

B. BUREAU OF CUSTOMS

STRATEGIC OBJECTIVES

MANDATE

The Bureau of Customs (BOC) implements an effective revenue collection by preventing and suppressing smuggling and the entry of prohibited imported goods. It supervises and controls the entrance and clearance of vessels and aircrafts engaged in foreign commerce. It also enforces the Tariff and Customs Code of the Philippines and all other laws, rules and regulations related to tariff and customs administration.

VISION

A modernized and efficient customs administration that every Filipino can trust and be proud of

MISSION

1. To assess and collect lawful revenues efficiently
2. To effectively curb illicit trade and all forms of customs fraud
3. To facilitate trade in a secured manner
4. To implement relevant technology for an efficient and effective customs management aligned with international customs best practices

KEY RESULT AREAS

Anti-Corruption/Transparent, Accountable and Participatory Governance

SECTOR OUTCOME

Fiscal Strength, Enhancement of Trade and National Security

ORGANIZATIONAL OUTCOME

Customs Revenue Collection, Trade Facilitation and Community and Business Protection

New Appropriations, by Program/Project

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	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
PROGRAMS				
100000000 General Administration and Support	P 165,989,000	P 234,789,000		P 400,778,000
300000000 Operations	954,818,000	583,839,000		1,538,657,000
MFO 1: Collection of Duties and Taxes	954,818,000	583,839,000		1,538,657,000
Total, Programs	<u>1,120,807,000</u>	<u>818,628,000</u>		<u>1,939,435,000</u>
TOTAL NEW APPROPRIATIONS	<u>P 1,120,807,000</u>	<u>P 818,628,000</u>		<u>P 1,939,435,000</u>
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New Appropriations, by Central/Regional Allocation

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REGION	Current Operating Expenditures			Total
	Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	
Central Office	P 347,402,000	P 558,744,000		P 906,146,000
Regional Allocation	773,405,000	259,884,000		1,033,289,000
National Capital Region (NCR)	530,793,000	139,769,000		670,562,000
Region I - Ilocos	12,274,000	14,532,000		26,806,000
Region II - Cagayan Valley	2,815,000	1,372,000		4,187,000
Region III - Central Luzon	31,003,000	12,726,000		43,729,000
Region IVA - CALABARZON	20,295,000	13,825,000		34,120,000
Region V - Bicol	11,463,000	3,673,000		15,136,000
Region VI - Western Visayas	11,750,000	9,993,000		21,743,000
Region VII - Central Visayas	34,053,000	16,083,000		50,136,000
Region VIII - Eastern Visayas	14,869,000	8,412,000		23,281,000
Region X - Northern Mindanao	53,458,000	14,114,000		67,572,000
Region XI - Davao	35,764,000	20,647,000		56,411,000
Region XIII - CARAGA	14,868,000	4,738,000		19,606,000
TOTAL NEW APPROPRIATIONS	P 1,120,807,000	P 818,628,000		P 1,939,435,000

Special Provision(s)

1. **Super Green Lane Fund.** In addition to the amounts appropriated herein, Thirty Six Million Pesos (P36,000,000) sourced from service fees charged for every shipment of qualified importers utilizing the Super Green Lane Facility shall be used for the maintenance and improvement of the operation of the Super Green Lane Facility, including the Automated Customs Operation System and related computer systems of the BOC and such other activities and programs needed to enhance the effectiveness and efficiency of the facility, as determined by the BOC.

Releases from said Fund shall be subject to the submission of a Special Budget pursuant to Section 35, Chapter 5, Book VI of E.O. No. 292, s. 1987.

The BOC shall submit, either in printed form or by way of electronic document, to the DBM, copy furnished the House Committee on Appropriations and the Senate Committee on Finance, quarterly reports on the financial and physical accomplishments of this Fund. The Commissioner of Customs and the Bureau's web administrator or his/her equivalent shall be responsible for ensuring that said quarterly reports are likewise posted on the official website of the BOC.

2. **Non-Intrusive Container Inspection System Project Fund.** In addition to the amounts appropriated herein, Two Hundred Eighty Eight Million Seven Hundred Twenty Eight Thousand Pesos (P288,728,000) sourced from the mandatory container security fee imposed on every 40 and 20-footer container or twenty equivalent units under the Non-Intrusive Container Inspection System (NCIS) shall be used for the maintenance and improvement of the operation of the NCIS, including the upgrading thereof and such other activities and programs needed to enhance the effectiveness and efficiency of the system as determined by the BOC.

Releases from said Fund shall be subject to the submission of a Special Budget pursuant to Section 35, Chapter 5, Book VI of E.O. No. 292.

The BOC shall submit, either in printed form or by way of electronic document, to the DBM, copy furnished the House Committee on Appropriations and the Senate Committee on Finance, quarterly reports on the financial and physical accomplishments of this Fund. The Commissioner of Customs and the Bureau's web administrator or his/her equivalent shall be responsible for ensuring that said quarterly reports are likewise posted on the official website of the BOC.

3. **Tax Refund.** The amount of Six Billion Five Hundred Thirty Two Million Four Hundred Seventy Five Thousand Pesos (P6,532,475,000), recorded as trust receipts from the current year's revenue tax collections of the BOC and deposited with the National Treasury, shall be used for the settlement of the following claims: (i) refund of input value-added tax (VAT) on importations attributable to zero-rated transactions in accordance with Section 112 of R.A. No. 8424, as amended, and (ii) payment for the monetization of the VAT component of outstanding Duty Drawback Tax Credit Certificates (TCCs) as part of the TCC Monetization Program in accordance with pertinent issuances and guidelines: PROVIDED, That payment of tax refunds shall be subject to COA audit: PROVIDED, FURTHER, That any unutilized amount from said amount at the end of the year shall revert to the unappropriated surplus of the General Fund in accordance with Section 45, Chapter 5, Book VI of E.O. No. 292.

The report on the current year's revenue tax collection of the BOC shall be correspondingly adjusted equivalent to the amounts refunded for taxes collected in current and prior years.

The BOC shall submit, either in printed form or by way of electronic document, to the DBM, the House Committee on Appropriations and Senate Committee on Finance, separate quarterly reports on the amount of tax refunds and the recipient taxpayers. The Commissioner of Customs and the Bureau's web administrator or his/her equivalent shall be responsible for ensuring that said quarterly reports are likewise posted on the official website of the BOC.

Implementation of this provision shall be subject to guidelines to be jointly issued by the DOF, BOC and DBM.

4. Informers Reward. Pursuant to Section 282 (D) of R.A. No. 8424, ten percent (10%) of the fair market value of the smuggled and confiscated goods or One Million Pesos (P1,000,000) per case, whichever is lower, shall be recorded as trust receipts by the BOC and deposited with the National Treasury. Such amount may be released and used for the payment of informer's reward to persons instrumental in the discovery and seizure of such goods, except all public officials, whether incumbent or retired, who acquired the information in the course of the performance of their duties during their incumbency.

The BOC shall submit, either in printed form or by way of electronic document, to the DBM, copy furnished the House Committee on Appropriations and the Senate Committee on Finance, quarterly reports on the amount of informer's reward paid and the list of beneficiaries. The Commissioner of Customs and the Bureau's web administrator or his/her equivalent shall be responsible for ensuring that said quarterly reports are likewise posted on the official website of the BOC.

Implementation of this provision shall be subject to guidelines to be jointly issued by the DBM, DOF, BOC and BTr.

