

## **CHAPTER 6**

### **GOVERNMENT AGENCIES INVOLVED**

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#### **6.1 Securities and Exchange Commission (SEC)**

The SEC is the government agency responsible for the registration, licensing, regulation and supervision of all corporations and partnerships organized in the Philippines, including foreign corporations licensed to engage in business or to establish branch offices in the Philippines.

#### **THE FOUR CORE FUNCTIONS OF SEC**

##### **Capital Market Development and Regulation**

SEC registers traditional and non-traditional securities as well as licenses and regulates all market participants, such as exchanges, brokers, dealers, traders and others.

##### **Company Registration and Monitoring**

SEC registers companies and partnerships and monitors compliance with the Corporation Code, Civil Code (specifically, the provisions on Partnerships), Foreign Investments Act, and other related laws.

##### **Enforcement**

For the protection of investors, SEC monitors the activities of market participants to ensure their compliance with the pertinent governing laws, rules, regulations and policies.

##### **Support Services**

SEC has financial management, human resource development and administration, and economic research and information services, in order to support and enable its operations.

#### **6.2 Board of Investments (BOI)**

The Philippine Board of Investments (BOI), an attached agency of Department of Trade and Industry (DTI), is the lead government agency responsible for the promotion of investments in the Philippines.

Taking the lead in the promotion of investments, BOI assists Filipino and foreign investors to venture and prosper in desirable areas of economic activities. Investors are welcome to experience the potentials of the booming Philippine Industry sectors. Profitable business opportunities abound in the

food processing, construction, metal products, telecommunications, power and infrastructure projects among others.

It is divided into four (4) operating groups: Investments Promotion Group, Technical Services Group, Industry Development Group and Project Assessment Group.

### **Investment Promotions Group (IPG)**

Tasked to generate investments and improve the image of the country as a viable investment destination through the formulation and implementation of investment promotion strategy for synchronized investment promotion efforts including the generation of investment opportunities, conduct of inbound and outbound missions, enhancement of investor servicing including the facilitation of investor's transactions and requirements and the implementation of special projects and other investment promotion related activities.

### **Technical Services Group (TSG)**

Provides support services to the Board and its clientele through the enhancement of management processes, efficient dispensation of incentives, design and implementation of information systems, rendering of legal support on investment-related issues, and conduct of human resource development programs.

### **Industry Development Group (IDG)**

Prepares the annual Investment Priorities Plan. Formulates policies and develops programs/business plans/roadmaps that will hasten and sustain the development of key industry and service sectors with emphasis on human resources development, technology acquisition, industry linkaging and commercialization. Monitors and coordinates with relevant units/agencies/institutions in the implementation of the above programs/business plans/roadmaps. Develops and monitors strategies and measures to deal with the country's international trade and environmental commitments; and Provides technical industry expertise on tariff and related concerns and on international trade negotiations.

### **Project Assessment Group (PAG)**

PAG is in charge of evaluating, registering, supervising, monitoring and giving project assistance to registered firms. It aims to give total investor satisfaction from the time the investor seeks registration, through the infancy stage of operations, and up to the time that the firms are fully operational. It becomes fully accountable in all aspects of project registration, supervision

and monitoring of all registered projects, including those based in the regions.

### **6.3 Philippine Economic Zone Authority (PEZA)**

The Philippine Economic Zone Authority (PEZA) is a government corporation established by virtue of a legislative enactment known as “The Special Economic Zone Act of 1995.”

PEZA is an investment promotion agency and a government owned corporation, attached to the Department of Trade & Industry. It is responsible for ensuring that foreign investors who wish to put up their operations in the country will have readily available suitable locations in world-class, environment-friendly economic zones.

PEZA grants fiscal and non-fiscal incentives to developers of economic zones which include Industrial Estates, Export Processing Zones, I.T. Parks, I.T. Buildings, and Tourism Oriented Economic Zones; Exporters of manufactured products and I.T. services; Logistics enterprises; and Facilities enterprises.

### **6.4 Bangko Sentral ng Pilipinas (BSP)**

The *Bangko Sentral ng Pilipinas* (BSP) is the central bank of the Republic of the Philippines. The BSP took over from the Central Bank of Philippines, which was established on 3 January 1949, as the country’s central monetary authority. The BSP enjoys fiscal and administrative autonomy from the National Government in the pursuit of its mandated responsibilities.

