



ANNUAL REPORT 1995



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## About the Cover

Symbols of the Department of Finance coat of arms

- Two *sealions*, taken from the Royal Spanish flag, was used by Legazpi in the 16th century to symbolize the vigilance and alertness of the office in carrying out its mission and objectives.
- The *key* symbolizes the achievement of economic stability by the government
- The *seven gold coins* on the shield represent the seven bureaus under the Department of Finance in the 40s: Bureau of the Treasury, Customs, Internal Revenue, Financing, GSIS and the Philippine Charity Sweepstakes
- The *eight-rayed Philippine sun* represents the eight provinces that the Spanish government put under martial law in the revolution of 1896: Manila, Bulacan, Pampanga, Nueva Ecija, Morong, Laguna, Batangas and Cavite
- The *three-pointed stars* indicate the solidarity of Luzon, Visayas and Mindanao.
- The *sun and three stars* are one and inseparable and are an exclusive emblem of the Philippines under the Flag Law.
- The *scroll* with the Latin inscription—SIGIL (seal) THESAUR (treasury) PHIL (Philippines).
- The *colors* are gold (for wealth, boldness and virility), the purple and blue representing the national flag.



## Department of Finance Manila

**His Excellency  
President Fidel V. Ramos  
Malacañang, Manila**

Dear Mr. President:

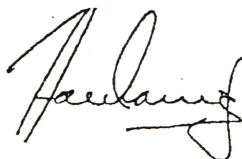
I have the honor to submit the 1995 Annual Report of the Department of Finance.

The report highlights the achievements of the Department and its attached bureaus and agencies in 1995 despite the challenges that confronted the economy during the year. More specifically, it spells out actions taken to improve revenue collection performance, a key ingredient in maintaining strong fiscal performance.

It is our resolve that, over the medium-term, we will continue to pursue prudent fiscal policy that will enable our economy to maintain the momentum of growth exhibited in 1995.

We are confident that under Your Excellency's leadership, we will achieve our goals for 1996 and our vision for Philippines 2000.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Roberto F. de Ocampo', with a stylized flourish at the end.

Roberto F. de Ocampo  
*Secretary*

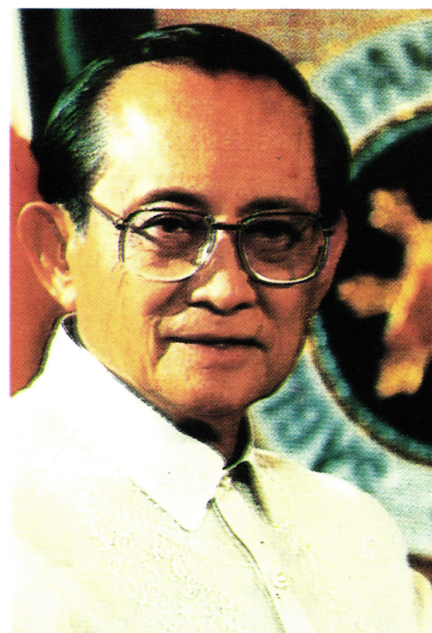


Malacañang Palace  
Manila

## MESSAGE FROM THE PRESIDENT

**A**s the Department of Finance marks its 98th year of service to the country, we are glad to note that the whole country is moving closer to its dream of attaining sustained economic growth.

Existing indicators show that the window of opportunity for us to reach a newly industrialized country status has been widened. We will be able to compete more aggressively in the international market place as envisioned under Philippines 2000. We will no longer be content in our corner of the world; we will be tapping opportunities in other shores. We should now go forward at a faster pace with greater confidence and resolve.



I know that the Department of Finance will contribute significantly to these endeavors. This Department has been in the forefront of resource mobilization and economic policy-making, two very important functions of government. With the able leadership of Secretary de Ocampo and with the support of the hardworking officials and employees of the Department, I know we will not fail.

A handwritten signature in black ink, which appears to read 'F. Ramos', written in a fluid, cursive style.

