



NINETEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
*First Regular Session* )

23 MAR 20 P3:27

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**SENATE**

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**COMMITTEE REPORT NO. 58**

Submitted jointly by the Committees on Banks, Financial Institutions & Currencies, joint with Committees on Government Corporations and Public Enterprises; Ways and Means; and Finance on MAR 20 2023.

Re: Senate Bill No. 2020 prepared by the Committees

Recommending its approval in substitution of S.B. Nos. 1670 and 1814, taking into consideration and H. B. No. 6608

Sponsor: Senator Mark Villar

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**MR. PRESIDENT:**

The Committees on Banks, Financial Institutions & Currencies, joint with Committees on Government Corporations and Public Enterprises; Ways and Means; and Finance to which were referred **Senate Bill No. 1670**, introduced by Sen. Mark Villar, entitled:

**AN ACT**  
**ESTABLISHING THE MAHARLIKA INVESTMENT FUND, PROVIDING FOR THE**  
**MANAGEMENT, INVESTMENT, AND USE OF THE PROCEEDS OF THE FUND,**  
**AND FOR OTHER PURPOSES**

**Senate Bill No. 1814**, introduced by Sen. Raffy Tulfo, entitled:

**AN ACT  
ESTABLISHING THE MAHARLIKA INVESTMENT FUND, PROVIDING FOR THE  
MANAGEMENT, INVESTMENT, AND USE OF THE PROCEEDS OF THE FUND,  
AND FOR OTHER PURPOSES**

and

taking into consideration **House Bill No. 6608**, introduced by Representatives Romualdez (F.M.), Dalipe, Quimbo, Marcos, et al., entitled:

**AN ACT  
ESTABLISHING THE MAHARLIKA INVESTMENT FUND, PROVIDING FOR THE  
MANAGEMENT, INVESTMENT, AND USE OF THE PROCEEDS OF THE FUND,  
AND FOR OTHER PURPOSES**

have considered the same and have the honor to report them back to the Senate with the recommendation that the attached Senate Bill No. 2020 prepared by the Committees, entitled:

**AN ACT  
ESTABLISHING THE MAHARLIKA INVESTMENT FUND, PROVIDING FOR THE  
MANAGEMENT, INVESTMENT, AND USE OF THE PROCEEDS OF THE FUND,  
AND FOR OTHER PURPOSES**

be approved in substitution of Senate Bill Nos. 1670 and 1814, taking into consideration, and House Bill No. 6608, with Senators Mark Villar and Raffy Tulfo as authors thereof.

Respectfully submitted:

*Chairpersons*

**ALAN PETER S. CAYETANO**

Committee on Government Corporations  
and Public Enterprises  
*Member*, Committee on Banks, Financial  
Institutions and Currencies  
*Member*, Committee on Finance



**MARK A. VILLAR**

Committee on Banks, Financial  
Institutions and Currencies  
*Vice Chairperson*, Committee on Finance  
*Member*, Committee on Government  
Corporations and Public Enterprises  
*Member*, Committee on Ways and Means

**WIN GATCHALIAN**

Committee on Ways and Means  
*Vice Chairperson*, Committee on Banks,  
Financial Institutions and Currencies  
*Vice Chairperson*, Committee on Finance



*\*May amend*

**SONNY ANGARA**

Committee on Finance  
*Vice Chairperson*, Committee on Banks,  
Financial Institutions and Currencies  
*Vice Chairperson*, Committee on Ways  
and Means

*Vice-Chairpersons*

**JOEL VILLANUEVA**

Committee on Government Corporations  
and Public Enterprises

**PIA S. CAYETANO**

Committee on Finance  
*Member*, Committee on Government  
Corporations and Public Enterprises  
*Member*, Committee on Ways and Means

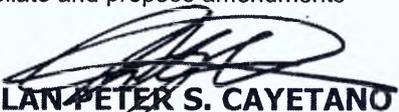
Respectfully submitted:

I sign with grave reservation about two items:

1. the timing of establishing the Fund; and
2. better use of the capital to be raised.

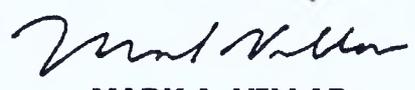
*Chairpersons*

In order to discuss fully, I reserve my right to interpellate and propose amendments



**ALAN PETER S. CAYETANO**

Committee on Government Corporations  
and Public Enterprises  
*Member*, Committee on Banks, Financial  
Institutions and Currencies  
*Member*, Committee on Finance



**MARK A. VILLAR**

Committee on Banks, Financial  
Institutions and Currencies  
*Vice Chairperson*, Committee on Finance  
*Member*, Committee on Government  
Corporations and Public Enterprises  
*Member*, Committee on Ways and Means

**WIN GATCHALIAN**

Committee on Ways and Means  
*Vice Chairperson*, Committee on Banks,  
Financial Institutions and Currencies  
*Vice Chairperson*, Committee on Finance

**SONNY ANGARA**

Committee on Finance  
*Vice Chairperson*, Committee on Banks,  
Financial Institutions and Currencies  
*Vice Chairperson*, Committee on Ways  
and Means

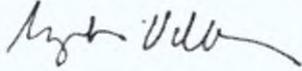
*Vice-Chairpersons*

**JOEL VILLANUEVA**

Committee on Government Corporations  
and Public Enterprises

**PIA S. CAYETANO**

Committee on Finance  
*Member*, Committee on Government  
Corporations and Public Enterprises  
*Member*, Committee on Ways and Means



**CYNTHIA A. VILLAR**  
Committee on Finance  
*Member, Committee on Banks, Financial  
Institutions and Currencies*

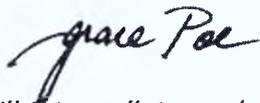
**IMEE R. MARCOS**  
Committee on Finance  
*Member, Committee on Banks, Financial  
Institutions and Currencies*  
*Member, Committee on Ways and Means*

**RONALD "BATO" DELA ROSA**  
Committee on Finance  
*Member, Committee on Government  
Corporations and Public Enterprises*  
*Member, Committee on Ways and Means*

**CHRISTOPHER LAWRENCE T. GO**  
Committee on Finance  
*Member, Committee on Government  
Corporations and Public Enterprises*  
*Member, Committee on Ways and Means*

**MARIA LOURDES NANCY S. BINAY**  
Committee on Finance  
*Member, Committee on Ways and Means*

**RISA HONTIVEROS**  
Committee on Finance  
*Member, Committee on Ways and Means*  
*Member, Committee on Banks, Financial  
Institutions and Currencies*  
*Member, Committee on Government  
Corporations and Public Enterprises*



*\*will interpellate and amend*

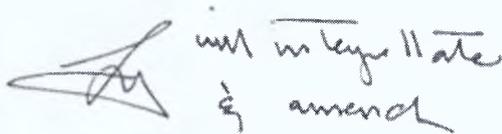
**GRACE POE**  
Committee on Finance  
*Member, Committee on Banks, Financial  
Institutions and Currencies*  
*Member, Committee on Ways and Means*

**FRANCIS "TOL" N. TOLENTINO**  
Committee on Finance  
*Member, Committee on Ways and Means*

**JOSEPH VICTOR G. EJERCITO**

Committee on Finance  
*Member, Committee on Banks, Financial  
Institutions and Currencies*  
*Member, Committee on Government  
Corporations and Public Enterprises*  
*Member, Committee on Ways and Means*

