operations turn nasty and bloody, advocates of human rights lash at — and pillory — our law enforcers and this administration to no end. Sadly, I have yet to hear really howls of protest from the human rights advocates and church leaders against drug-lordism, drug dealing and drug pushing as forceful and vociferous as the ones directed against the alleged errant enforcers in the fight against this social scourge.

If you think that I can be dissuaded from continuing this fight because of our demonstrations, your protests, which I find, by the way, misdirected, then you got it all wrong.

Your concern is human rights, mine is human lives. The lives of our youth are being wasted and families are destroyed, and all because of the chemical called shabu, cocaine, cannabis, and heroine.

Human rights to me means giving Filipinos, especially those at the society's fringes, a decent and dignified future through the social and physical infrastructures necessary to better their lives. The lives and freedoms and the hard-earned property of every Filipino whose condition we wish to improve shall be protected from criminals, terrorists, corrupt officials, and traffickers of contrabands.

You worry about the present; I am concerned both the present and the future. I worry about the future because I know what crimes can do to the youth of this country. If not stopped, crimes can make human cesspools of succeeding generations. I will not allow it to happen. Not during my term.

Time and again, I have stressed that corruption must stop. Corruption is like a leech that it bleeds the government of funds programmed for its infrastructure and other social development projects. It saps the morale of dedicated and honest government workers.

Corruption destroys those who succumb to its temptation and eventually it is the innocent who will suffer and bear its horrible consequences.

The love of money is corrosive. And sadly, the desire to make the easy kind by being imaginative and manipulative, corrupts absolutely. Stolen wealth does not make the thief respectable. Neither will the trappings of wealth mask or cap the stink that thievery exudes. One day, justice will catch up with those who steal government funds. And when that day comes, it will be the public who will have its retribution.

While we run after those who steal the people's money, we are also enhancing the government's delivery of frontline services. I thank Congress for the swift passage of the Ease of Doing Business Act, which is a significant fight against corruption and improving service delivery. We need to sustain our momentum. And I hereby direct all government units — *makinig sana kayo* — and government agencies to faithfully implement this law and simply simplify the process. *Hinihingi ko ho 'yan sa lahat nasa gobyerno* under my control and supervision. *Huwag ho kayong magkamali.*

I particularly call the attention of the agencies with the number of red tape-related reports from the public, make your services truly customer-friendly. Our people deserve efficient, effective, and responsive government services. They deserve nothing less. *Kayo lang ang ayaw eh. Gusto ng tao kayo 'yung binabayaran*, make your living from the pockets of the people and you have a lousy and corrupt bureaucracy.

I have friends and political supporters whom I appointed to public office and then dismissed or caused to resign. I need not mention their names or recount the circumstances surrounding their removal or resignation. Media has more than amply reported that.

I value friendship, make no mistake about it. But it has its limits.

This is a lonely place I am hemmed in. Do not make it lonelier by forcing me to end our friendship because you gave me the reason to end it. It pains me to no end — the loss of friendships. And that is why I appeal to you to help me in my cause so that our friendship will endure.

For as long as I can remember, the bulk of the income generated in Mindanao used to be remitted to what we, in Mindanao, refer as the "Imperial Manila" to fund national projects primarily in the Metro Manila area, leaving a pittance to Mindanao as its share thereof. Mindanao was dubbed as "The Land of Promise," and Mindanaoans say in derision that this is so because what it got from the government through the years were promises, promises and more promises.

We aim to rectify that derisive observation and, as a matter of fact, we are now in the process of fulfilling that promise through significant increases in the budget for Mindanao. At the end of my term, I hope to see the promise of Mindanao fulfilled, or at the very least, approaching fulfilment.

Be that as it may, Mindanao pauses at the crossroads of history. One road leads to harmony and peace; the other, to war and human suffering.

Despite all that has been said for or against the Bangsamoro Organic Law by all sectoral groups, I make this solemn commitment that this administration will never deny our Muslim brothers and sisters the basic legal tools to chart their own destiny within the constitutional framework of our country.