Fidel V. Ramos  
*President*  
*Republic of the Philippines*

*From a speech delivered by President Fidel V. Ramos during the 98th Anniversary of the DOF.*



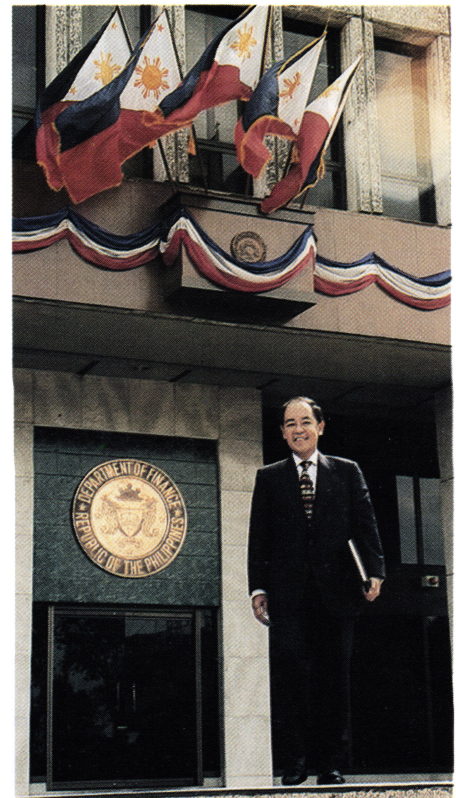
# Department of Finance Manila

## MESSAGE FROM THE SECRETARY OF FINANCE

**T**he year 1995 marked another banner year for the Department and its attached bureaus and agencies. First, we were able to maintain a strong fiscal position during the year, which resulted in budgetary surplus for the second consecutive year, the first back-to-back surplus in the history of the Philippines. Second, this continued improvement in the fiscal sector ably supported a stable financial environment wherein inflation and interest rates went down from the previous year's levels.

But while we are pleased with what we achieved in 1995, complacency will have no room in our work toward attaining greater success in 1996 and beyond. We are only too aware that the year 1996 poses to be a more challenging year for us as we pursue a prudent fiscal policy, specifically with respect to enactment and implementation of the Comprehensive Tax Reform Program. We will be more vigilant to ensure that we keep on track with our programs and policies over the medium term and that, in the long run, we will attain growth and development shared by every Filipino.

I extol the DOF officials and employees for their valuable contributions in the achievement of our goals and aspirations. May you continue your dedication and hard work, and may you inspire others in the public service to set their eyes towards a tiger Philippines!



Roberto F. de Ocampo  
*Secretary*



# Sustaining Economic Development

The primary task of government in 1995 was to sustain the economic gains of the past year. This required the implementation of two basic strategies:

1) Maintenance of prudent financial and fiscal policies to prevent macroeconomic imbalances that impede development; and

2) Continued pursuit of structural and social reforms to ensure economic growth and a fair distribution of its benefits.

As the economy was projected to grow at 6 to 6.5% in 1995, the consolidated public sector deficit was targeted to be scaled down from 1% of GNP in 1994 to 0.3% of GNP in 1995. Consistent with these targets, the national government fiscal position was programmed to deliver a P15.5 billion surplus.

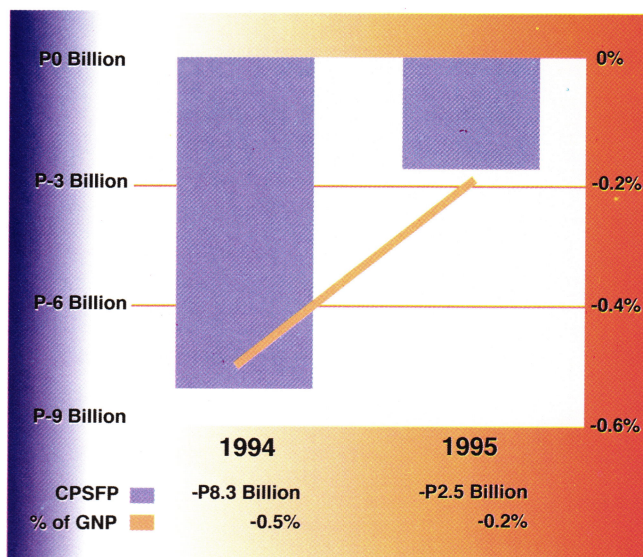
However, growth expectations were somewhat dimmed throughout the year by external factors, commencing with the Mexican devaluation and confidence crisis followed by the Barings fiasco. The prognostication of some investment advisors was that the Philippines and other emerging economies were bound to follow suit. As capital moved back from emerging economies to safer, more familiar shores, Philippine financial managers promptly intervened in the foreign exchange market to dampen the speculative attack on the peso by moderate tightening of monetary policy. The prompt policy response renewed confidence in the economy, which in turn increased capital inflows, stabilized the exchange rate, bolstered our reserves, and cut interest rate levels.