*Members*



with interrogate  
& amend

**FRANCIS "CHIZ" G. ESCUDERO**

Committee on Finance  
*Member, Committee on Ways and Means*

**JINGGOY EJERCITO ESTRADA**

Committee on Finance  
Committee on Government Corporations  
and Public Enterprises



*\*With reservations*

**ROBINHOOD C. PADILLA**

Committee on Finance  
Committee on Banks, Financial  
Institutions and Currencies  
Committee on Government Corporations  
and Public Enterprises

**MANUEL "LITO" M. LAPID**

Committee on Finance  
Committee on Banks, Financial  
Institutions and Currencies  
Committee on Government Corporations  
and Public Enterprises  
Committee on Ways and Means

**RAMON BONG REVILLA, JR.**  
Committee on Finance

**RAFFY T. TULFO**  
Committee on Finance  
Committee on Ways and Means

*Ex-Officio Members*

**LOREN LEGARDA**  
President Pro-Tempore

**JOEL VILLANUEVA**  
Majority Leader

**AQUILINO "KOKO" PIMENTEL**  
Minority Leader

**HON. JUAN MIGUEL "MIGZ" ZUBIRI**  
Senate President

Respectfully submitted:

*Chairpersons*

**ALAN PETER S. CAYETANO**  
Committee on Government Corporations  
and Public Enterprises  
*Member*, Committee on Banks, Financial  
Institutions and Currencies  
*Member*, Committee on Finance



**WIN GATCHALIAN**  
Committee on Ways and Means  
*Vice Chairperson*, Committee on Banks,  
Financial Institutions and Currencies  
*Vice Chairperson*, Committee on Finance

*Will under follow*



**MARK A. VILLAR**  
Committee on Banks, Financial  
Institutions and Currencies  
*Vice Chairperson*, Committee on Finance  
*Member*, Committee on Government  
Corporations and Public Enterprises  
*Member*, Committee on Ways and Means

**SONNY ANGARA**  
Committee on Finance  
*Vice Chairperson*, Committee on Banks,  
Financial Institutions and Currencies  
*Vice Chairperson*, Committee on Ways  
and Means

*Vice-Chairpersons*

**JOEL VILLANUEVA**  
Committee on Government Corporations  
and Public Enterprises

**PIA S. CAYETANO**  
Committee on Finance  
*Member*, Committee on Government  
Corporations and Public Enterprises  
*Member*, Committee on Ways and Means

*with interpellate & prepare amendments.*



**JOSEPH VICTOR G. EJERCITO**

Committee on Finance  
*Member*, Committee on Banks, Financial  
Institutions and Currencies  
*Member*, Committee on Government  
Corporations and Public Enterprises  
*Member*, Committee on Ways and Means

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Institutions and Currencies  
Committee on Government Corporations  
and Public Enterprises  
Committee on Ways and Means

**ROBINHOOD C. PADILLA**

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Institutions and Currencies  
Committee on Government Corporations  
and Public Enterprises

**RAMON BONG REVILLA, JR.**

Committee on Finance



**RAFFY T. TULFO**

Committee on Finance  
Committee on Ways and Means

Ex-Officio Members

*will interpellate,  
ask questions.*

  
**LOREN LEGARDA**  
President Pro-Tempore

*Will interpellate and propose  
amendments.*

  
**JOEL VILLANUEVA**  
Majority Leader

*I dissent.*

  
**AQUILINO "KOKO" PIMENTEL**  
Minority Leader

**HON. JUAN MIGUEL "MIGZ" ZUBIRI**  
Senate President



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**SENATE**

S.B. No. 2020

(In substitution of S.B. Nos. 1670 and 1814, taking into consideration H. B. No. 6608)

Prepared by the Committees on Banks, Financial Institutions & Currencies, joint with Committees on Government Corporations and Public Enterprises; Ways and Means; and Finance with Senators Villar, M. and Tulfo, R. as authors thereof

**AN ACT**  
**ESTABLISHING THE MAHARLIKA INVESTMENT FUND, PROVIDING FOR THE**  
**MANAGEMENT, INVESTMENT, AND USE OF THE PROCEEDS OF THE FUND,**  
**AND FOR OTHER PURPOSES**

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

1 **Section 1. Title.** – This Act shall be known as the “Maharlika Investment Fund Act of  
2 2023.”

3 **Sec. 2. Declaration of Policy.** – It is the policy of the State to create jobs, promote  
4 trade and investments, foster technological transformation, strengthen connectivity,  
5 expand infrastructure, and achieve energy, water, and food security.

6 The State recognizes the vital role of various investments in financial assets in promoting  
7 economic growth, accelerating job creation, and improving the welfare of Filipinos. The  
8 State acknowledges the need to preserve and optimize the use of government financial  
9 assets to generate returns, and support the infrastructure development agenda of the  
10 government, thereby promoting efficient intergenerational management of wealth.

11 Towards this end, the State shall establish a Maharlika Investment Fund by investing  
12 national funds, and coordinating and strengthening the investment activities of the  
13 country’s top-performing government financial institutions to promote economic growth  
14 and social development.

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**ARTICLE I**  
**Definition of Terms**

**Sec. 3. Definition of Terms.** –The following terms as used in this Act and the implementing rules and regulations shall be understood as follows:

a) **Advisory Body** refers to the body established under this Act which shall provide guidance, counsel and advice to the Board of Directors of the Maharlika Investment Corporation, and all other functions as provided for in this Act;

b) **Board of Directors (Board)** refers to the governing body of the Maharlika Investment Corporation;

c) **Founding Government Financial Institutions (Founding GFIs)** refer to the Land Bank of the Philippines (LBP) and Development Bank of the Philippines (DBP);

d) **Independent Director** refers to a person who is independent of management and the controlling shareholder, and is free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director;

e) **Maharlika Investment Corporation (MIC)** refers to the State investment body, a government-owned and controlled corporation (GOCC) created under this Act, which shall be responsible for the overall governance and management of the MIF;

f) **Maharlika Investment Fund (MIF or Fund)** refers to the fund created under this Act;

g) **"Santiago" Principles** refers to the twenty-four (24) Generally Accepted Principles and Practices (GAPP) voluntarily endorsed by the International Forum of Sovereign Wealth Funds (IFSWF) members. The GAPP for Sovereign Wealth Funds (SWFs) are designed as guidelines that assign best practices for the operations of SWFs. They are the rules followed by SWF that promote stability in the global financial system, set proper controls on investment risks, and implement sound governance structure.

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**ARTICLE II**  
**Maharlika Investment Corporation**

**Sec. 4. Establishment of the Maharlika Investment Corporation.** — There is hereby created a corporate body to be named as the "Maharlika Investment Corporation)." The MIC shall act as a vehicle for the purpose of mobilizing and utilizing the MIF for investments in transactions in order to generate optimal returns on investments (ROIs), while contributing to the overall goal of reinvigorating job creation and poverty reduction by sustaining the economy's high growth trajectory.

1 The MIC shall govern and manage the Fund in accordance with the objectives and  
2 purposes set forth in this Act, and it shall adhere to the Santiago Principles and other  
3 internationally-accepted standards of transparency and accountability.

4 **Sec. 5. Place of Business.** – The MIC shall have its principal place of business in Metro  
5 Manila, but may maintain branches, agencies and correspondents in such other places,  
6 within and outside the Philippines, as the proper conduct of its business may require.