When the approved version is transmitted and received by my office — the law has been passed actually and I intend to — give me 48 hours to sign it and ratify the law. *Babasahin ko pa bago ko pipirmahan. Baka may isiningit kayo diyan na hindi maganda para sa ibang tao.*

We will need loads of understanding and patience to endure and overcome the birth pangs or pains of the new beginning. To me, war is not an option. We have been through the catastrophe in Marawi. We have seen the horror, the devastation, and the human toll and the displacement of both Christians and Muslims alike.

I have made a pledge that ISIS terrorists or groups or its allies will never gain foothold in our country. Yet, when what remained of the decimated Maute-ISIS group in Marawi finally saw the error of their ways and expressed their desire to be reintegrated into society, we welcomed them with open arms and embarked on genuine efforts to embrace a peaceful, productive life for them. We owe it to our fallen soldiers and police officers in Marawi and elsewhere to put an end to the bloodshed and seek the path of true peace—a peace that will last beyond this lifetime, and whose dividends our children will reap.

On international relations, we shall continue to assert and pursue an independent foreign policy. Our long-term national development and national security goals come first.

We shall continue to reach out to all nations regardless of their prevailing political persuasions or proximity to or distance from our shores so long as these nations wish us well.

Our stronger bonds with our ASEAN friends have made possible our trilateral border patrols with Indonesia and Malaysia, which has since then put out of business sea pirates, piracy and other terrorists who used to infest our shared seas. This is a testament to the readiness of our country and our good neighbors to make regional peace and security our shared responsibility.

We have successfully hosted the 50th ASEAN Anniversary and the 31st ASEAN Summit last November 2017. We have shown the world what we are capable of when we work together. The ASEAN events showcased not only the world-renowned Filipino hospitality and organizational capabilities but also our artistic talent. I would like to commend the ASEAN National Organizing Council led by no less than my Executive Secretary, Salvador Medialdea.

Our re-energized relations with China has also led to an unprecedented level of cooperation between our nations on the war against transnational crimes. Our shared intelligence led to the discovery and dismantling of the clandestine shabu laboratories and the arrest of Chinese chemists with the Dragon organization called Wu Syndicate.

Our improved relationship with China, however, does not mean that we will waver in our commitment to defend our interests in the West Philippine Sea. This is why we engage China through bilateral and multilateral platforms

such as the ASEAN-China and the Philippines-China Bilateral Consultation Mechanism.

Opening lines of communication and amicably managing differences have led to positive developments that include renewed access of Filipino fishermen in the areas in dispute in the West Philippine Sea.

Participation in the ASEAN-China dialogue has also resulted to the draft framework for the Code of Conduct in the South China Sea which intends to resolve disputes by peaceful means.

We admire our Filipino migrant workers for their selflessness and courage in enduring the hardships of living away from home to provide for their families. You epitomize the innate resilience of the nation. You have shown your willingness to toil and sacrifice day-in and day-out, for the long-term good of your family and loved ones. You have also contributed greatly to the national economy, even as you help in small and big ways to the economies of our international partners.

This is why we strongly condemn the deaths and abuses experienced by Filipino migrant workers in the hands of their foreign employers. I have said this before and I say it again: I am a worker of government, and it is my vow to make sure that your well-being remains our foremost foreign policy concern.

It is for this reason that we are continuing to work with the host nations to ensure the welfare of our countrymen. I appeal to all host governments to help us, as true and dependable partners, in this endeavor.

I have always believed that no matter how well-intentioned a leader is, no matter how well-conceived may be his mission, if he lacks the political will to do what needs to be done, then he can only end up a failure and a hopeless dreamer.

As a worker of government, I promised to do whatever it would take to give all Filipinos a comfortable life, fighting powerful interests and making sacrifices. My obligation is to promote and uphold the greatest good, for the greatest number.

Our campaign against Endo has resulted in the regularization of more than 300,000 workers as of early this month. On May 1 of this year, I signed Executive Order 51, which sought to protect the workers right to security of tenure.

Read my lips, I understand that this does not satisfy all sectors. I share their sentiment; I truly do. Much as I would like to do the impossible, that power is not vested upon me by the Constitution. And neither will I make both ends meet even if I violate the laws to achieve that purpose. Simply, it is not part of my territory.