5. Disposition of Forfeited Motor Transport Equipment and other Articles. Motor transport equipment and other articles forfeited or abandoned in favor of the government shall be sold at public auction by the DOF upon the recommendation of the Commissioner of Customs, subject to applicable laws, rules and regulations: PROVIDED, That any government agency participating in the said auction shall pay for the value of such equipment or articles out of its programmed budget for the purpose, subject to applicable rules and regulations on the acquisition and use of government motor vehicles: PROVIDED, FURTHER, That the proceeds of the sale shall be deposited with the National Treasury as income of the General Fund pursuant to Section 44, Chapter 5, Book VI of E.O. No. 292.

The Commissioner of Customs and the Bureau's web administrator or his/her equivalent shall be responsible for ensuring that the list of motor transport equipment and other articles forfeited or abandoned in favor of the government, including its disposition, are posted on the official website of the BOC.

6. Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the activities in the amounts indicated under the Details of the FY 2014 Budget attached as Annex A (Volume 1) of this Act.

PERFORMANCE INFORMATION

MAJOR FINAL OUTPUTS (MFOs) / PERFORMANCE INDICATORS (PIs)

Targets

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MFO 1: COLLECTION OF DUTIES AND TAXES

Collection Performance

Amount of duties and taxes	P408,096,000,000
Number of inspections of containers and packages containing or suspected of containing commercial goods	670,000
Estimated potential customs tax effort	0
Percentage of inspections resulting in 10% or greater increase in assessment of duties or taxes	1%
Percentage of customers whose goods are cleared that rate the service as good or better	100%
Percentage of prosecutions that result in a favourable judgment for Government	80%
Percentage of imported goods cleared within 10 days from filing of import declaration	100%

Passenger Processing

Number of inspections that result in detection of one or more irregularities	6,000
Percentage of passengers and crew who rate the service as good or better	90
Percentage of prosecutions that result in a favourable judgment for Government	80
Percentage of arriving international passengers and crew processed within 30 minutes of baggage presentation to customs	90

Enforcement

Number of enforcement actions (alerts) undertaken	290
Percentage of actions that result in favourable judgement	85%

Percentage of shipment selected and physically examined or x-rayed resulting to seizures	15%
Percentage of enforcement actions (alerts) completed within 30 days from issuance of alert orders	100%

Exports and Warehouse Operations

Volume of imported goods entered for warehousing and to special economic zones	110M kls
Percentage of customers who report irregularities with respect to their stored goods	0%
Percentage of customers who rate the service as good or better	85%
Percentage of customers who rate timeliness of access to facilities as good or better	90%
Percentage of shipments entered for warehousing legally withdrawn for various purposes within the prescribed period	10%

Note: Exclusive of Targets funded from other sources, e.g. Special Account in the General Fund.

C. BUREAU OF INTERNAL REVENUE

STRATEGIC OBJECTIVES

MANDATE

The BIR is mandated by law to assess and collect all national internal revenue taxes, fees and charges, and to enforce all forfeitures, penalties and fines connected therewith, including the execution of judgements in all cases decided in its favor by the Court of Tax Appeals and the ordinary courts. (Sec. 2 of the National Internal Revenue Code of 1997)

VISION

The Bureau of Internal Revenue is an institution of service excellence, a partner in nation-building, manned by globally competitive professionals with integrity and patriotism. (RMO No. 23-2011)

MISSION

The Bureau of Internal Revenue is committed to collect taxes for nation-building through excellent, efficient and transparent service, just and fair enforcement of tax laws, uplifting the life of every Filipino. (RMO No. 23-2011)

KEY RESULT AREAS

Anti-Corruption, Transparent, Accountable and Participatory Governance

SECTOR OUTCOME

Fiscal Strength

ORGANIZATIONAL OUTCOME

Improved Internal Revenue Collection

New Appropriations, by Program/Project

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Current Operating Expenditures

PROGRAMS	Personnel Services	Maintenance and Other Operating Expenses	Financial Expenses	Capital Outlays	Total
100000000 General Administration and Support	P 442,396,000	P 748,034,000	P 185,370,000	P 120,755,000	P 1,496,555,000

GENERAL APPROPRIATIONS ACT, FY 2014

300000000 Operations	3,035,700,000	2,419,923,000	73,000		5,455,696,000
MFO 1: Tax Collection Services	3,035,700,000	2,419,923,000	73,000		5,455,696,000
Total, Programs	3,478,096,000	3,167,957,000	185,443,000	120,755,000	6,952,251,000
TOTAL NEW APPROPRIATIONS	P 3,478,096,000	P 3,167,957,000	P 185,443,000	P 120,755,000	P 6,952,251,000

New Appropriations, by Central/Regional Allocation

Current Operating Expenditures

	Personnel Services	Maintenance and Other Operating Expenses	Financial Expenses	Capital Outlays	Total
REGION					
Central Office	P 810,685,000	P 1,655,774,000	P 185,079,000	P 120,755,000	P 2,772,293,000
Regional Allocation	2,667,411,000	1,512,183,000	364,000		4,179,958,000
National Capital Region (NCR)	888,681,000	612,800,000	27,000		1,501,508,000
Region I - Ilocos	134,795,000	68,328,000	120,000		203,243,000
Region II - Cagayan Valley	85,885,000	57,885,000	10,000		143,780,000
Cordillera Administrative Region (CAR)	94,861,000	38,326,000			133,187,000
Region III - Central Luzon	158,296,000	100,990,000	100,000		259,386,000
Region IVA - CALABARZON	208,152,000	83,702,000			291,854,000
Region V - Bicol	116,365,000	35,780,000	34,000		152,179,000
Region VI - Western Visayas	205,829,000	115,405,000			321,234,000
Region VII - Central Visayas	140,221,000	79,432,000			219,653,000
Region VIII - Eastern Visayas	119,962,000	60,634,000			180,596,000
Region IX - Zamboanga Peninsula	104,750,000	44,610,000			149,360,000
Region X - Northern Mindanao	127,840,000	51,233,000			179,073,000
Region XI - Davao	95,972,000	68,631,000	33,000		164,636,000
Region XII - SOCCSKSARGEN	104,666,000	68,764,000			173,430,000
Region XIII - CARAGA	81,136,000	25,663,000	40,000		106,839,000
TOTAL NEW APPROPRIATIONS	P 3,478,096,000	P 3,167,957,000	P 185,443,000	P 120,755,000	P 6,952,251,000

Special Provision(s)

1. **Fines and Penalties.** Of the amount appropriated herein for MOOE, Fifty Million Pesos (P50,000,000) sourced from the income generated from fines and penalties imposed for violations related to the printing and issuance of receipts and invoices, and other violations of the National Internal Revenue Code shall be used to fund the requirements of the Tax Receipt Raffle Program, subject to the submission of a Special Budget pursuant to Section 35, Chapter 5, Book VI of E.O. No. 292, s. 1987.

The BIR shall submit, either in printed form or by way of electronic document, to the DBM, copy furnished the House Committee on Appropriations and the Senate Committee on Finance, quarterly reports on the financial and physical accomplishments of this income. The Commissioner of Internal Revenue and the Bureau's web administrator or his/her equivalent shall be responsible for ensuring that said quarterly reports are likewise posted on the official website of the BIR.

2. **One Percent (1%) Share in Taxes on Locally-manufactured Virginia-type Cigarettes.** In addition to the amounts appropriated herein, Three Hundred Fifteen Million Four Hundred Thirty One Thousand Pesos (P315,431,000) sourced from the one percent (1%) share in the taxes on locally-manufactured Virginia-type cigarettes shall be used for the purchase of materials, apparatus, equipment, as well as improvement and adoption of modern methods for the effective enforcement and collection of taxes, in accordance with R.A. No. 5447.

Releases from said amount shall be subject to the submission of a Special Budget pursuant to Section 35, Chapter 5, Book VI of E.O. No. 292.