7 **Sec. 6. Capitalization and Initial Funding.** – The MIC shall have an authorized capital  
8 stock of five hundred billion pesos (Php 500,000,000,000.00) to be divided into five (5)  
9 billion shares, with a par value of Php 100.00 per share which shall have the following  
10 classifications and features:

11 (1) Common shares of three billion seven hundred fifty million (3,750,000,000)  
12 equivalent to three hundred seventy five billion pesos (Php 375,000,000,000.00), to be  
13 subscribed by the national government, its agencies or instrumentalities, including  
14 government-owned and- controlled corporations (GOCCs) or government-financial  
15 institutions: *Provided* that one billion two hundred fifty million (1,250,000,000) shares  
16 equivalent to one hundred twenty-five billion pesos (Php 125,000,000,000.00) shall  
17 initially be subscribed by the following:

18 (a) Land Bank of the Philippines - fifty billion pesos (Php 50,000,000,000.00);

19 (b) Development Bank of the Philippines - twenty-five billion pesos (Php  
20 25,000,000,000.00); and

21 (c) National Government – fifty billion pesos (Php 50,000,000,000.00);

22 *Provided, further,* That of the one hundred twenty-five billion pesos (Php  
23 125,000,000,000.00), seventy-five billion pesos (Php 75,000,000,000.00) pertaining to  
24 the contributions of the Founding GFIs shall be fully paid by them; and

25 (2) Preferred shares of one billion two hundred fifty million (1,250,000,000) equivalent  
26 to one hundred twenty-five billion pesos (Php 125,000,000,000.00) to be made available  
27 for subscription by the National Government, its agencies or instrumentalities, GOCCs or  
28 GFIs, as well as reputable private financial institutions and corporations: *Provided,* That  
29 no single private sector shareholder shall, directly or indirectly, own more than five  
30 percent (5%) of the authorized capital stock; *Provided, further,* That preferred shares  
31 shall be non-voting, non-participating, non-convertible, and may be issued from time to  
32 time by the Board of Directors in one or more series, specifying the relative rights,  
33 preferences and further limitations thereof.

- 1 The contribution of the National Government shall come from the following sources:
- 2 i. Bangko Sentral ng Pilipinas (BSP) Dividends. For the first and second fiscal years upon  
3 effectivity of this Act, one hundred percent (100%) of the BSP's total declared dividends,  
4 as computed under R.A. No. 7653, as amended by R.A. No. 11211 also known as the  
5 New Central Bank Act, shall be remitted to the National Government for the capitalization  
6 of the MIC. In the succeeding fiscal years, fifty percent (50%) of the BSP's total declared  
7 dividends shall be remitted to the National Government for the capitalization of the MIC  
8 and the remaining fifty percent (50%) shall be remitted to the National Government to  
9 fund the increase in the capitalization of BSP in accordance with Section 2 of R.A. No.  
10 7653, as amended by R.A. No. 11211, until the increase in the capitalization of BSP has  
11 been fully paid. Thereafter, one hundred percent (100%) of the BSP's total declared  
12 dividends shall be remitted to the National Government for the capitalization of the MIC,  
13 until such time that the contribution of the National Government amounting to fifty billion  
14 pesos (PHP 50,000,000,000.00) has been fully paid; *Provided, further* that the Monetary  
15 Board may recommend to the President of the Philippines the modification of BSP's  
16 dividend contribution to the MIC whenever economic conditions may warrant;
- 17 ii. Government Share in Philippine Gaming Corporation (PAGCOR). Ten percent (10%)  
18 of the National Government's share from the income of the PAGCOR, as provided for in  
19 P.D. no. 1869, as amended: *Provided*, that the share earmarked for the Universal Health  
20 Care Act under Sec. 37 (b) of R.A. No. 11223 shall not in any manner be diminished;  
21 *Provided, further* that the above funding from PAGCOR will be for period of five (5) years.  
22 Other government - owned gaming operators and / or regulators shall also contribute ten  
23 percent (10%) of their revenues from gaming operations.
- 24 iii. *Department of Finance - Privatization and Management Office. (DOF-PMO)*
- 25 a. Properties, real and personal, identified by the Privatization Council. Properties  
26 to be contributed to the MIC shall be appraised at their fair market value at the  
27 time of their transfer. The title, as well as all rights and obligations pertaining  
28 thereto, shall be transferred to the MIC; and
- 29 b. Proceeds from the privatization of government assets, the amount of which shall  
30 be determined by the Privatization Council consistent with the fiscal program of  
31 the government.
- 32 iv. Other sources, such as royalties and/or special assessments based on the fiscal regime  
33 to be implemented by the National Government.

1 *Provided*, That the foregoing contributions shall be subject to the automatic review of the  
2 Secretary of Finance every five (5) years, taking into consideration the adequacy of the  
3 Fund in relation to the objectives of this Act, the fiscal condition of the National  
4 Government, the condition of the investing GFIs, in relation to their exposure to the fund  
5 and the overall economic environment.

6 The Founding GFIs and the National Government may, upon recommendation of the  
7 Advisory Body, and without prejudice to additional subscription and payment, use its  
8 stock dividends from its unappropriated retained earnings in the MIC, to subscribe and  
9 pay for the balance of the authorized capital stock.

10 Under no circumstance shall the GOCCs providing for the social security of government  
11 employees, private sectors, workers and employees, and other sectors and subsectors,  
12 such as but not limited to the Government Service Insurance System, Social Security  
13 System, and Home Development Mutual Fund, be requested or required to contribute to  
14 the MIC.

15 ***Sec. 7. Increase in Capitalization.*** – The Board, upon the recommendation of the  
16 Advisory Body, and with the approval of the President of the Philippines, may increase  
17 the capitalization of the MIC up to such an amount, as may be necessary to attain the  
18 objectives of this Act.

19 The increase in the authorized capital stock may be subscribed and paid for by the  
20 Founding GFIs and/or the national government from the unappropriated retained  
21 earnings of the MIC.

22 ***Sec. 8. Corporate Powers.*** – The MIC is hereby authorized to adopt, alter, and use a  
23 corporate seal which shall be judicially noticed; to enter into contracts; to lease or own  
24 real and personal property, and to sell or otherwise dispose of the same; to sue and be  
25 sued; and otherwise to do and perform any and all things that may be necessary or  
26 proper to carry out the purposes of this Act.

27 The MIC may acquire and hold such assets and incur such liabilities in connection with its  
28 operations authorized by the provisions of this Act, or as are essential to the proper  
29 conduct of such operations.

30 The MIC may compromise or release, in whole or in part, any claim of or settled liability  
31 to the MIC, regardless of the amount involved, under such terms and conditions as may  
32 be prescribed by the Board, upon favorable recommendation of the Advisory Body, to  
33 protect the interests of the MIC and the integrity of the MIF.

1 **Sec. 9. Functions of the Maharlika Investment Corporation.** — In carrying out its  
2 objectives and functions, the MIC shall:

3 a) Establish a diversified portfolio of investments in the local and global financial  
4 markets and in other assets that promote the objectives of the Fund.

