

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 139

CREATING AN OFFICE OF THE REVENUE AGENCY MODERNIZATION (ORAM) IN  
THE DEPARTMENT OF FINANCE (DOF)

**WHEREAS**, the present Administration is committed to increase the tax effort of the revenue generating agencies of the government from the current 12.9 percent of Gross Domestic Product (GDP) to 16 percent by 2016;

**WHEREAS**, Executive Order (EO) No. 292, otherwise known as the "Administrative Code of 1987," provides that the President has continuing authority to reorganize the Executive Department, allocate powers, functions and responsibilities, align resources, and provide clear direction to specific government agencies and units;

**WHEREAS**, under EO 292, the Department of Finance (DOF) is responsible for the formulation, institutionalization and administration of fiscal policies and for the generation and management of the financial resources of the government;

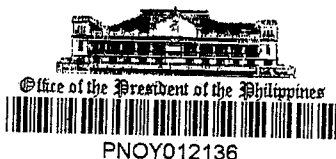
**WHEREAS**, consistent with the above mandate and in order to meet its fiscal and revenue targets, the DOF must spearhead efforts towards the rapid implementation of modernization, streamlining and efficiency efforts in revenue generating agencies attached to the DOF;

**WHEREAS**, the programs, procedures and practices of the revenue generating agencies need to be immediately upgraded, modernized and brought at par with global best practices and standards, consistent with the international commitments of the Philippines;

**WHEREAS**, there is a need to create a specialized body in the DOF which is tasked to implement the necessary improvements, changes and modernization of programs, procedures and practices in order to maximize the efficiency and effectiveness of the revenue collection agencies;

**WHEREAS**, under Section 74 of Republic Act (RA) No. 10352, or the General Appropriations Act of 2013, the President may authorize organizational and staffing pattern changes in any department, bureau and office in the Executive Branch; and

**WHEREAS**, Section 17, Article VII of the 1987 Constitution expressly grants the President control of all executive departments, bureaus, agencies and offices.



**NOW THEREFORE, I, BENIGNO S. AQUINO III**, President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

**SECTION 1. Organization.** There is hereby created in the DOF the ORAM, which shall be responsible for formulating and implementing the necessary improvements in the processes, systems and procedures of the revenue generating agencies in order to bring these at par with global best practices and standards.

The ORAM shall be under the direct supervision and control of the DOF Secretary, who may designate a subordinate official with the rank of Undersecretary to oversee the operations of the ORAM.

**SECTION 2. Powers and Functions.** The ORAM shall have the following powers and functions:

- a. Review and evaluate together with other offices and agencies of the DOF, the implementation of current administrative systems in the revenue generating agencies, with due regard to efficiency and efficacy, and thereafter, propose and implement improvements to the same;
- b. Formulate and implement modern and enhanced systems, procedures, and organizational structures appropriate to address the most urgent needs of the revenue generating agencies;
- c. Formulate a Code of Ethics for personnel of the revenue generating bureaus/agencies and develop an effective enforcement mechanism to implement its provisions and enhance accountability and integrity;
- d. Recommend to the DOF Secretary such actions as may be necessary for the implementation of the proposals cited above; and,
- e. Perform any and all acts as may be necessary and lawful to the successful implementation of this Order.

**SECTION 3. Personnel and Staffing Complement.** The ORAM shall be composed of its organic personnel, as approved by the Department of Budget and Management (DBM) upon recommendation of the Secretary of Finance, augmented and reinforced by DOF, Bureau of Internal Revenue (BIR) and Bureau of Customs (BOC) personnel as well those detailed or seconded from other agencies, whether attached to the DOF or not. In addition, the ORAM, upon approval of the DOF Secretary, may hire or engage technical consultants to provide necessary support in the performance of its mandate.

**SECTION 4. Rules and Regulations.** The DOF Secretary is hereby authorized to promulgate and issue such rules and regulations and prescribe procedures and processes to enable the ORAM to effectively exercise its powers and discharge its

duties and functions herein provided, to guide the general public and to enhance transparency and accountability in government.

**SECTION 5. Performance Audit System.** The ORAM shall develop a performance audit system that will monitor and measure actual performance of ORAM personnel as a basis for rewards and incentives, and punishment for nonfeasance or malfeasance, subject to existing laws, rules and regulations. For this purpose, the DOF Secretary, is hereby directed to develop appropriate performance standards for personnel appointed, designated, or detailed to the ORAM, and a personnel evaluation system that will advance accountability in the Office.


**SECTION 6. Funding.** The funds shall be sourced proportionately from the savings of the concerned departments, agencies, bureaus and offices as identified by the DBM and subject to the usual government accounting and auditing rules and regulations. The DOF Secretary shall submit to DBM a proposed budget to cover the personnel requirements, maintenance and other operating expense, and capital outlays, if needed.

**SECTION 7. Separability.** If any provision of this Order is declared invalid or unconstitutional, the other provisions unaffected shall remain valid and subsisting.

**SECTION 8. Repeal.** All orders, issuances, proclamations, rules, regulations, or parts thereof, which are inconsistent with any of the provisions of this Order are hereby repealed modified accordingly.

**SECTION 9. Effectivity.** This Order shall take effect immediately upon publication in two (2) newspapers of general circulation.

**DONE**, in the City of Manila, this 2<sup>nd</sup> day of September, in the year of our Lord, Two Thousand and Thirteen.



By the President:



**PAQUITO N. OCHOA, JR.**  
*Executive Secretary*