The BIR shall submit, either in printed form or by way of electronic document, to the DBM, copy furnished the House Committee on Appropriations and the Senate Committee on Finance, quarterly reports on the financial and physical accomplishments of this income. The Commissioner of Internal Revenue and the Bureau's web administrator or his/her equivalent shall be responsible for ensuring that said

quarterly reports are likewise posted on the official website of the BIR.

3. **Bank Penalties.** In addition to the amounts appropriated herein, One Hundred One Million Seven Hundred Five Thousand Pesos (P101,705,000) sourced from penalties for delayed remittances by banks shall be used for programs, projects and activities of the BIR in the furtherance of its collection function, subject to the submission of a Special Budget pursuant to Section 35, Chapter 5, Book VI of E.O. No. 292.

The BIR shall submit, either in printed form or by way of electronic document, to the DBM, copy furnished the House Committee on Appropriations and the Senate Committee on Finance, quarterly reports on the financial and physical accomplishments of this income. The Commissioner of Internal Revenue and the Bureau's web administrator or his/her equivalent shall be responsible for ensuring that said quarterly reports are likewise posted on the official website of the BIR.

4. **Tax Refund.** The amount of Eight Billion Nine Hundred Eighty Six Million Eighty One Thousand Pesos (P8,986,081,000), recorded as trust receipts from the current year's revenue tax collections of the BIR and deposited with the National Treasury, shall be used for the settlement of the following claims: (i) refund of excess or erroneous collection of value-added tax (VAT) and other internal revenue taxes in accordance with Section 229 of R.A. No. 8424; (ii) payment of cash conversion of valid and unexpired Tax Credit Certificates (TCCs) in accordance with Section 204 of R.A. No. 8424; (iii) refund of input taxes attributable to zero-rated or effectively zero-rated transactions under Section 112 of R.A. No. 8424, as amended; and (iv) payment for the monetization of VAT TCCs as part of the TCC Monetization Program, in accordance with pertinent issuances and guidelines: PROVIDED, That payment of tax refunds shall be subject to COA audit: PROVIDED, FURTHER, That any unutilized amount from said amount at the end of the year shall revert to the unappropriated surplus of the General Fund in accordance with Section 45, Chapter 5 Book VI of E.O. No. 292.

The report on the current year's revenue tax collection of the BIR shall be correspondingly adjusted equivalent to the amounts refunded for taxes collected in current and prior years.

The BIR shall submit, either in printed form or by way of electronic document, to the DBM, the House Committee on Appropriations and Senate Committee on Finance, separate quarterly reports on the amounts of tax refunds and the recipient taxpayers. The Commissioner of Internal Revenue and the Bureau's web administrator or his/her equivalent shall be responsible for ensuring that said quarterly reports are likewise posted on the official website of the BIR.

Implementation of this provision shall be subject to guidelines to be jointly issued by the DOF, BIR and DBM.

5. **Informer's Reward.** Pursuant to Section 282 (A) of R.A. No. 8424, ten percent (10%) of the revenues, surcharges or fees recovered and/or fines or penalties imposed for violations of the National Internal Revenue Code or One Million Pesos (P1,000,000) per case, whichever is lower, shall be recorded as trust receipts by the BIR and deposited with the National Treasury. Such amount may be released and used for the payment of informer's reward to persons instrumental in the discovery of such violations, except internal revenue officials or employees, or other public officials or employees, whether incumbent or retired, who acquired the information in the course of the performance of their duties during their incumbency, and their relatives within the sixth degree of consanguinity.

Implementation of this provision shall be subject to guidelines to be jointly issued by the DBM, DOF, BIR and BTr.

6. **Database on the LGU Share in Incremental Collection from Value-Added Tax.** The amount appropriated herein for MOOE shall include the allocation for the establishment of a database on the seventy percent (70%) share of LGUs in the incremental collection from VAT to facilitate the issuance of certification of the BIR: PROVIDED, That the said database shall be completed within the first semester of FY 2014.

The Commissioner of Internal Revenue and the Bureau's web administrator or his/her equivalent shall be responsible for ensuring that the database of LGU share from VAT are posted on the official website of the BIR.

7. **Appropriations for Programs and Specific Activities.** The amounts appropriated herein for the programs of the agency shall be used specifically for the activities in the amounts indicated under the Details of the FY 2014 Budget attached as Annex A (Volume 1) of this Act.

PERFORMANCE INFORMATION

KEY STRATEGIES

1. Attained collection targets and sustained collection growth
2. Improved taxpayer satisfaction and compliance
3. Strengthen Good Governance
4. Improve assistance, compliance and enforcement process
5. Improve integrity and accuracy of taxpayer database
6. Improve integrity, competence, professionalism, and satisfaction of human resources
7. Improve knowledge management
8. Optimize management of resources

MAJOR FINAL OUTPUTS (MFOs) / PERFORMANCE INDICATORS (PIs)

Targets

MFO 1: TAX COLLECTION SERVICES

Collection performance

P 1,456,320,000,000

Collection growth

16.6%

Note: Exclusive of Targets funded from other sources, e.g. Special Account in the General Fund.

D. BUREAU OF LOCAL GOVERNMENT FINANCE

STRATEGIC OBJECTIVES

MANDATE

E.O. No. 127: Assist in the formulation and implementation of policies on local government revenue administration and fund management; Assist LGUs in the development and implementation of Real Property Tax Administration (RPTA) projects; Develop plans and programs for the improvement of tax collection enforcement mechanism and credit utilization schemes at the local levels; Exercise administrative and/or technical supervision over local treasury and assessment operations; Exercise line supervision over its regional offices and coordinate regional activities to maximize manpower and financial resources; and Perform such other appropriate functions as maybe assigned.

VISION

The focal agency and an authority in local finance that aims to be at the forefront of local economic growth leading the way towards national development

MISSION

The focal agency and an authority in local finance that aims to be at the forefront of local economic growth leading the way towards national development

KEY RESULT AREAS

Anti-Corruption/Transparent, Accountable and Participatory Governance

SECTOR OUTCOME

Fiscal Strength

ORGANIZATIONAL OUTCOME

Policy oversight on LGU financial operations

New Appropriations, by Program/Project

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		<u>Current Operating Expenditures</u>			
		<u>Personnel</u>	<u>Maintenance</u>	<u>Capital</u>	<u>Total</u>
		<u>Services</u>	<u>and Other</u>	<u>Outlays</u>	
			<u>Operating</u>		
			<u>Expenses</u>		
PROGRAMS					
100000000	General Administration and Support	P 16,257,000	P 17,979,000	P 5,000,000	P 39,236,000
300000000	Operations	105,837,000	43,756,000		149,593,000
	MFO 1: Regulation of LGU Financial Management	105,837,000	43,756,000		149,593,000
	Total, Programs	122,094,000	61,735,000	5,000,000	188,829,000

TOTAL NEW APPROPRIATIONS	P 122,094,000 P 61,735,000 P 5,000,000 P 188,829,000
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New Appropriations, by Central/Regional Allocation
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REGION	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
Central Office	P 37,168,000	P 22,301,000	P 5,000,000	P 64,469,000
Regional Allocation	84,926,000	39,434,000		124,360,000

Region I - Ilocos	7,621,000	3,333,000		10,954,000
Region II - Cagayan Valley	5,414,000	2,054,000		7,468,000
Cordillera Administrative Region (CAR)	5,403,000	3,488,000		8,891,000
Region III - Central Luzon	7,595,000	2,105,000		9,700,000
Region IVA - CALABARZON	6,606,000	5,098,000		11,704,000
Region V - Dicol	6,215,000	2,842,000		9,057,000
Region VI - Western Visayas	6,550,000	2,276,000		8,826,000
Region VII - Central Visayas	5,697,000	3,183,000		8,880,000
Region VIII - Eastern Visayas	5,830,000	2,724,000		8,554,000
Region IX - Zamboanga Peninsula	4,584,000	2,935,000		7,519,000
Region X - Northern Mindanao	6,700,000	1,944,000		8,644,000
Region XI - Davao	5,232,000	2,474,000		7,706,000
Region XII - SOCCSKSARGEN	6,564,000	2,635,000		9,199,000
Region XIII - CARAGA	4,915,000	2,343,000		7,258,000

TOTAL NEW APPROPRIATIONS	P 122,094,000 P 61,735,000 P 5,000,000 P 188,829,000			
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Special Provision(s)

1. **Assessment Loan Revolving Fund.** The Assessment Loan Revolving Fund shall be made available for lending purposes to provinces, cities and municipalities, without interest, to be used for financing tax-mapping projects, periodic revisions of assessments, and other real property assessment programs in accordance with P.D. No. 1002.