5 b) Manage and invest the initial and future contributions to the Fund in accordance  
6 with this Act;

7 c) Accept and manage investment mandates whose investment purpose is to  
8 increase income for development goals;

9 d) Develop and foster skills in finance, economics, risk mitigation, good  
10 governance, and other related areas, consistent with the capacity and capabilities  
11 build-up of human resources in the industry; and

12 e) Implement international best practices in investing and managing assets in  
13 accordance with the Santiago Principles and other internationally-accepted  
14 standards and principles of transparency and accountability.

15 **Sec. 10. Issuance of Bonds.** — The MIC may issue all kinds of bonds, debentures, and  
16 securities, and/or the renewal or refunding thereof (hereinafter called "Bonds"), within  
17 and/or outside the Philippines, at such terms, rates, and conditions as the Board of  
18 Directors may determine, subject to compliance with the provisions of applicable law, and  
19 rules and regulations promulgated by the Monetary Board.

20 The MIC shall provide for appropriate reserves for the redemption or retirement of the  
21 bonds. These bonds and other obligations shall be redeemable at the option of the MIC  
22 at or before maturity and in such manner as may be stipulated therein and shall bear  
23 such rate of interest as may be fixed by the MIC.

24 Such obligations shall be secured by the assets under the management of the MIC,  
25 including the stocks, bonds, debentures, and other securities purchased or held by it  
26 under the provisions of this Act. These bonds and debentures may be long-term, medium,  
27 or short-term, with fixed interest rate or floating interest rate.

28 **Sec. 11. Administrative and Operational Expenses of the Maharlika Investment**  
29 **Corporation.** — The Board of the MIC is authorized to disburse from the Fund such  
30 amounts as may be necessary for administrative and operating expenses, the total of  
31 which shall not exceed two percent (2%) of funds managed: *Provided,* That the Board of  
32 Directors shall set annual targets to reduce operating and administrative expenses as a

1 share of funds managed: *Provided, further,* That the Secretary of Finance may reduce  
2 the allowed expense ratio.

3 **ARTICLE III**  
4 **Maharlika Investment Fund**

5 ***Sec. 12. Establishment of the Maharlika Investment Fund*** — There is hereby  
6 created a Maharlika Investment Fund (MIF), a Fund that adheres to the principles of good  
7 governance, transparency, and accountability. The Fund shall initially be sourced from  
8 the capitalization of the MIC, as provided for in this Act; the investible funds of select  
9 GFIs and from contributions of the NG, as well as other sources of funds, as provided in  
10 this Act; *Provided,* that other GFIs and GOCCs may invest into the MIF, subject to their  
11 respective investment and risk management strategies, and approval of their respective  
12 boards.

13 Additional investments may likewise be sourced from investments of reputable private  
14 and state-owned financial institutions and corporations in the form and under the terms  
15 and conditions that the board of directors may prescribe.

16 The Fund shall be used to invest on a strategic and commercial basis in a manner  
17 designed to promote fiscal stability for economic development, and strengthen the top-  
18 performing GFIs through additional investment platforms that will help attain the National  
19 Government’s priority plans.

20 ***Sec. 13. Objective of the Maharlika Investment Fund.*** – The objective of MIF is to  
21 promote socio-economic development. This will be achieved by making strategic and  
22 profitable investments in key sectors to preserve and enhance long-term value of the  
23 Fund; to obtain the optimal absolute return and achievable financial gains on its  
24 investments; and to satisfy the requirements of liquidity, safety/security, and yield in  
25 order to ensure profitability. In pooling the investible funds from the GFIs, and  
26 channeling them to diversified financial assets and development projects, the MIC’s  
27 activities shall contribute to a prudent and transparent management of the government  
28 resources.

29 **ARTICLE IV**  
30 **Investments**

31 ***Sec. 14. Allowable Investments.*** – Subject to strict compliance with Investment and  
32 Risk Management Guidelines, the Board of Directors of the MIC shall authorize the  
33 following investments:

34 a) Cash, foreign currencies, metals, and other tradeable commodities;

- 1           b) Fixed income instruments issued by sovereigns, quasi-sovereigns and  
2           supranationals;
- 3           c) Domestic and foreign corporate bonds;
- 4           d) Listed or unlisted equities, whether common, preferred, or hybrids;
- 5           e) Islamic investments, such as Sukuk bonds;
- 6           f) Joint Ventures or Co-Investments;
- 7           g) Mutual and Exchange-traded Funds invested in underlying assets;
- 8           h) Real estate and infrastructure projects;
- 9           i) Loans and guarantees to, or participation into joint ventures or consortiums  
10          with Filipino and foreign investors, whether in the majority or minority position  
11          in commercial, industrial, mining, agricultural, housing, energy, and other  
12          enterprises, which may be necessary or contributory to the economic  
13          development of the country, or important to the public interest; and
- 14          j) Other investments as may be approved by the Board.

15 Investments in real estate, including agro-industrial estates and economic zones, estate  
16 infrastructure and other development projects, whether alone or in partnership with other  
17 corporate entities shall be limited to major capital projects, as endorsed by the National  
18 Economic and Development Authority (NEDA) Board or as approved by the appropriate  
19 approving body, to ensure that these are in line with the socio-economic development  
20 program of the government.

21 ***Sec. 15. Forms of Joint Ventures and Co-Investments.*** – In line with Section 14  
22 (f) of this Act, the Board shall prescribe the form, as well as the terms and conditions, of  
23 the joint venture and/or co-investment, subject to pertinent laws, rules and regulations:  
24 *Provided,* that the board and management of the MIC shall ensure that all transactions  
25 with private and other state-owned entities in a joint venture or co-investment are not  
26 grossly prejudicial to the interest of the government and complies with the principles  
27 under the last paragraph of Section 12 of this Act.

28 To ensure transparency and accountability, the MIC shall periodically publish the terms  
29 and conditions of the arrangement, as well as the financial statements and reports relative  
30 to the operations of the joint venture and/or co-investment.

1 **Sec. 16. Prohibited Investments.** – In no case shall the MIC, in whatever manner or  
2 devise, invest in areas that are explicitly prohibited under existing laws and conventions  
3 to which the Philippines is a party.

4 **Sec. 17. Investment Policy.** – The Board of Directors shall formulate written policies  
5 in relation to the following matters:

6 (a) Directions on the acceptable balance between risk and return of the overall  
7 portfolio;

8 (b) Investment policies, including policies that promote environment, social, and  
9 governance (ESG) principles, mandates, strategies, and guidelines on financing  
10 infrastructure projects and other investments;

11 (c) Risk management for the investments;

12 (d) Standards for assessing the investment performance;

13 (e) Matters relating to international best practices for institutional investments;

14 (f) Matters specific to rules and regulations where investments are domiciled;

15 (g) Procedural framework and cooperation among investors, including fund  
16 commitments, co-investments, voting requirements, exit mechanisms, and other  
17 matters pertaining to the pooling of funds and the management thereof;

18 (h) Matters relating to the procedure for assessing, deploying, and liquidating  
19 investments; and

20 (i) All other matters needed to be discussed to guarantee compliance with the  
21 objectives of the MIF.

22 In the formulation of its investment policies, the Board of Directors shall be guided by  
23 the principle that priority must be given to investing in government infrastructure and  
24 other developmental projects which would yield the highest return on investment coupled  
25 with the developmental impact of lower cost of living and lower cost of basic commodities,  
26 as well as in those investments that incorporate environments, social and governance  
27 (ESG) considerations. The Board of Directors shall ensure that policies formulated are  
28 consistent with the objectives of the Fund, and the same shall be subject to periodic  
29 review.