The BSP’s primary objective is to maintain price stability conducive to a balanced and sustainable economic growth. The BSP also aims to promote and preserve monetary stability and the convertibility of the national currency.

The BSP provides policy directions in the areas of money, banking and credit. It supervises operations of banks and exercises regulatory powers over non-bank financial institutions with quasi-banking functions.

Under the New Central Bank Act, the BSP performs the following functions, all of which relate to its status as the Republic’s central monetary authority:

→ **Liquidity Management**

The BSP formulates and implements monetary policy aimed at influencing money supply consistent with its primary objective to maintain price stability.

→ **Currency issue**

The BSP has the exclusive power to issue the national currency. All notes and coins issued by the BSP are fully guaranteed by the Government and are considered legal tender for all private and public debts.

→ **Lender of last resort**

The BSP extends discounts, loans and advances to banking institutions for liquidity purposes.

→ **Financial Supervision.**

The BSP supervises banks and exercises regulatory powers over non-bank institutions performing quasi-banking functions.

→ **Management of foreign currency reserves**

The BSP seeks to maintain sufficient international reserves to meet any foreseeable net demands for foreign currencies in order to preserve the international stability and convertibility of the Philippine peso.

→ **Determination of exchange rate policy**

The BSP determines the exchange rate policy of the Philippines. Currently, the BSP adheres to a market-oriented foreign exchange rate policy such that the role of Bangko Sentral is principally to ensure orderly conditions in the market.

→ **Other activities**

The BSP functions as the banker, financial advisor and official depository of the Government, its political subdivisions and instrumentalities and Government Owned and Controlled Corporations (GOCCs).

## **6.5 Department of Environment and Natural Resources (DENR)**

The Department is mandated to be the primary agency responsible for the conservation, management, development, and proper use of the country's environment and natural resources.

To accomplish this mandate, the Department shall be guided by the following objectives:

1. Assure the availability and sustainability of the country's natural resources through judicious use and systematic restoration or replacement, whenever possible;

2. Increase the productivity of natural resources in order to meet the demands for forest, mineral, and land resources of a growing population;
3. Enhance the contribution of natural resources for achieving national economic and social development;
4. Promote equitable access to natural resources by the different sectors of the population;
5. Conserve specific terrestrial and marine areas representative of the Philippine natural and cultural heritage for present and future generations.

**6.6 Department of Labor and Employment (DOLE)**

The Department of Labor and Employment is the primary government agency mandated to promote gainful employment opportunities, develop human resources, protect workers and promote their welfare, and maintain industrial peace. This government agency is responsible for issuing Alien Employment Permits (AEP) to foreign nationals who intend to work in the Philippines.

**6.7 Department of Agrarian Reform (DAR)**

The Department of Agrarian Reform is the lead implementing agency of the Comprehensive Agrarian Reform Program (CARP). It undertakes land tenure improvement, development of program beneficiaries, and the delivery of agrarian justice. DAR conducts land survey in resettlement areas. It undertakes land acquisition and distribution and land management studies. The DAR also orchestrates the delivery of support services to farmer-beneficiaries and promotes the development of viable agrarian reform communities. It is also responsible for issuing out Land Use Conversion Clearance Certificate or its equivalent to investors for tourism estate registration and PEZA-registration of proposed tourism ecozones and locator enterprises.

**6.8 Department of Agriculture (DA)**

The Department of Agriculture (DA) is the principal agency of the Philippine government responsible for the promotion of agricultural development growth. In pursuit of this, it provides the policy framework, helps direct public investments, and in partnership with local government units (LGUs) provides the support services necessary to make agriculture and agri-based enterprises profitable and to help spread the benefits of development to the poor, particularly those in rural areas. DA is also responsible for issuing out a certification from the concerned Regional

Director stating that the proposed area for the development of a tourism estate is not covered by Administrative Order No. 20 and that such land has ceased to be economically feasible for agricultural purposes. This certification is required for the registration of tourism estates and proposed tourism economic zones.