That is why I add mine to their voices in asking Congress to pass legislation ending the practice of contractualization once and for all.

Our farmers, especially our coconut farmers, form a significant part of the basic sectors of society. It is from the toil of their hands that we put food on the table. It is my hope that we finally see this through. I urge you Congress to convene the bicameral conference committee and pass at the soonest possible time the bill establishing the Coconut Farmers' Trust Fund. I pray that you will do it.

My administration remains firm in its resolve to ensure that the country's telecommunications services are reliable, inexpensive and secure. A draft Terms of Reference for the entry of a new, major industry player is at hand. The terms will be fair, reasonable and comprehensive. It will be inclusive so it will be open to all interested private parties, both foreign and local. The only condition is that the chosen entity must provide the best possible services at reasonably accessible prices.

However, our efforts to usher in a new major player shall be rendered futile if we do not improve its odds of success in an industry that has long been dominated by a well-entrenched duopoly.

We shall, therefore, lower interconnection rates between all industry players. Not only to lessen the cost to the customers as it will also lower the costs incoming player to access existing networks, [thereby creating] a market environment that is more conducive to competition. This is a policy which is crucial to ensure that our solution to our telecommunication problems will be both meaningful and lasting.

In the last 2 years, experience has taught me that lack of consultation or insufficiency of information can, at times, lead to rash judgments. If and when I am unsure on the most appropriate course of action to take given the problem, it's factual milieu and the desired end, I never fail to consult to discuss options with persons whom I trust and whose advise I value.

When I decided to establish *Malasakit* centers in Cebu, Tacloban and Iloilo, my long-time aide, Bong Go and his team became instrumental in arriving at the right decision through proper consultations.

Deliberations with the proper agencies also made me decide to push for, and eventually approve, both the Tertiary Education Act and the increase in the salary of our men in uniform, our soldiers and our policemen.

Boracay Island, widely regarded as one of our country's treasures and admired worldwide for its natural beauty, has sadly become the representation of the government's negligence, including mine.

I could not allow this decay to continue; decisive action has long been overdue. Recognizing that we are mere stewards of our natural resources, and I said enough is enough.

We intend to restore its environmental integrity, alongside measures to alleviate those whose livelihood were momentarily affected. Environmental protection and ensuring the health of our people cannot be overemphasized; thus, our actions in Boracay mark the beginning of a new national effort.

The other tourist destinations needing urgent rehabilitation and enforcement of environmental and other laws shall soon follow. I urge our local government units to proactively enforce our laws and not wait for us to swoop down on your areas just to do your duty and work. Some other time I would have to discuss *sa* local government units.

What has happened to Boracay is just an indication of the long-overdue need to rationalize, in a holistic and sustainable manner, the utilization, management, and development of our lands. I therefore urge the Senate to urgently pass the National Land Use Act to put in place a national land use policy that will address our competing land requirements for food, housing, businesses, and environmental conservation. We need to do this now.

To help safeguard the present and the future generations, we have to earnestly undertake initiatives to reduce our vulnerabilities to natural hazards and bolster our resilience to the impact of natural disasters and climate change.

As I had stated last year, we must learn from the experiences from the Super-typhoon Yolanda, and other mega disasters, and from global best practices. We need a truly empowered department characterized by a unity of command, science-based approach and full-time focus on natural hazards and disasters, and the wherewithal to take charge of the disaster risk reduction; preparedness and response; with better recovery and faster rehabilitation.

Hence, we, in the Cabinet, have approved for immediate endorsement to Congress the passage of a law creating the "Department of Disaster Management," an inter-agency — just like FEMA. Well, I don't know if it's an effective agency in the United States' government — an inter-agency crafted and a high-priority measure aimed at genuinely strengthening our country's capacity for resilience to natural disasters. I fervently appeal to Congress to pass this bill with utmost urgency. Our people's safety requirements cannot wait.

Ours is a rich and beautiful country, indeed. Add to that a great number of people equipped with technical expertise and professionalism, and you have a country poised to soar and take its place among the world's economic and financial eagles. God willing. *Inshallah*.