30 **Sec. 18. Limitations and Safeguards on the Maharlika Investment Fund.** – The  
31 management of the MIF shall be subject to a set of investment policies, guidelines, and  
32 risk management limits and procedures, as approved by the Board of Directors, upon due  
33 consideration of the recommendations of the Advisory Body. Investment and risk

1 management strategies of the MIC shall be in line with the policies and objectives  
2 hereunder stated to ensure the long-term viability of the Fund.

3 **Sec. 19. Fees and Charges on the Establishment of the Maharlika Investment**  
4 **Fund.** – Third party fees and all charges incurred in connection with the establishment  
5 and effective management of the MIF, such as custody fees, transaction fees, clearing  
6 fees, and management fees payable to external fund managers, shall be charged against  
7 the MIF, in accordance with the applicable policies on fund disbursements.

8 **ARTICLE V**  
9 **Governance**

10  
11 **Sec. 20. Board of Directors.** There shall be nine (9) members of the Board of Directors  
12 composed as follows:

- 13 a) The Secretary of Finance shall sit as the Chairperson in an ex-officio capacity;  
14 b) Chief Executive Officer of the MIC as Vice-Chairperson;  
15 c) President of LBP;  
16 d) President of the DBP;  
17 e) Two (2) regular directors; and  
18 f) Three (3) Independent Directors from the private sector.

19 The regular directors shall be citizens of the Philippines, at least 35 years of age, and  
20 must be of good moral standing and reputation, of recognized probity and independence,  
21 and have substantial experience and expertise in any of the following: (i) corporate  
22 governance and administration, (ii) investment in financial assets, (iii) management of  
23 investments in the global and local markets. The regular directors shall be appointed by  
24 the President of the Philippines upon recommendation of the Advisory Body for a term of  
25 three (3) years.

26 The regular directors shall serve in the board full-time, and shall not hold any other public  
27 office or public office during their tenure. Neither will the regular directors have or possess  
28 any private financial and business interest while in office. In this regard, regular directors  
29 shall be required to resign from, and divest themselves of any and all interests in any  
30 private institutions that would put them in conflict with the interests of the MIC before  
31 assumption to their office.

1 The Independent Directors shall be appointed by the President of the Philippines for a  
2 term of one (1) year. The Independent Directors shall be eligible for reappointment,  
3 provided that the cumulative term of an independent director shall not exceed nine (9)  
4 years. The Advisory Body shall ensure that the selected members of the Board of Directors  
5 are with proven probity, competence, expertise and experience in finance, economics,  
6 investments, business management, or law, and are highly capable to contribute to the  
7 attainment of the objectives and purposes of the MIF.

8 The Independent Directors shall not hold any business or financial interests and other  
9 relationships which could, or could reasonably be perceived to, materially interfere with  
10 his exercise of independent judgment in carrying out their responsibilities as directors.

11 At least one (1) year from the end of their tenure, the regular and Independent Directors  
12 shall be barred from employment, whether in full-time or advisory capacity, in any private  
13 companies and institutions, the interests of which directly compete with or in conflict with  
14 the MIC.

15 A person shall be disqualified from being a director, if within (5) years prior to his  
16 appointment as such, the person was:

17 (a) convicted by final judgment of an offense punishable by imprisonment for a  
18 period exceeding six (6) years;

19 (b) found administratively liable for any offense involving fraudulent acts; and

20 (c) convicted by final judgment or found liable by a foreign court or equivalent  
21 foreign regulatory authority for acts violations, or misconduct similar to those  
22 enumerated in paragraphs (a) and (b) above.

23 The foregoing grounds are without prejudice to qualifications or other disqualifications,  
24 which the Board of Directors, as approved by the Advisory Body, may impose in its  
25 promotion of good corporate governance.

26 The specific guidelines in this section, including the rules on appointment, election and  
27 termination of membership in the Board, shall be provided in the implementing rules and  
28 regulations of this Act, to ensure that only those eligible and qualified shall be appointed  
29 to the Board.

30 **Sec. 21. Powers and Functions of the Board of Directors.** –The primary function  
31 of the Board of Directors is to govern and manage the MIC, its assets, and investments  
32 in accordance with this Act. The specific functions of the Board shall include the following:

- 1 (a) To direct the management and operations, and administration of the MIC;
- 2 (b) To approve and implement the Investment and Risk Management Guidelines and such  
3 other investment policies, guidelines, and parameters to effectively carry out the purposes  
4 of this Act;
- 5 (c) To set minimum criteria and targets for investments;
- 6 (d) To oversee the investment processes which may include asset allocation, portfolio  
7 construction, monitoring, and risk management;
- 8 (e) To approve the issuance of debt and debt-like instruments;
- 9 (f) To develop short, medium, and long-term strategies appropriate for investments;
- 10 (g) To regularly meet and consult with the Advisory Body;
- 11 (h) To engage and/or appoint an International Advisory Consultant/Council whose main  
12 responsibility is to advise the Board on its development strategy and investment business,  
13 equip executives and management with insights on geopolitical and macro-economic  
14 issues, international financial market conditions, and global investment trends;
- 15 (i) To engage external fund managers and investment advisors, as may be necessary, to  
16 manage the MIF;
- 17 j) To declare dividends in accordance with Section 42 of R.A. No. 11232 or the Revised  
18 Corporation Code of the Philippines, notwithstanding the provisions of R.A. No. 7656;
- 19 k) To exclusively determine the organizational structure, staffing pattern, and number of  
20 personnel of the MIC, define their duties and responsibilities, and fix their compensation  
21 and other emoluments, including bonuses and the performance bonus authorized under  
22 Section 30 of this Act, notwithstanding any provisions of law, rules and regulations,  
23 issuances, to the contrary. the organizational structure, staffing pattern and  
24 compensation structure of the MIC shall be subject to the approval of the President of  
25 the Philippines.
- 26 (l) To exclusively prescribe a system for performance standards and evaluation for  
27 officials and employees of MIC;
- 28 (m) To exclusively set the criteria and procedures for termination of employment of  
29 officials and employees for:
  - 30 i. Gross violation of the provisions in this Act or investment policies and guidelines  
31 set by the Board of Directors;

- 1           ii. Commission of acts inimical to the MIF or the Republic of the Philippines, such  
2 as any loss suffered by the Fund caused by negligence, willful misconduct, fraud, or  
3 actions in breach of any Investment Agreement; and/or
- 4           iii. Failure to meet performance standards set by the Board of Directors.
- 5 (n) To appoint key and critical officials and employees as may be necessary to assist the  
6 Board of Directors in carrying out its functions;
- 7 (o) To submit semestral reports on investment performance to the Advisory Body and to  
8 the President of the Republic of the Philippines;
- 9 (p) To review and certify the MIC/MIF financial statements;
- 10 (q) Act as Trustee of the MIF and such other assets as may be assigned to it and direct  
11 how its assets are managed;
- 12 (r) To constitute an Audit Committee which shall recommend to the Board and to  
13 shareholders during the annual shareholders' meeting the engagement of an external  
14 auditor and oversee the internal and external audits mandated under this act; and
- 15 (s) To perform other functions, duties and responsibilities necessary, related and  
16 incidental to the performance of the above-mentioned powers and functions.
- 17 (t) To create, set up, and launch one or more sub-funds within the fund, each of which  
18 shall have its specific investment objectives and strategies to be determined by the Board  
19 of Directors in line with the investment objectives and policies of the Fund.