The Bureau of Local Government Finance (BLGF) shall submit, either in printed form or by way of electronic document, to the DBM, copy furnished the House Committee on Appropriations and the Senate Committee on Finance, quarterly reports on income of, and expenditure from, this Fund. The Executive Director of BLGF and the Bureau's web administrator or his/her equivalent shall be responsible for ensuring that said quarterly reports are likewise posted on the official website of the BLGF.

In case of failure to comply with the foregoing requirements, any disbursement in the subsequent quarters shall be void, except upon certification by the DBM and the Bureau's web administrator that said report has been submitted and posted, respectively.

2. **Appropriations for Programs and Specific Activities.** The amounts appropriated herein for the programs of the agency shall be used specifically for the activities in the amounts indicated under the Details of the FY 2014 Budget attached as Annex A (Volume 1) of this Act.

PERFORMANCE INFORMATION

KEY STRATEGIES

Supervise local assessment and treasury operations through regular monitoring of fiscal and financial performance and compliance to rules, regulations and policies

Conduct capacity building seminars on strategies and best practices to improve LGU revenue generation and resource mobilization

Formulation of opinions, guidelines, rules and regulations on local taxation and tax administration, real property assessment, financial management, credit and other forms of indebtedness

Oversee the implementation of Special Projects

MAJOR FINAL OUTPUTS (MFOs) / PERFORMANCE INDICATORS (PIs)

Targets

NFO 1: REGULATION OF LGU FINANCIAL MANAGEMENT

Number of directives, guidance notes, policies and procedures issued	287
Number of compliance reviews carried out	982
% of LGUs that breach one or more of the rules, directives, guidelines, policies or procedures specified by BLGF	20%
% of LGUs over the last three years with two or more breaches on one or more of the rules, directives, guidelines, policies or procedures specified by BLGF	15%
% of LGUs subject to three or more compliance reviews in the last two years	70%

E. BUREAU OF THE TREASURY

STRATEGIC OBJECTIVES

MANDATE

The Bureau of the Treasury (BTr) acts as principal custodian of the National Government (NG). It makes funds available for the various programs and projects of the government. It assists in the formulation of policies on borrowing, investment and capital market development, in managing the cash resources, collecting taxes made by NG and guarantee forward cover fees due NG, and in controlling and servicing its public debt, both foreign or domestic.

VISION

To be pro-active manager of public funds characterized by active duration management, minimization of interest rate risks and hedging of financial risks

MISSION

To efficiently and effectively manage the financial resources of government by maximizing revenues from available funds and minimizing costs of financing

KEY RESULT AREAS

Anti-corruption/transparent, accountable and participatory governance

SECTOR OUTCOME

Fiscal strength

ORGANIZATIONAL OUTCOME

National government's fiscal sustainability

New Appropriations, by Program/Project

Current Operating Expenditures

<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Financial Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
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PROGRAMS

100000000	General Administration and Support	P	33,089,000	P	69,105,000	P	102,194,000
200000000	Support to Operations		17,896,000		48,112,000		66,008,000
300000000	Operations		286,815,000		78,373,000		365,188,000
	MFO 1: Cash Management Services		250,518,000		52,188,000		302,706,000
	MFO 2: Management of Public Debts		36,297,000		26,185,000		62,482,000
Total, Programs			337,800,000		195,590,000		533,390,000

PROJECT(S)

400000000	Locally-Funded Project(s)				14,612,000	501,000,000	515,612,000
Total, Project(s)					14,612,000	501,000,000	515,612,000

TOTAL NEW APPROPRIATIONS		P	337,800,000	P	210,202,000	P	501,000,000	P	1,049,002,000
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New Appropriations, by Central/Regional Allocation

Current Operating Expenditures

Region	Personnel Services	Maintenance and Other Operating Expenses	Financial Expenses	Capital Outlays	Total
Central Office	P 337,800,000	P 210,202,000	P 501,000,000		P 1,049,002,000
TOTAL NEW APPROPRIATIONS	P 337,800,000	P 210,202,000	P 501,000,000		P 1,049,002,000

Special Provision(s)

1. Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the activities in the amounts indicated under the Details of the FY 2014 Budget attached as Annex A (Volume 1) of this Act.

PERFORMANCE INFORMATION

KEY STRATEGIES

1. Improved BTr income as % of GDP
2. Prudent liability management
3. Effective management of government assets
4. Enhanced business processes thru implementation of DMFAS version 6 and Treasury Single Account (TSA) Project
5. BTr Rationalization Program implemented
6. Professional Development Program pursued at BTr
7. IT systems upgraded and servers/hardware components installed for effective implementation of DMFAS version 6 and TSA
8. Internal procedures enhanced and compliant with good governance principles

MAJOR FINAL OUTPUTS (MFOs)/PERFORMANCE INDICATORS (PIs)

Targets

MFO 1: CASH MANAGEMENT SERVICES

Fund the budgetary and non-budgetary expenses of MG

Interest Income on deposits and BSF/SSF Investment

P28,741,000,000

NG Income Remitted to BTr	P17,715,000,000
Amount of paid NDS checks replenished	P1,890,216,000,000
% Excess of BTr Income from Operations over Target	5%
% of replenishment of validated paid NDS checks	100% paid NDS checks
NG income reports submitted within the prescribed schedule	on time submission
% of paid NDS checks replenished within the set schedule	daily before cut-off time

MFO 2: MANAGEMENT OF PUBLIC DEBTS

Amount of debt service	P 793,583,000,000
% of matured NG debt paid	100%
NG debt paid fifteen (15) working days prior to due date	as NG debt fall due
Volume of government securities issued and redeemed	P 965,635,000,000
Average interest rate for the 364-day T-bills maintained over the last three (3) years	2.208%
Auction of government securities conducted as scheduled	as scheduled

F. CENTRAL BOARD OF ASSESSMENT APPEALS

STRATEGIC OBJECTIVES

MANDATE

To warrant the observance of the due process of law clause mandated by the Constitution in the assessment and collection of real property taxes by the government and ensure that the taxpayers are given the opportunity to be heard

VISION

Local fiscal autonomy through fair and equitable real property assessment and collections

MISSION

To warrant the observance of the due process of law clause guaranteed by the Constitution in the assessment and collection of real property taxes

KEY RESULT AREAS

Anti-corruption/transparent, accountable and participatory governance

SECTOR OUTCOME

Fiscal strength

ORGANIZATIONAL OUTCOME

Fair and equitable real property tax assessments

New Appropriations, by Program/Project

=====

	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
PROGRAMS				
300000000 Operations	P 8,513,000	P 1,242,000		P 9,755,000
	-----			-----

MFO 1: Adjudication Services	8,513,000	1,242,000	9,755,000
	8,513,000	1,242,000	9,755,000
Total, Programs	8,513,000	1,242,000	9,755,000
	8,513,000	1,242,000	9,755,000
TOTAL NEW APPROPRIATIONS	P 8,513,000	P 1,242,000	P 9,755,000
	P 8,513,000	P 1,242,000	P 9,755,000

New Appropriations, by Central/Regional Allocation

=====

Current Operating Expenditures

	Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
REGION				
National Capital Region (NCR)	P 8,513,000	P 1,242,000		P 9,755,000
	P 8,513,000	P 1,242,000		P 9,755,000
TOTAL NEW APPROPRIATIONS	P 8,513,000	P 1,242,000		P 9,755,000
	P 8,513,000	P 1,242,000		P 9,755,000

Special Provision(s)

1. Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the activities in the amounts indicated under the Details of the FY 2014 Budget attached as Annex A (Volume 1) of this Act.