Nature endowed us with this wealth to be tapped for the benefit of all generations. My policy in the utilization of these resources is non-negotiable: the protection of the environment must be top priority and extracted resources must be used for the benefit of the Filipino people, not just a select few. Do not just give me taxes. I can get it from other sources. Give me what needs to be given to my countrymen.

To the mining industry, I say this once again and maybe for the last time, do not destroy the environment or compromise our resources; repair what you have mismanaged. Try to change management radically because this time you will have restrictive policies. The prohibition of open pit mining is one. It is destroying my country. It is destroying the environment. It will destroy the world of tomorrow for our children.

Again, I warn irresponsible miners, along with their patrons, to stop destroying our watersheds, recharge areas, forests, and aquatic resources. You can no longer fish in our rivers. It's all contaminated. And the color is not even brown or white, it's black. You want to see it? I will invite you. We can go to Diwalwal and the other mining areas. And I'm sure you will puke with what is happening to this country. Expect reforms, radical ones. I do not intend to quarrel with anybody, with the moneyed, but for as long as I am here I said: you will just have to contend with me.

I expect you to do your part in ensuring our nation's sustainable development, starting now.

I exhort all concerned agencies and local government units to uphold the concept of intergenerational responsibility and in the exploration

and utilization of our mineral wealth, the protection and preservation of our biodiversity, anchored on the right to a balanced and healthy ecology.

I applaud Congress for the timely passage of the TRAIN law. You have made funds available to build better roads and bridges, and improve health and education, and strengthen our safety and security. Some have incorrectly blamed our efforts toward a fairer tax system for all the price increases in the past months, and some irresponsibly suggesting to stop TRAIN's implementation. We cannot and should not. We need this for sustainable growth that leaves no Filipino left behind.

TRAIN is already helping poor families and senior citizens cope up with rising prices. We have distributed unconditional cash transfers to four million people, and we will help six million more this year.

Following the one-peso discount per liter in gas stations, we have also started releasing fuel vouchers to public utility jeeps and other valid franchises. Further, we have fast-tracked the distribution of NFA rice to provide affordable rice for all.

This year, we are giving 149 billion pesos worth of subsidies to the poor and vulnerable. Next year, the amount will be increased to 169 billion pesos.

But no amount of subsidy can help the poor if some businesses take advantage of the situation to make more money. I ask businesses to cooperate with us in charging a fair price.

To help stabilize rice prices, we also need to address the issue of artificial rice shortage. I now ask all the rice hoarders, cartels and their protectors, you know that I know who you are: stop messing with the people. I hate to… Power sometimes is not a good thing. But I hope I will not have to use it against you.

Consider yourselves warned; mend your ways now or the full force of the State shall be brought to bear upon you. I am directing all intelligence agencies to unmask the perpetrators of this economic sabotage and our law enforcement agencies to bring them to justice.

We are also working on long-term solutions. On top of this agenda to lower the price of rice. We need to switch from the current quota system in importing rice to a tariff system where rice can be imported more freely. This will give us additional resources for our farmers, reduce the price of rice by up to 7 pesos per kilo, and lower inflation significantly. I ask Congress to prioritize this crucial reform, which I have certified as urgent today.

Alam mo, ako humihingi talaga ng tulong. Business is really for profit I understand that. But the Philippines has always been a playground for, you know, scoundrels and those who do it without really considering the plight of the others. It's all conscience.

When I ran for public office, I promised to do whatever it takes to give all Filipinos a comfortable life, even if it means fighting powerul interests. I am committed to a comprehensive tax reform, and I ask Congress to continue the job.

Package 2 will lower corporate income taxes, especially for our small businesses. Lower taxes mean they will have more money to invest and create more jobs. More than 99 percent of our businesses are micro, small, or medium enterprises (MSME) and employ around 65 percent of our workers. The enactment of the Package 2 is what stands between today and millions of jobs in the near future.

Congressmen Cua, Gonzales, Abu, and Garin and Batocabe, as well as the Suansing family, filed versions of Package 2 last March 2018. *Salamat po* and I support their push to shepherd the bill. I hope the Senate will follow suit, maybe tomorrow, Sir?