20 **Sec. 22. Removal of Members of the Board of Directors.** – The President may  
21 remove the CEO, as well as the regular and independent directors, for any of the following  
22 reasons: (a) if he subsequently possesses the disqualifications under Section 20 of this  
23 Act; or (b) if he is physically or mentally incapacitated that he cannot properly discharge  
24 his duties and responsibilities and such incapacity has lasted for more than six (6) months;  
25 or (c) if the member is guilty of acts or operations which are of fraudulent or illegal  
26 character or which are manifestly opposed to the aims and interests of the MIC.

27 **Sec. 23. Duties and Qualifications of the Chief Executive Officer.** – The CEO shall  
28 direct and supervise the operations and internal administration of the MIC, and shall be  
29 charged with the risk management, financial performance, human resources, accounting  
30 and legal affairs of the MIC. He shall have the following powers and duties:

- 31           (i) Prepare the agenda for the meetings of the Board of Directors and to submit  
32 for the consideration of the Board of Directors the policies and measures which  
33 are necessary to carry out the purposes and provisions of this Act;

- 1 (ii) Execute and administer the policies and measures approved by the Board of  
2 Directors;
- 3 (iii) Develop the MIC's business prospects by studying economic trends and  
4 revenue opportunities; projects acquisition and expansion prospects; and  
5 oversee financial performance and risk profiles while ensuring that all of  
6 regulatory obligations are met;
- 7 (iv) Appoint and fix the remunerations and other emoluments of rank and file  
8 employees and other personnel not holding key and critical positions in  
9 accordance with the position and compensation plans approved by the Board  
10 of Directors, as well as to impose disciplinary measures upon personnel of the  
11 MIC: *Provided, That*, the removal of personnel shall be with the approval of the  
12 Board of Directors; and
- 13 (v) Exercise such other powers as may be vested by the Board of Directors.

14 The CEO, in the discharge of its functions, may delegate administrative responsibilities to  
15 other officers of the MIC.

16 The CEO shall work closely with the executive management and the Board and must have  
17 (i) exceptional experience and expertise in corporate management, financial planning  
18 strategy, strategic planning and vision, market and business development, budget  
19 development; (ii) has at least ten (10) years management experience, including extensive  
20 commercial lending/credit administration experience; (iii) in-depth understanding of the  
21 industry including risk management, compliance, and regulatory requirements; and (iv)  
22 strategic knowledge of cash flow and capital planning management.

23 The CEO shall be appointed by the President of the Philippines, as recommended by the  
24 Advisory Body, for a term of three (3) years.

25 ***Sec. 24. Duties and Qualifications of the Chief Investment and Operating***  
26 ***Officer (CIOO).*** – The CIOO is responsible for regular administration duties of all  
27 investment files, communicating investment strategy and policies, managing and  
28 developing a team of financial analysts and investment professionals, supervising risk  
29 management across portfolios and that sound investment policies are followed.

30 The CIOO shall be appointed by the Board of Directors and terminated for a term as  
31 provided for in the implementing rules and regulations.

32 The CIOO must have a degree in finance or a relevant experience in the field and has  
33 proven expertise in managing a team of financial analysts and investment professionals.

34 ***Sec. 25. Quorum and Meetings of the Board.***— The Board of Directors shall meet at  
35 least once every month from the effectivity of this Act. It may hold special meetings to

1 consider urgent matters upon call of the Chairperson or upon initiative of at least two (2)  
2 members of the Board of Directors.

3 In order to constitute a quorum in Board meetings, a majority of the total membership  
4 of the Board shall be present. The approval by a majority of all members of the Board  
5 of Directors shall be required to constitute a decision of the Board of Directors.

6 The Board of Directors shall maintain and preserve a complete record of the proceedings  
7 and deliberations of the Board of Directors, including the tapes and transcripts of the  
8 stenographic notes, either in the original form or in microfilm. The meetings of the Board  
9 of Directors may be conducted through modern technologies such as teleconferencing  
10 and videoconferencing.

11 **Sec. 26. Compensation of the Chief Executive Officer and the Members of the**  
12 **Board of Directors.** – The compensation of the CEO and members of the Board of  
13 Directors representing the private sector shall be determined and approved by the  
14 President of the Philippines, based on the provisions of Section 34 of this Act.

15 The Members of the Board of Directors shall be entitled to incentives and benefits,  
16 honoraria and/or other reasonable allowances, and/or per diem for each meeting actually  
17 attended, and shall be reimbursed for actual and reasonable expenses incurred in the  
18 performance of their duties and functions. The compensation shall be determined and  
19 approved by the President of the Philippines as recommended by the Advisory Body. The  
20 said compensation must not exceed the maximum annual amounts received by members  
21 of the Monetary Board of the BSP.

22 **Sec. 27. Risk Management Unit.** – In accordance with the manner provided in the  
23 MIC by-laws, the Board of Directors shall organize a Risk Management Unit composed of  
24 five (5) members as follows; one (1) professional with proven competence and  
25 experience in finance, economics, investment, business management, or law, and must  
26 exhibit independence and objectivity; and four (4) members consisting of two (2) senior  
27 executives of the MIC, one (1) independent director, and one (1) auditor.

28 The Risk Management Unit shall ensure that the MIC is taking the appropriate measures  
29 to achieve a prudent balance between risk and reward in both ongoing and new business  
30 activities, taking careful consideration of risk identification, risk measurement and  
31 assessment, risk mitigation, risk reporting and monitoring, and risk governance towards  
32 a risk-informed approach to the capitalizations of the MIC.

33 **Sec. 28. Advisory Body.** – An Advisory Body is hereby created which shall be composed  
34 of the Secretary of the Department of Budget and Management, the Secretary of National  
35 Economic and Development Authority, and the Treasurer of the Philippines.

1 **Sec. 29. Powers and Functions of the Advisory Body.** – The Advisory Body shall  
2 exercise the following powers and functions:

3 a) Advise and assist the Board of Directors in the formulation of the general  
4 policies related to investment and risk management, and other matters as may be  
5 necessary to carry out the provisions and purposes of this Act;

6 b) Advise and provide guidance on issues pertaining or related to the plans and  
7 projects of the MIF;

8 c) Recommend Independent Director candidates who shall be appointed by the  
9 President of the Philippines pursuant to Section 20 of this Act;

10 d) Perform other functions, duties and responsibilities, as it may deem necessary.

11 The Advisory Body shall not take part in the management or control of the MIC.

12 **ARTICLE VI**  
13 **Rewards, Incentives and Termination**

14 **Sec. 30. Rewards and Incentives.** – The officials, employees and staff of the MIC  
15 shall be entitled to honoraria, performance bonus, or any similar performance-based  
16 compensation as may be determined by the Board and as approved by the President of  
17 the Philippines, taking into consideration, among others, the performance of the Fund,  
18 the performance of the individual employee or officer, and industry standards and  
19 practices. The criteria for the grant of rewards and incentives shall be determined in the  
20 IRR, including the formula for the computation of any amount that will be granted to the  
21 Board of Directors, officials, employees, and staff of the MIC. Considering the nature of  
22 the Fund’s intended investments, the criteria and formula shall consider long-term  
23 performance of the Fund, acquisition and retention of talent, and the rates of  
24 comparators.