Weather disturbances posed a serious

challenge to policy makers as supply bottlenecks in rice, the staple commodity, fanned inflationary pressures. A rice shortage emerged, resulting from a prolonged drought and alleged hoarding by unscrupulous traders.

Although government resorted to rice importation to ease the situation on a short-term basis, the hike in the price of the commodity had pushed inflation to a higher-than-expected level.

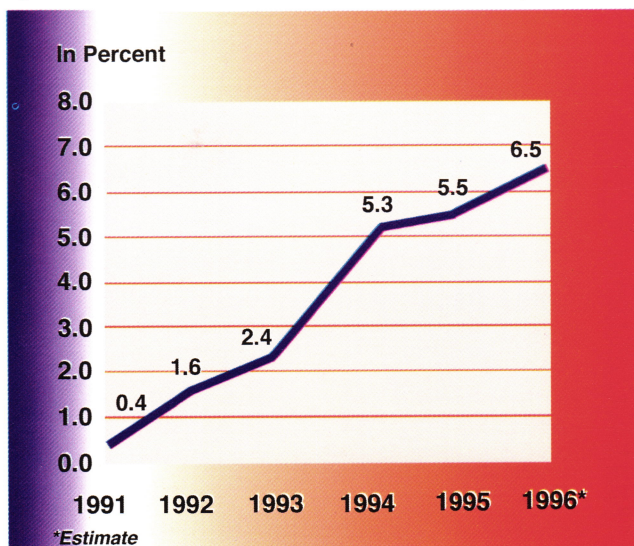
## Consolidated Public Sector Financial Position



Other constraints to growth were the strong typhoons which hit various parts of the country, causing untold damage to lives, crops and properties. The lahar problem in Central Luzon still constrains



## GNP Real Growth



our development efforts as billions of funds were allocated to alleviate the plight of our countrymen. Meanwhile, domestic output from this region continued to be adversely affected by this ongoing catastrophe.

Despite the crises that would have devastated a less stable economy, a 5.5% real growth was achieved in 1995. The sectors that registered the fastest growth were the merchandise exports which grew by 28.8% (in FOB US dollar terms), and investment which grew by 14.1%. The export-oriented and investment-led growth pattern is a strong indication that this time and in contrast to previous years' growth patterns, the growth of the economy is sustainable.

There are three factors that contributed significantly to higher growth. These are: 1) the improvement of the fiscal position, 2) the management of inflation within single-digit level, notwithstanding the rice crisis that plagued the country during the second semester of 1995, and 3) the lowering of interest rates.

## Fiscal Management

In 1995, the consolidated public sector fiscal position registered a deficit of P1.8 billion, equivalent to 0.1% of GNP. This is well below the programmed deficit set at 0.3% of GNP for the year. This is also a marked improvement from the public sector deficit in 1994 of P8.3 billion, equivalent to 0.5% of GNP, and is the lowest recorded deficit since 1975 when the consolidated public sector started to be monitored.

The National Government contributed to the stable public sector position as it achieved a surplus of P11.1 billion. However, this fell short of the programmed target of P15.5 billion, and was lower than the previous year's surplus of P16.3 billion.

Government revenues comprised 18.3% of GNP in 1995, slightly lower than the target revenue effort of 18.6% for the year. Revenue effort was higher in 1994 when it reached 19.3%, accounted for by hefty collections from non-tax revenues. These were comprised of huge



privatization receipts and increased collections from fees and charges due to higher rates imposed during the year.

In 1995, revenue collections posted a 7.2% growth over last year's level. This is attributed to an increase in tax revenues of 14.4%, arising from the strong performance of our collecting agencies. The Bureau of Customs (BOC) and the Bureau of Internal Revenue (BIR) raised 18.9% and 12.1% more than last year's collections, respectively.

The attained revenue growth is no mean achievement, considering the expected decline in non-tax revenues in 1995. The decrease in income of the Bureau of the Treasury by 26.0% is attributable to the policy decision to reduce government bank deposits and use the funds to repay domestic debt. This reduced interest receipts but lowered interest payments by an even larger amount. Secondly, the privatization proceeds decreased by 23.7% over last year due to the bulk sale in 1994 of Petron, the largest oil refinery in the country.