PERFORMANCE INFORMATION

KEY STRATEGIES

1. Faster and simpler filing, processing and monitoring of appealed cases
2. Online payment system for docket fees
3. Online case monitoring system
4. FAQ on CBAA and LBAA rules and procedures
5. E-bayad internet-based portals to effect a more convenient system of filing of appealed cases before the CBAA

MAJOR FINAL OUTPUTS (MFOs)/PERFORMANCE INDICATORS (PIs)

=====

MFO 1: ADJUDICATION SERVICES

Number of cases reviewed	32
Percentage of cases reviewed over the last five years whose decisions are overturned by a higher court	0
Percentage of cases received for adjudication that are resolved within 30 days of receipt of complete documentation	90%

G. COOPERATIVE DEVELOPMENT AUTHORITY

STRATEGIC OBJECTIVES

MANDATE

As the lead government agency in the development and regulation of cooperatives, the Cooperative Development Authority promotes the growth and viability of cooperatives as instruments of equity, social justice and economic development in fulfillment of the mandate in Section 15, Article XII of the 1987 Philippine Constitution.

VISION

An effective and efficient regulatory agency working towards the development of viable, sustainable, socially-responsive and globally competitive cooperatives

MISSION

To ensure the safe and sound operations of cooperatives

KEY RESULT AREAS

Anti-Corruption/Transparent, Accountable and Participatory Governance

SECTOR OUTCOME

Progressive Cooperative Enterprises

ORGANIZATIONAL OUTCOME

Financially-stable and Socially-responsive Cooperative Enterprises

New Appropriations, by Program/Project

=====

	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
PROGRAMS				
100000000 General Administration and Support	P 64,544,000	P 19,375,000	P 3,074,000	P 86,993,000
200000000 Support to Operations	10,036,000	1,592,000		11,628,000
300000000 Operations	149,032,000	68,227,000	4,126,000	221,385,000
MFO 1: Technical Advisory Services	21,523,000	25,133,000	1,461,000	48,117,000
MFO 2: Regulation of Cooperatives	127,509,000	43,094,000	2,665,000	173,268,000
Total, Programs	223,612,000	89,194,000	7,200,000	320,006,000
TOTAL NEW APPROPRIATIONS	P 223,612,000	P 89,194,000	P 7,200,000	P 320,006,000

New Appropriations, by Central/Regional Allocation

=====

	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
REGION				
Central Office	P 45,115,000	P 34,534,000	P 3,074,000	P 82,723,000
Regional Allocation	178,497,000	54,660,000	4,126,000	237,283,000
National Capital Region (NCR)	16,287,000	5,013,000		21,300,000
Region I - Ilocos	10,776,000	3,715,000	130,000	14,621,000

Region II - Cagayan Valley	11,076,000	3,092,000	970,000	15,138,000
Cordillera Administrative Region (CAR)	10,888,000	2,737,000	130,000	13,755,000
Region III - Central Luzon	15,042,000	4,030,000	1,001,000	20,073,000
Region IVA - CALABARZON	16,849,000	4,733,000	195,000	21,777,000
Region V - Bicol	13,332,000	3,097,000	390,000	16,819,000
Region VI - Western Visayas	13,600,000	3,174,000		16,774,000
Region VII - Central Visayas	11,927,000	3,637,000		15,564,000
Region VIII - Eastern Visayas	11,594,000	4,667,000		16,261,000
Region IX - Zamboanga Peninsula	8,709,000	3,335,000	130,000	12,174,000
Region X - Northern Mindanao	11,149,000	3,162,000	1,050,000	15,361,000
Region XI - Davao	12,626,000	4,079,000		16,705,000
Region XII - SOCCSKSARGEN	7,345,000	3,288,000		10,633,000
Region XIII - CARAGA	7,297,000	2,901,000	130,000	10,328,000

TOTAL NEW APPROPRIATIONS

P	223,612,000	P	89,194,000	P	7,200,000	P	320,006,000
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Special Provision(s)

1. Remittances for Cooperative Funds. The amounts appropriated herein for the operation of the Cooperative Development Authority (CDA) shall be used exclusively for technical advisory services and regulation of cooperatives: PROVIDED, That in no case shall said amounts be used for providing credit services in accordance with E.O. No. 138, s. 1999. Accordingly, all balances of the Cooperative Development Loan Fund, Cooperative Marketing Project Fund, Cooperative Support Fund, and Cooperative Rehabilitation Development Fund, including payments from debtors arising from outstanding loans shall revert to the unappropriated surplus of the General Fund in accordance with Section 45, Chapter 5, Book VI of E.O. No. 292, s. 1987.

2. Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the activities in the amounts indicated under the Details of the FY 2014 Budget attached as Annex A (Volume 1) of this Act.

PERFORMANCE INFORMATION

KEY STRATEGIES

- Efficient registration of cooperatives and mainstreaming of membership in cooperatives and provision of technical advisory services
- Effective regulation of cooperatives and enforcement of cooperative laws, rules and regulations
- Strengthen governance and enhance regulatory framework

MAJOR FINAL OUTPUTS (MFOs)/PERFORMANCE INDICATORS (PIs)

Targets

MFO 1: TECHNICAL ADVISORY SERVICES

Registration of Cooperatives and Expansion of Membership

Number of technical services rendered	25,854
Percentage of clients who rate the technical services as good or better	80%
Percentage of technical services rendered within 3 days of request	80%

MFO 2: REGULATION OF COOPERATIVES

Registrations

Number of registration applications and renewals/amendments acted upon	1,186
No. of cooperative registration applicants who rated the registration process as good or better	80%
Percentage of registration application acted upon within 45 days from date of receipt of complete documents	80%

Monitoring

No. of sites, facilities and financial records monitored and/or inspected with reports issued	53,580
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Percentage change in violations detected	40%
Percentage of cooperatives inspected and/or examined within the year	80%
Enforcement	
Number of violations or complaints acted upon and reports issued	25
Percentage of non-compliant cooperatives complying with sanctions and/or directives	60%
Percentage of violations/complaints acted upon within 15 days after knowledge of violation or upon receipt of complaint	80%

H. INSURANCE COMMISSION

STRATEGIC OBJECTIVES

MANDATE

To safeguard the rights, welfare and interest of the insuring public; promote growth and financial stability of insurance companies; establish a sound national insurance market; professionalize insurance services; develop insurance consciousness among the general populace

VISION

By 2020, as regulator, we shall provide an opportunity for every Filipino to secure insurance protection and we shall observe practices at par with regional and global standards

MISSION

We are committed to protect the interest and welfare of the insuring public and to develop and strengthen the insurance industry