25 **Sec. 31. Effect of Separation.** – Notwithstanding the separation of an official or  
26 employee from MIC, the provision of Section 30 shall apply to the performance bonus  
27 that said officer or employee is entitled to receive on account of actual performance by  
28 the separated official or employee during the period covered by the performance bonus.

29 **ARTICLE VII**  
30 **Exemptions and Privileges**

31 **Sec. 32. Exemptions from Applicability of the GOCC Governance Act of 2011.** –  
32 Except as otherwise provided in this Act, the MIC shall be subject to the provisions of  
33 R.A. No. 10149 or the GOCC Governance Act of 2011.

1 **Sec. 33. Applicability of the Government Procurement Reform Act**– All  
2 procurement activities of the MIC shall be subject to, and governed by, the provisions of  
3 R.A. No. 9184, otherwise known as the Government Procurement Reform Act and its  
4 implementing rules and regulations, except the engagement of professional, or technical  
5 services necessary for the selection of investments under Section 8 hereof, such as fund  
6 management, investment analysis, advisory and underwriting, securities brokerage and  
7 dealership, and capital market and equity research analysis: *Provided, That* the selection  
8 process to be adopted by the MIC for the engagement of the foregoing professional and  
9 technical services shall be open and competitive, and approved by the Board.

10 **Sec. 34. Designation and Secondment.** – For the first five (5) years of its operations,  
11 the MIC Board, upon the recommendation of the CEO, shall authorize GFI non-executive  
12 personnel to the MIC, as may be necessary, subject to existing guidelines on secondment  
13 of the Civil Service Commission.

14 The designation of the respective GFIs' personnel to the MIC involves the imposition of  
15 additional and/or higher duties to be performed by said personnel for the MIC which is  
16 temporary and can be terminated anytime at the pleasure of the appointing  
17 officer/authority. Designated personnel shall continue to receive their salaries, benefits,  
18 and emoluments from their respective offices or agencies.

19 The secondment of the GFIs' personnel to the MIC involves the movement of said  
20 personnel from their mother agencies and offices to the MIC, which is temporary in  
21 nature, which may or may not require the issuance of an appointment, and which may  
22 or may not involve increase in compensation and benefits. Seconded personnel shall  
23 receive, in lieu of their respective compensation from their respective agencies or offices,  
24 the salaries, emoluments and all other benefits which their positions are entitled to  
25 receive from the MIC.

## 26 **ARTICLE VIII**

### 27 **Financial Reporting Framework and Audit of Records**

28 **Sec. 35. Financial Reporting Framework.** – The financial statements and reports  
29 shall be prepared, upon the advice of the Advisory Body, in accordance with pertinent  
30 provisions of this Act and its IRR, and International Financial Reporting Standards and  
31 principles.

32 **Sec. 36. Engagement of an Internal Auditor.** – The Board shall appoint an internal  
33 auditor, who shall provide written interim financial and management reports as requested  
34 by the Advisory Body. The internal auditor shall be independent from the management  
35 of the MIC and shall be under the direct control and supervision of the Board of Directors.  
36 The CEO shall ensure that the internal auditor, including the staff, shall have access to  
37 all documents and information pertinent to the audit.

1 **Sec. 37. Engagement of an External Auditor.** – The Board shall engage, for each  
2 accounting period or as soon as practicable after the commencement of the relevant  
3 accounting period, an internationally recognized auditing firm to be the external auditor  
4 of the Fund and to audit its financial statements.

5 The external auditor shall:

6 (a) Be engaged annually;

7 (b) Be eligible for re-engagement; and

8 (c) Hold office on such terms and conditions as are determined by the Board of  
9 Directors.

10 **Sec. 38. Audit by the Commission on Audit.** –The books and accounts of the MIC  
11 shall be subject to the examination and audit of the Commission on Audit pursuant to  
12 Article IX of the 1987 Philippine Constitution. All financial transactions shall be governed  
13 by the applicable government laws, rules, and regulations. The COA shall prescribe the  
14 guidelines of the audit of the MIC and the Fund under its management in accordance  
15 with international best practices. In defining the scope of its audit, the COA shall  
16 coordinate with the external auditor as provided under Section 37 of this Act.

17 **Sec. 39. Disposal of Assets.**- Notwithstanding any law, rules, regulations, or other  
18 issuances to the contrary, the disposal by MIC, pursuant to its mandate and functions, of  
19 shares, securities, and other interests and investments, shall not be covered by existing  
20 laws and regulations on disposal of government assets. The aforementioned financial  
21 assets shall be considered as forming part of MIC’s inventory of assets held in the regular  
22 course of its business activities.

23  
24  
25 **ARTICLE IX**  
26 **Reports and Records**  
27

28 **Sec. 40. Oversight Committee.** – There shall be created a Maharlika Investment Fund  
29 Joint Congressional Oversight Committee (MIF-JCOC) to oversee, monitor, and evaluate  
30 the implementation of this Act. The MIF-JCOC shall be composed of five (5) members  
31 each from the House of Representatives and the Senate. The MIF-JCOC shall be co-  
32 chaired by the Chairpersons of the House Committee on Banks and Financial  
33 Intermediaries and the Senate Committee on Banks, Financial Institutions and Currencies.

34 The Speaker and Senate President shall designate the other four (4) members of the MIF-  
35 JCOC of the House and the Senate from among the members on the House Committee  
36 on Banks and Financial Intermediaries and the Senate Committee on Banks, Financial  
37 Institutions and Currencies, at least one member of which shall be from the minority.

1 **Sec. 41. Right to freedom of information of the public.** – All documents of the MIF  
2 and the MIC, shall be open, available, accessible to the public, including but not limited  
3 to:

4 (a) All investments thereof, whether planned or under negotiation by the mic and on the  
5 portfolio of the MIF;

6 (b) The statements of assets and liabilities (SALNs) of the members and officials of the  
7 board of directors, risk management unit, and Advisory Board;

8 (c) The SALNs of those who appointed and designated the said members and officials;

9 (d) Audit documents from the internal auditor, external auditor, and the COA; and

10 (e) Similar documents and information.

11 **Sec. 42. Provision for Access Rights and Retention Period of Records.** – The  
12 records on the MIC pertaining to its investment activities shall be secured and maintained  
13 pursuant to the rules of the National Archives of the Philippines. The disclosure rules  
14 under Republic Act No. 8799 or the Securities Regulation Code, Republic Act No. 11232,  
15 or the Revised Corporation Code of the Philippines, and other relevant laws, rules, and  
16 regulations shall apply to the MIC. The MIC shall be covered by Executive Order No. 2, s.  
17 2016.

18 **Sec. 43. Reports of Government Financial Institutions to stakeholders.** –  
19 Government financial institutions with investments in the MIC shall include the  
20 performance of their investments, a risk assessment of their exposure and strategies to  
21 manage such risks, and other relevant information in their annual reports.

22 **Sec. 44. Compliance with Santiago Principles.** – The audits required under this  
23 article shall include an assessment of the implementation of the Santiago Principles and  
24 recommendations to improve compliance with such principles.