This matter is urgent. Do not be part of the problem by ignoring it. I hope to sign Package 2 before the year ends. I urge Congress to pass it in a form that satisfies our goals and serves the interests of the many, not just the wealthy few.

By the end of July 2018, all 5 packages of my tax reform would have been submitted to Congress. Apart from TRAIN, rice tariffication, and Package 2, they include the mining, alcohol, and tobacco tax increase, reform in property valuation, reform in capital income and financial taxes, and an amnesty program.

I urge Congress to take them seriously and pass them in succession, for there is no chance that we can deliver our promises without an equitable tax system.

One of the most important thrusts of this administration's medium-term development plan is to cover all Filipinos against financial health risks. That is why I have directed concerned agencies to streamline the various sources of financial assistance for people with health-related needs.

We are currently institutionalizing the unified implementation of the "No Balance Billing

Policy" through which the government and our private healthcare providers can work out a system that will provide an order of charging of medical expenses.

Much needs to be done to improve our healthcare system, which remains highly fragmented, resulting in disparity in health outcomes between the rich and the poor in the urban areas and rural. While investments in health have increased over the years, several policy and operational bottlenecks have constrained universal health care for this country.

We shall pool all our resources for health services under the PhilHealth; institutionalize primary care as a prerequisite to access higher level of healthcare; and supplement human resource gaps in the LGUs through a National Health Workforce Support System.

These will ensure that every Filipino family gets the appropriate, affordable, and quality health services in appropriate facilities and will be protected from financial burden due to sickness.

To this end, I urge the speedy passage of the Universal Health Care Bill authored by Former Representative Harry Roque. Strong political determination, not political ambition, is the guiding light.

I have no illusions of occupying this office one day longer than what the Constitution under which I was elected permits; or under whatever Constitution there might be.

Four administrations before me have all tried to amend the Constitution to be able to introduce amendments and revisions to the charter. But none of them has successfully done for one reason or another.

I therefore consider it a distinct honor and privilege to have received earlier from the Consultative Committee that I created, the draft Federal Constitution that will truly embody the ideals and aspirations of all the Filipino people.

I thank all the members of the Committee, especially those who came out from their retirement, for their valuable services in crafting this draft Federal Constitution. I would like to extend my particular gratitude to Former Chief Justice Reynato Puno and Former Senate President Aquilino Pimentel, Jr.

I am confident that the Filipino people will stand behind us as we introduce this new fundamental law that will not only strengthen our democratic institutions, but will also create an environment where every Filipino—regardless of social status, religion, or ideology – will have an equal opportunity to grow and create a future that he or she can proudly bequeath to the succeeding generations.

My countrymen, I will not bore you with a litany of this administration's projects completed otherwise in the process. That would be too self-serving. I have instead caused to be prepared a written report on what has – what was and what has been done in the months and probably in the years to come. The reports shall be made available within the next few days.

I was informed that satellite facilities were set up by the Presidential Communications Operations Office in certain far-flung barangays so as of today the residents of these communities can watch the State of the Nation and for the first time see you on TV. I hope you have enjoyed the experience.

In ending, may I quote — I have always quoted this in my previous talks — one American that I salute, the great Abraham Lincoln. I have been in government for the last… If I complete my term, *Inshallah,* God willing, I would have served government for 40 years. I came across this statement which has been with me since I was a fiscal in the 70s. And he said: "If I were to try to read, much less answer, all the attacks made on me, this shop, the presidency, might as well be closed for any other business. I do the very best I know how—the very best I can; and I mean to keep doing so until the end. If the end brings me out all right, what has been said against me won't amount to anything. But if the end brings me out wrong, ten angels of God swearing that I was right would make no difference."

Daghang salamat kaninyong tanan.

ADJOURNMENT OF JOINT SESSION

Thereafter, the President of the Senate and the Speaker of the House of Representatives declared the joint session adjourned.

It was 6:10 p.m.

I hereby certify to the correctness of the foregoing.

ATTY. MYRA MARIE D. VILLARICA
Secretary of the Senate

Approved on July 24, 2018