KEY RESULT AREAS

Anti-Corruption/Transparent, Accountable and Participatory Governance

SECTOR OUTCOME

Financial Sector Stability and Growth

ORGANIZATIONAL OUTCOME

Insurance Industry Stability and Development

New Appropriations, by Program/Project

=====

		<u>Current Operating Expenditures</u>			
		<u>Personnel</u>	<u>Maintenance</u>	<u>Capital</u>	<u>Total</u>
		<u>Services</u>	<u>and Other</u>	<u>Outlays</u>	
			<u>Operating</u>		
			<u>Expenses</u>		
PROGRAMS					
100000000	General Administration and Support	P 1,000			P 1,000
300000000	Operations	6,000			6,000
	MFO 1: Insurance Regulation Services	6,000			6,000
	Total, Programs	7,000			7,000

TOTAL NEW APPROPRIATIONS	P	7,000	P	7,000
		=====		=====
New Appropriations, by Central/Regional Allocation				
=====				
		Current Operating Expenditures		
			Maintenance and Other Operating Expenses	Capital Outlays
		Personnel Services		Total
		=====	=====	=====
REGION				
Regional Allocation	P	7,000	P	7,000
		=====		=====
National Capital Region (NCR)		7,000		7,000
		=====		=====
TOTAL NEW APPROPRIATIONS	P	7,000	P	7,000
		=====		=====

Special Provision(s)

1. **Insurance Fund.** In addition to the amounts appropriated herein, Ninety Eight Million Eight Hundred Thirty Four Thousand Pesos (P98,834,000) sourced from the proceeds of premium taxes, constituted into the Insurance Fund, shall be used to cover the Insurance Commission's (IC's) MOOE and Capital Outlay requirements in accordance with Section 286 of R.A. No. 8424.

Releases from said Fund shall be subject to the submission of a Special Budget pursuant to Section 35, Chapter 5, Book VI of E.O. No. 292, s. 1987.

The IC shall submit, either in printed form or by way of electronic document, to the DBM, the House Committee on Appropriations and the Senate Committee on Finance, separate quarterly reports on the financial and physical accomplishments of this Fund. The Commissioner of IC and the Commission's web administrator or his/her equivalent shall be responsible for ensuring that said quarterly reports are likewise posted on the official website of the IC.

2. **Funding for Personnel Service Requirements.** The Personnel Service (PS) requirements of the IC shall be sourced from the Pre-need Fund established in accordance with Section 5 of R.A. No. 9829: PROVIDED, That any deficiency therefrom may be augmented by the Insurance Fund: PROVIDED, FURTHER, That in case the foregoing Funds are insufficient, an amount from the Miscellaneous Personnel Benefits Fund may be released to the IC, upon submission of a certification from the BTr of the balance of the Pre-need and Insurance Funds, and a determination by the DBM that such balance is insufficient to cover the PS requirements of the IC.

Releases from the Pre-need Fund and the Insurance Fund shall be subject to the submission of a Special Budget pursuant to Section 35, Chapter 5, Book VI of E.O. No. 292.

3. **Appropriations for Programs and Specific Activities.** The amounts appropriated herein for the programs of the agency shall be used specifically for the activities in the amounts indicated under the Details of the FY 2014 Budget attached as Annex A (Volume 1) of this Act.

PERFORMANCE INFORMATION

MAJOR FINAL OUTPUTS (MFOs)/PERFORMANCE INDICATORS (PIs)

Targets

=====

MFO 1: INSURANCE REGULATION SERVICES

Insurance Licensing Services

Number of licenses and permits issued	52,290
Percentage of applications processed with complete documentation	90%
Percentage of license or permit applications processed within 14 days of receipt	80%

Monitoring

Number of target entities/reports/disclosures monitored	2,504
Percentage of target entities/reports/disclosures monitored for compliance to tariff rules and investment requirements	90%
Percentage of monitored target entities/reports/disclosures reviewed within the year	90%

Enforcement

Number of entities/reports/disclosures inspected	46,585
Number of violations of tariff rules and investment requirements detected in the last 3 years	0
Percentage of entities/reports/disclosures that have been inspected within the prescribed schedule	90%

Note: Exclusive of Targets funded from other sources, e.g. Special Account in the General Fund.

I. NATIONAL TAX RESEARCH CENTER

STRATEGIC OBJECTIVES

MANDATE

The National Tax Research Center is mandated to conduct continuing research in taxation "to restructure the tax system and raise the level of tax consciousness among our people to achieve a faster rate of economic growth and to bring about a more equitable distribution of wealth and income".

VISION

Be recognized as the premier tax research institution attached to the Department of Finance (DOF); Be a more motivated and committed team of professionals that will continue to provide high quality research and technical assistance in taxation and other fiscal related matters to the DOF and other branches of the executive, legislature, local government units, the private sector and international institutions; and Be using state-of-the-art technology for information systems and processes.

MISSION

We are the government institution dedicated to promoting a tax system that will ensure a fair distribution of the tax burden among the Filipino taxpayers.

We are committed to recommend necessary improvements in the tax system by conducting quality research on taxation and to provide responsive staff support to fiscal policy makers.

We are also committed to provide opportunities for professional growth and to promote the well-being of our personnel.

KEY RESULT AREAS

Anti-Corruption/Transparent, Accountable and Participatory Governance

SECTOR OUTCOME

Fiscal Strength

ORGANIZATIONAL OUTCOME

Improved Tax System and Fair Distribution of Tax Burden Among Taxpayers

New Appropriations, by Program/Project

=====

	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
PROGRAMS				
100000000 General Administration and Support	P 13,009,000	P 5,717,000		P 18,726,000

300000000 Operations	17,917,000	7,133,000	25,050,000
	-----	-----	-----
MFO 1: Technical Advisory Services	17,917,000	7,133,000	25,050,000
	-----	-----	-----
Total, Programs	30,926,000	12,850,000	43,776,000
	-----	-----	-----
TOTAL NEW APPROPRIATIONS	P 30,926,000	P 12,850,000	P 43,776,000
	=====	=====	=====

New Appropriations, by Central/Regional Allocation

	<u>Current Operating Expenditures</u>			<u>Total</u>
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	
REGION				
Regional Allocation	P 30,926,000	P 12,850,000		P 43,776,000
	-----	-----		-----
National Capital Region (NCR)	30,926,000	12,850,000		43,776,000
	-----	-----		-----
TOTAL NEW APPROPRIATIONS	P 30,926,000	P 12,850,000		P 43,776,000
	=====	=====		=====

Special Provision(s)

1. Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the activities in the amounts indicated under the Details of the FY 2014 Budget attached as Annex A (Volume 1) of this Act.

PERFORMANCE INFORMATION

KEY STRATEGIES

1. Comprehensive review of the tax system
2. Conduct of studies/projects aimed at rationalizing the tax structure and improving tax policy and administration which include:
 - 2.1 Improvements in direct taxation
 - 2.2 Improvements in indirect taxation
 - 2.3 Rationalization of fiscal incentives
 - 2.4 More effective tax administration
 - 2.5 Increased capacities of local governments and improvements in local finance
 - 2.6 Conduct of baseline studies
3. Monitoring of compliance of national government agencies (NGAs) to Administrative Order (AO) No. 31 re: revision of fees and charges
4. Monitoring of tax collection performance of the BIR regional offices and BOC district ports
5. Involvement in Land Administration and Management Project Phase 2-Property Valuation and Taxation Component
6. Consultancy to the Executive and Technical Committee on Real Property Valuation pursuant to Department Order No. 6-2010 and BIR Regional Revenue Special Order No. 61-2010
7. Technical assistance to Congress and other government agencies

MAJOR FINAL OUTPUTS (MFOs)/PERFORMANCE INDICATORS (PIs)

Targets

MFO 1: TECHNICAL ADVISORY SERVICES

Number of evaluations, studies, tax proposals/tax assessments	42, 35, 16, respectively
Percentage of recommendations adopted	90%
Percentage of reviews, evaluations and studies delivered on or before the requested date	100%