25 **ARTICLE XI**  
26 **Offenses and Penalties**

27 **Sec. 45. Violation of Disqualification Provision; Penalties.** – A Director or Officer  
28 who willfully holds office while possessing any of the disqualifications or willfully conceals  
29 a ground for disqualification as provided for in Section 20 and Section 22 of this Act shall  
30 be punished with a fine ranging from five hundred thousand pesos (P500,000.00) to two  
31 million pesos (P2,000,000.00) at the discretion of the court, and shall be permanently  
32 disqualified from being a director or officer of any government-owned or -controlled  
33 corporation. When the violation of this provision is injurious or detrimental to the public,  
34 the penalty shall be a ranging from three million pesos (P3,000,000.00) to five million  
35 pesos (P5,000,000.00).

1 **Sec. 46. Auditor Penalties.** – An independent auditor who, certifies the corporation’s  
2 financial statements despite its incompleteness or inaccuracy, its failure to give a fair and  
3 accurate presentation of the corporation’s condition, or despite containing false or  
4 misleading statements, shall be punished with a fine ranging from eight hundred  
5 thousand pesos (P800,000.00) to two million pesos (P2,000,000.00). When the statement  
6 or report certified is fraudulent, or had the effect of causing injury to the general public,  
7 the auditor or responsible officer may be punished with a fine ranging from one million  
8 pesos (P1,000,000.00) to five million pesos (P5,000,000.00).

9 **Sec. 47. Acting as Intermediaries for Graft and Corrupt Practices; Penalties.** –  
10 Any person, natural or juridical, who allows itself to be used for fraud, or for committing  
11 or concealing graft and corrupt practices – by the directors, officers, or other employees  
12 of the MIC – as defined under pertinent laws, rules and regulations, shall be liable for a  
13 fine ranging from one million pesos (P1,000,000.00) to five million pesos (P5,000,000.00).

14 When there is a finding that any of its directors, officers, employees, agents, or  
15 representatives are engaged in graft and corrupt practices, the Board of Director’s failure  
16 to install: (a) safeguards for the transparent and lawful delivery of services; and (b)  
17 policies, code of ethics, and procedures against graft and corruption shall be *prima facie*  
18 evidence of corporate liability under this section.

19 **Sec. 48. Tolerating Graft and Corrupt Practices; Penalties.** – A director or officer  
20 of the MIC who fails to sanction, report, or file the appropriate action with proper  
21 agencies, allows or tolerates graft and corrupt practices or fraudulent acts committed by  
22 a board’s director, officer, or employee shall be punished with a fine ranging from one  
23 million pesos (P1,000,000.00) to five million pesos (P5,000,000.00).

24 **Sec. 49. Retaliation Against Whistleblowers.** – A whistleblower refers to any person  
25 who provides truthful information relating to the commission or possible commission of  
26 any offense or violation under this Act. Any person who, knowingly and with intent to  
27 retaliate, commits acts detrimental to a whistleblower such as interfering with the lawful  
28 employment or livelihood of the whistleblower, shall, at the discretion of the court, be  
29 punished with a fine ranging from one hundred thousand pesos (P100,000.00) to one  
30 million pesos (P1,000,000.00).

31 **Sec. 50. Other Violations; Separate Liability.** – Liability for any of the foregoing  
32 offenses shall be separate from any other administrative, civil, or criminal liability under  
33 other laws.

34 **Sec. 51 Appropriations.** A portion of the National Government capital contribution,  
35 either through subscription of common shares or of preferred shares, under Section 6  
36 hereof shall be sourced from the following:  
37

- 1 i) BSP Dividends. For the first and second fiscal years upon effectivity of this Act,  
2 the BSP shall remit one hundred percent (100%) of its total declared dividends,  
3 as computed under R.A. No. 7653, as amended by R.A. No. 11211, to the  
4 National Government for the capitalization of the MIC. In the succeeding fiscal  
5 years, the BSP shall remit fifty percent (50%) of its total declared dividends to  
6 the National Government for the capitalization of the MIC and the remaining  
7 fifty percent (50%) to the National Government to fund the increase in the  
8 capitalization of BSP in accordance with section 2 of R.A. No. 7653, as amended  
9 by R.A. No. 11211, until the increase in the capitalization of BSP has been fully  
10 paid. Thereafter, the BSP shall remit one hundred percent (100%) of its  
11 declared dividends to the National Government for the capitalization of the MIC,  
12 until such time that the initial contribution of the National Government  
13 amounting to fifty billion pesos (Php 50,000,000,000.00) has been fully paid.  
14
- 15 ii) Government Share in PAGCOR, and revenue from other government-owned  
16 gaming operators and/or regulators. Ten percent (10%) of the National  
17 Government's share from the income of the PAGCOR, as provided for in  
18 Presidential Decree No. 1869, as amended; *Provided*, that the share earmarked  
19 for the Universal Health Care Act under Sec. 37 (b) of R.A. No. 11223 shall not  
20 in any manner be diminished; provided, further that the above funding from  
21 PAGCOR will be for period of five (5) years. Accordingly, other government-  
22 owned gaming operators and/or regulators shall also contribute ten percent  
23 (10%) of their revenues from gaming operations;
- 24 iii) DOF-PMO Proceeds from the privatization of government assets. The amount  
25 of which shall be determined by the privatization council, subject to budgeting,  
26 accounting, and auditing laws, rules, and regulations; and
- 27
- 28 iv) Other sources, such as royalties and/or special assessments, subject to  
29 budgeting, accounting, and auditing laws, rules, and regulations.  
30

31 The amount of contribution provided in Section 6 shall be remitted to the national treasury  
32 as a special account in the general fund and are hereby appropriated solely for the  
33 payment of the MIC's capitalization.

34 ***Sec. 52. Prescription of Offenses.*** – All offenses punishable under this Act shall  
35 prescribe in twenty (20) years.

36 **ARTICLE XII**  
37 **Miscellaneous Provisions**

38 ***Sec. 53. Implementing Rules and Regulations.*** – Within ninety (90) days from the  
39 effectivity of this Act, the Treasurer of the Philippines, in consultation with the Founding

1 GFIs, shall promulgate the necessary rules and regulations for the implementation of this  
2 Act.

3 **Sec. 54. *Suppletory Application.*** The provisions of the R.A. No. 11232, as amended,  
4 also known as the Revised Corporation Code of the Philippines which are not inconsistent  
5 with this act shall be applicable to the MIC.

6 **Sec. 55. *Separability Clause.*** — If any provisions of this Act are declared invalid or  
7 unconstitutional, the remaining parts or provisions not affected shall remain valid.

8 **Sec. 56. *Repealing and Amendatory Clause.*** - All acts, executive orders,  
9 administrative orders, proclamations, rules and regulations or parts thereof inconsistent  
10 with any of the provisions of this Act, are hereby repealed or modified accordingly.

11 Particularly, the following laws or provisions of laws are hereby expressly amended to the  
12 extent of ensuring the full implementation of the provisions of this Act:

13 a) Section 2 of R.A. No. 7653, as amended by R.A. No. 11211 or the New Central  
14 Bank Act; and

15 b) Presidential Decree No. 1869, otherwise known as the PAGCOR charter, as  
16 amended, without prejudice to Section 37 of R.A. No. 11223 or the Universal  
17 Health Care Act.

18 **Sec. 57. *Effectivity.*** — This Act shall take effect immediately upon its publication in the  
19 Official Gazette or in a newspaper of general circulation in the Philippines.

*Approved,*