**6.9 Housing and Land Use Regulatory Board (HLURB)**

The Housing and Land Use Regulatory Board (HLURB) is a national government agency tasked as the planning, regulatory and quasi-judicial body for land use development and real estate and housing regulation. These roles are done via a triad of strategies namely, policy development, planning and regulation. It issues a certification from the Deputized Zoning Administrator stating that the proposed land use is in accordance with the land use plan duly approved by the legislative council (sanggunian) of the host municipality/city. This certification is required for the registration of tourism estates and proposed tourism economic zones.

**6.10 National Water Resources Board (NWRB)**

The National Water Resources Board (NWRB) is the lead government agency in the Philippine water sector, conferred with policy-making, regulatory and quasi-judicial functions. The NWRB is responsible for ensuring the optimum exploitation, utilization, development, conservation and protection of the country's water resource, consistent with the principles of Integrated Water Resource Management. It issues the NWRB Certification stating that identified water source shall not cause water supply problem for the adjacent communities. This certification is required for the registration of tourism estates and proposed tourism economic zones.

**6.11 Bureau of Immigration (BI)**

Executive Order No. 292, Book IV, Title III, Chapter X, Section 31 specifically delineates the mandate of the Bureau of Immigration as “the administration and enforcement of immigration, citizenship, and alien admission and registration laws in accordance with the provisions of the Philippine Immigration Act of 1940 (as amended), the Alien Registration Act of 1950, including other pertinent laws related thereto. It is mandated to undertake the administration and enforcement of immigration and citizenship laws and the admission of foreigners to the Philippines including the enforcement of alien registration laws, and the exclusion, deportation and repatriation of aliens.

## **6.12 Department of Tourism (DOT)**

The Department of Tourism (DOT) shall be the primary government agency charged with the responsibility to encourage, promote, and develop tourism as a major socio-economic activity to generate foreign currency and employment and to spread the benefits of tourism to both the private and public sector.

Starting as an initiative, in the 1950s, the Philippine Tourist & Travel Association was organized. The Board of Travel & Tourist was created by law in 1956. By 1973, the Department of Tourism (DOT), Philippine Tourism Authority (PTA) and Philippine Convention Bureau (PCB) were created by the Philippine government. Under the Executive Order no. 120 and 120-A, DOT and PCB were reorganized structurally and functionally. PCB was renamed Philippine Convention & Visitors Corporation (PCVC).

### **FUNCTIONS**

#### **Office of the Secretary**

The Office of the Secretary provides leadership, direction, and substance to the overall operations of the Department. It formulates policies, plans, programs, rules, and regulations; reviews and evaluates the performance of the Tourism Master Plan and advises the President on all matters affecting the tourism program of the country.

#### **Tourism Promotion Sector**

The Tourism Promotion Sector has the primary function of promoting the Philippines as a tourist destination domestically and internationally. It devises integrated marketing and promotional activities such as information dissemination, public relations, special events, and related tourism programs. It likewise supervises the overseas field offices established to implement and enhance the tourism development and promotion program of the Department in the international field.

#### **Tourism Services and Regional Offices Sector**

The Tourism Services and Regional Offices Sector is tasked to ensure the pleasant entry, stay, and exit of tourists. It formulates standards of quantity and efficiency for tourism-oriented establishments, among others, done through an accreditation system. Tourist establishments' compliance to policies are monitored to make sure that their facilities and services are operated and maintained according to acceptable international norms. The Sector also supervises DOT's regional operations established to implement the policies, plans, programs, and regulations of the Department and to maintain the delivery of efficient and effective frontline services for the tourism industry.

### **Planning, Product Development and Coordination**

The Tourism Planning, Product Development and Coordination Sector is responsible for the formulation and updating of the Tourism Master Plan, together with its component programs. The Sector monitors the effective implementation of the Tourism Master Plan and, in coordination with the private sector and other government institutions, develops and conceptualizes new products and investment opportunities designed to enhance tourist sites and facilities.

### **Internal Services Sector**

The Internal Services Sector ensures the smooth and legal functioning of the operations of the Department through the provision of effective advice and services in the areas of personnel management, human resources development general services administration, computerization and information technology services, budgetary, financial and management services, and including investigatory and advisory services.