J. PRIVATIZATION AND MANAGEMENT OFFICE

STRATEGIC OBJECTIVES

MANDATE

Implement the actual marketing/disposition program for government corporations, assets and other properties (E.O. 323). Dispose assets and/or rights, mandated under E.O. 372, transferred to MG and entrusted said assets and/or rights to PND (E.O. 471)

VISION

Promote an orderly, coordinated and efficient privatization/disposition of assets, activities and other properties. Broaden economic base by turning state owned enterprises over to the private sector. Provide more investment and employment opportunities to help attain economic growth

MISSION

Take title to and possession of, conserve, provisionally manage, and dispose of assets identified for privatization, and in process, reduce the Government's maintenance expense in non-performing assets and generate maximum cash recovery for the National Government

KEY RESULT AREAS

Anti-Corruption/Transparent, Accountable and Participatory Governance

SECTOR OUTCOME

Fiscal Strength

ORGANIZATIONAL OUTCOME

Effective Assets and Debt Management

New Appropriations, by Program/Project

=====

		<u>Current Operating Expenditures</u>			
		<u>Personnel</u>	<u>Maintenance</u>	<u>Capital</u>	<u>Total</u>
		<u>Services</u>	<u>and Other</u>	<u>Outlays</u>	
			<u>Operating</u>		
			<u>Expenses</u>		
PROGRAMS					
100000000	General Administration and Support	P 22,066,000			P 22,066,000
300000000	Operations	20,376,000			20,376,000
	MFO 1: Privatization of Government Assets	20,376,000			20,376,000
	Total, Programs	42,442,000			42,442,000
TOTAL NEW APPROPRIATIONS		P 42,442,000			P 42,442,000
		=====			=====

New Appropriations, by Central/Regional Allocation

=====

		<u>Current Operating Expenditures</u>			
		<u>Personnel</u>	<u>Maintenance</u>	<u>Capital</u>	<u>Total</u>
		<u>Services</u>	<u>and Other</u>	<u>Outlays</u>	
			<u>Operating</u>		
			<u>Expenses</u>		

REGION

Regional Allocation	P 42,442,000	P 42,442,000
	-----	-----
National Capital Region (NCR)	42,442,000	42,442,000
	-----	-----
TOTAL NEW APPROPRIATIONS	P 42,442,000	P 42,442,000
	-----	-----

Special Provision(s)

1. **Revolving Fund for the Conservation and Disposition of Assets.** Revenues realized by the Privatization and Management Office (PMO) from commissions, due diligence fees and sale of asset bidding rules, information memoranda and similar documents, as well as portion or percentage of proceeds from the disposition of GOCCs, assets and idle properties, not to exceed ten percent (10%), as approved by the Privatization Council, shall be constituted as a revolving fund. The fund shall be used for the payment of fees and reimbursable expenses, costs and expenses incurred by the PMO in the conservation and disposition of assets held by it, including fees of hired financial advisers, and in the performance of its other responsibilities pursuant to Proclamation No. 50 dated December 15, 1986 and E.O. No. 323, s. 2000.

In addition, a portion not exceeding ten percent (10%) of the proceeds realized from the disposition of properties of abolished government corporations and former enemy-owned entities of the Board of Liquidators beginning FY 2007 and succeeding years shall form part of this revolving fund. Said fund shall be used for the payment of costs and expenses incurred by the PMO in the conservation and disposition of government assets in accordance with E.O. No. 471, s. 2005.

The remaining balance of ninety percent (90%) of the foregoing proceeds shall be deposited with the National Treasury as income of the General Fund pursuant to Section 44, Chapter 5, Book VI of E.O. No. 292 and Section 65 of P.D. No. 1445.

The PMO shall submit, either in printed form or by way of electronic document, to the DBM, copy furnished the House Committee on Appropriations and the Senate Committee on Finance, quarterly reports on income of, and expenditure from, this Fund. The Chief of PMO and the Office's web administrator or his/her equivalent shall be responsible for ensuring that said quarterly reports are likewise posted on the official website of the PMO.

In case of failure to comply with the foregoing requirements, any disbursement in the subsequent quarters shall be void, except upon certification by the DBM and the Office's web administrator that said report has been submitted and posted, respectively.

2. **Appropriations for Programs and Specific Activities.** The amounts appropriated herein for the programs of the agency shall be used specifically for the activities in the amounts indicated under the Details of the FY 2014 Budget attached as Annex A (Volume 1) of this Act.

PERFORMANCE INFORMATION

KEY STRATEGIES

Generate proceeds from the sale of real estate properties and intensify the collection of receivables

MAJOR FINAL OUTPUTS (MFOs)/PERFORMANCE INDICATORS (PIs)

Targets

MFO 1: PRIVATIZATION OF GOVERNMENT ASSETS

Sale/Disposition of assets and other properties assigned by the Privatization Council

Number of Assets Sales Completed	11
Value of Asset Sale Proceeds	P 463,000,000
Actual asset sale proceeds less the estimated market value of assets	P 417,000,000
Average number of days from date of Council approval of asset disposition to date of receipt of sale proceeds or date of transfer of ownership (whichever is later)	60

Management of Assets Held in Trust Prior to Privatization

Number of assets under management	131
Value of assets under management	P52,000,000,000
Average change in estimated value of assets under management from beginning of year to end of year or earlier date of sale	0
Percentage of assets for which the financial accounts are produced within 30 days of the end of the financial year	8

K. SECURITIES AND EXCHANGE COMMISSION

STRATEGIC OBJECTIVES

MANDATE

The Commission's broad regulatory scope covers the corporate sector, capital market participants, securities and investment instruments, and the investing public. The Securities Act (Commonwealth Act. No. 83) established the SEC in 1936 mainly to administer the registration of securities, exchanges, brokers, dealers and salesmen. The SEC Reorganization Act (Presidential Decree No. 902-A) gave the Commission ample powers to protect the public and their investments, and reorganized the Commission into a collegial body vested with absolute jurisdiction, supervision and control over all corporations, partnership or associations, who are the grantees of primary franchise and/or a license or permit issued by the government to operate in the Philippines. The Corporation Code of the Philippines (Dasas Pambansa Blg. 68) affirmed the SEC mandate to register corporations, collect fees from registering corporations, and prescribe reportorial requirements. The law also empowered SEC to reject articles of incorporation or disapprove any amendment thereto. It likewise authorized the SEC to promulgate rules and regulations, reasonably necessary to enable it to perform its duties particularly in the prevention of fraud and abuses on the part of the controlling stockholders, members, directors, and trustees or officers of corporations. To give greater focus on the Commission's role in capital market development, fostering good corporate governance and enhancing investor protection, the Securities Regulation Code (Republic Act No. 8799), provided for the SEC reorganization that took place in the year 2000, and transferred the Commission's jurisdiction over all cases enumerated under Section 5 of PD 902-A to the Courts of general jurisdiction or the appropriate Regional Trial Court (acting as Commercial Courts). Under Section 5 of the Securities Regulation Code, the Commission shall act with transparency and shall have the powers and functions provided by the Code, Presidential Decree No. 902-A, the Corporation Code of the Philippines, the Investment Houses Law, the Financing Company Act and other existing laws. Considering that only Sections 2, 4, and 8 of Presidential Decree 902-A, as amended, have been expressly repealed by the Securities Regulation Code, the Commission retains the powers enumerated in Section 6 of the said Decree, unless these are inconsistent with any provision of the Code. In addition, the Commission also implements Civil Code provisions on Partnerships (i.e., Republic Act 38- Title IX), and acts either as lead or support agency in administering among others, the following laws:

1. Real Estate Investment Trust Act of 2009 (RA 9856)
2. Credit Information System Act (RA 9510)
3. Lending Company Regulation Act (RA 9474)
4. Securitization Act of 2004 (RA 9267)
5. Special Purpose Vehicle Act (RA 9182)
6. Financing Company Act (RA 5980 as amended by RA 8366)
7. Investment Houses Law (PD 129 as amended by RA 8366)
8. Investment Company Act (RA 2629)
9. Personal Equity and Retirement Account Act (RA 9505)
10. Anti-Money Laundering Law (RA 9160)
11. Retail Trade Liberalization Act of 2000 (RA 8762)
12. Omnibus Investment Code (E.O. 226, Book III)
13. Foreign Investment Act of 1991 (RA 7042 as amended by RA 8179)
14. Education Act of 1982 (BP 232 as amended by RA 7798)
15. Anti-Dummy Law (CA 108)

VISION

We envision that, by December 31, 2015, the Commission has fully implemented its three-year program to build its physical and ICT infrastructure, and harnessed the skills and expertise of highly competent and motivated staff, for the efficient and effective performance of its duties and responsibilities.

MISSION

To strengthen the corporate and capital market infrastructure of the Philippines, and to maintain a regulatory system, based on international best standards and practices, that promotes the interests of investors in a free, fair and competitive business environment. We shall be guided in this mission by the values of integrity, professionalism, accountability, independence and initiative

KEY RESULT AREAS

Anti-Corruption/Transparent, Accountable and Participatory Governance

SECTOR OUTCOME

- (1) Resilient and inclusive financial system, and
(2) Good governance

ORGANIZATIONAL OUTCOME

- (1) Strengthened corporate and capital market infrastructure, and
(2) Sound and ethical practices by regulated entities

New Appropriations, by Program/Project

=====

	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
PROGRAMS				
100000000 General Administration and Support	P 222,038,000	P 146,196,000	P 2,000,000	P 370,234,000
200000000 Support to Operations	4,279,000	10,417,000		14,696,000
300000000 Operations	94,520,000	61,230,000		155,750,000

MFO 1: Corporate and Capital Market Development Services		33,045,000		33,045,000
MFO 2: Corporate and Capital Market Regulation Services	94,520,000	28,185,000		122,705,000

Total, Programs	320,837,000	217,843,000	2,000,000	540,680,000

TOTAL NEW APPROPRIATIONS	P 320,837,000	P 217,843,000	P 2,000,000	P 540,680,000
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New Appropriations, by Central/Regional Allocation

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	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
REGION				
Regional Allocation	P 320,837,000	P 217,843,000	P 2,000,000	P 540,680,000

National Capital Region (NCR)	320,837,000	217,843,000	2,000,000	540,680,000

TOTAL NEW APPROPRIATIONS	P 320,837,000	P 217,843,000	P 2,000,000	P 540,680,000
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Special Provision(s)

1. **Registration and Filing Fees.** In addition to the amounts appropriated herein, One Hundred Million Pesos (P100,000,000) sourced from registration and filing fees collected by the Securities and Exchange Commission (SEC) shall be retained by the Commission to augment its MOOE and Capital Outlay requirements in accordance with Section 75 of R.A. No. 8799.

[2. ~~Use of Excess Income.~~ The SEC is authorized to use its income in excess of the collection targets presented in the FY 2014 BESF for the purchase of lot for its official site, which shall not exceed the amount of One Billion Pesos (P1,000,000,000), equipment and furniture and fixtures.] (DIRECT VETO - President's Veto Message, December 20, 2013, page 1106, R.A. No. 10633)

3. **Funding for Salary Adjustments and Creation of Additional Positions.** Of the amount appropriated herein for Personnel Services, the amount of One Hundred Sixty Four Million Eight Hundred Forty Seven Thousand Pesos (P164,847,000) shall be used for the following: (i) Salary adjustment of the officials and employees of the SEC subject to the approval of the President of the Philippines upon recommendation of the DBM, pursuant to Section 6 of P.D. No. 1597 and item 9 of Congress Joint Resolution No. 4 dated June 17, 2009; and (ii) Personnel Service requirements for the creation of additional positions subject to the approval of the DBM.

4. **Submission of Annual Operating Budget for Retained Income and Audited Financial Statement.** The SEC shall prepare and submit to the DBM not later than November 15 of the preceding year, the annual operating budget for the current fiscal year covering its retained income and the corresponding expenditures. Likewise, it shall submit to the DBM not later than March 1 of the current year its audited financial statement for the immediately preceding year.

Failure to submit said annual reports and the audited financial statements shall render any disbursement from said income void, and shall subject the erring officials and employees to disciplinary actions in accordance with Section 43, Chapter 5, and Section 80, Chapter 7, Book VI of E.O. No. 292, and to appropriate criminal action under existing penal laws.

5. **Appropriations for Programs and Specific Activities.** The amounts appropriated herein for the programs of the agency shall be used specifically for the activities in the amounts indicated under the Details of the FY 2014 Budget attached as Annex A (Volume 1) of this Act.

PERFORMANCE INFORMATION

MAJOR FINAL OUTPUTS (NFOs)/PERFORMANCE INDICATORS (PIs)	Targets
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NFO 1: CORPORATE AND CAPITAL MARKET DEVELOPMENT SERVICES	
PI SET 1 - Policy measures implemented to enhance the regulatory framework and foster continued growth of the capital market in particular and the business sector in general	
No. of planned measures promulgated/implemented	4
Percentage of measures promulgated/implemented that are rated good or better	100%
Percentage of measures promulgated/implemented within the prescribed timeframe	100%
PI SET 2 - Technical Assistance	
Number of technical assistance rendered	0
Percentage of clients who rate the technical assistance as good or better	100%
Percentage of requests for technical assistance that are acted upon within prescribed timeframe	100%
NFO 2: CORPORATE AND CAPITAL MARKET REGULATION SERVICES	
Registration/Licensing Services	
Number of registrations approved and licenses issued	10,000
Percentage of applications processed pursuant to standard processing procedures and parameters	100%
Percentage of license or permit applications and renewals processed within standard processing timeframe	100%
Monitoring	
Number of target entities/reports/disclosures monitored and evaluated	61,281
Percentage of target entities/reports/disclosures monitored and evaluated pursuant to standard monitoring and evaluating parameters	100%
Percentage of target entities/reports/disclosures monitored and evaluated within standard timeframe	100%
Enforcement	
Percentage of errant firms and individuals imposed the appropriate fines and/or penalties	0
Percentage of enforcement activities undertaken in accordance with rules, regulations and standards	100%
Percentage of enforcement activities undertaken within standard timeframe	100%

GENERAL SUMMARY
DEPARTMENT OF FINANCECurrent Operating Expenditures

	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Financial Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
A. Office of the Secretary	P 183,367,000	P 243,823,000	P	P 11,568,000	P 438,758,000
B. Bureau of Customs	1,120,807,000	818,628,000			1,939,435,000
C. Bureau of Internal Revenue	3,478,096,000	3,167,957,000	185,443,000	120,755,000	6,952,251,000
D. Bureau of Local Government Finance	122,094,000	61,735,000		5,000,000	188,829,000
E. Bureau of the Treasury	337,800,000	210,202,000	501,000,000		1,049,002,000
F. Central Board of Assessment Appeals	8,513,000	1,242,000			9,755,000
G. Cooperative Development Authority	223,612,000	89,194,000		7,200,000	320,006,000
H. Insurance Commission	7,000				7,000
I. National Tax Research Center	30,926,000	12,850,000			43,776,000
J. Privatization and Management Office	42,442,000				42,442,000
K. Securities and Exchange Commission	320,837,000	217,843,000		2,000,000	540,680,000
Total New Appropriations, Department of Finance	P 5,868,501,000	P 4,823,474,000	P 686,443,000	P 146,523,000	P 11,524,941,000