On the other hand, government spending continued to be managed with

## NG Cash Budget, 1994-1995 (In Million Pesos)

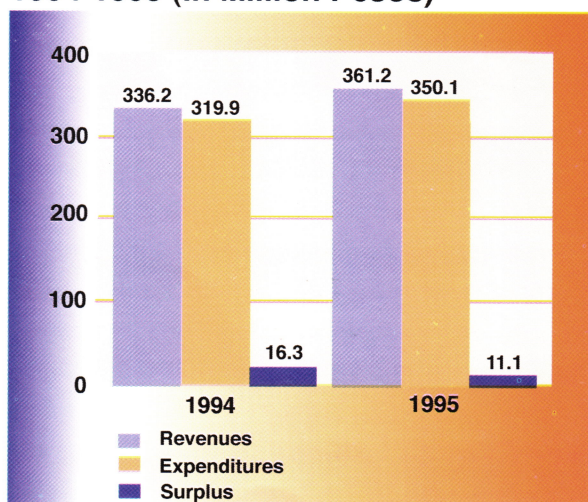
	1994	1995	
		Program	Actual
Total Revenues	336.3	370.01	361.2
Tax revenues	271.3	310.2	310.5
BIR	187.4	214.1	210.2
BOC	81.6	93.4	97.6
Other Offices	2.2	2.8	2.7
Non-Tax Revenues	64.9	59.8	50.7
Btr Income	21.5	35.9	15.9
Privatization	29.9	12	22.8
Fees & Charges	12.4	10.8	11.0
Others	1.0	1.1	1.0
Expenditures	319.9	354.5	350.1
<b>Surplus</b>	<b>16.3</b>	<b>15.5</b>	<b>11.1</b>

prudence and restraint. In 1995, government expenditures reached P350.1 billion, posting a 9.4% increase over last year's level but 4.5% below the target for the year. Compared with 1994 figures, expenditures declined by 0.6 percentage points to 17.8% of GNP in 1995. This can be attributed to savings realized from a 7.9% drop in interest payments to P72.7 billion. The significant repayment of government debt made in 1994 and 1995,

and lower interest rates reduced the interest cost payments of the national government. Likewise, the cut in equity and subsidy extended to government-owned and controlled corporations by almost 50% substantially eased the pressure on the national budget.

The reining in of public spending did not result in cutbacks in basic infrastructure and basic social services. Expenditures for national infrastructure projects increased by 20.6% from 1994 to 1995. Increased appropriations were granted to infrastructure projects of the agricultural sector, particularly irrigation projects, post-

## NG Cash Budget 1994-1995 (In Million Pesos)





harvest facilities, and other agricultural support services. Subsidy and equity contributions were also focused on infrastructure-related corporations. The National Power Corporation received government net lending in the amount of P1.8 billion. Likewise, the Light Railway Transit Authority and Philippine National Railway were assisted with P0.8 billion and P0.4 billion, respectively.

The allocation for social services rose by 14.5% to P106.8 billion in 1995. This reflected higher spending for education, health and welfare. In 1995, the Social Reform Agenda launched in 1994 focused on

manpower education and training socialized housing projects, and livelihood support. The increase in social expenditures underlined the intent of government to pursue its task of poverty alleviation.

The other expenditure item which increased was personnel services as a result of the wage hike of government employees under the salary standardization program. At its third year of implementation, civil servants received a salary increase of 17% in 1995. The program intends to put government wage levels at par with the private sector to encourage qualified professionals to join the civil service.

## Resource Mobilization

**T**he Department including its collecting bureaus accounted for 94.6% of total National Government revenues in 1995. It also implemented the government's borrowing program, mobilizing P75.5 billion in gross borrowings.

### Tax Revenues

In an effort to meet the revenue targets of the year, the Bureau of Internal Revenue (BIR) and Bureau of Customs (BOC) implemented administrative improvements designed to enhance collection efficiency.

Tax revenues amounted to P310.5 billion in 1995, 14.4% higher than last year's collections. As the revenue growth exceeded growth in nominal GNP, the tax effort continued to rise from 15.6% in 1994 to 15.7% in 1995. It was 15.2% in 1992.

The BIR collections reached P210.2 billion in 1995, 12.1% higher than last year's

collection, but slightly short of the target P214.1 billion. BIR collections were adversely affected by unprogrammed tax exemptions granted to exporters and thrift banks.

The BOC raised P97.6 billion in tariff revenues in 1995. This is 18.9% higher than 1994 collections of P81.6 billion, and exceeds programmed target of P93.4 billion. This was achieved despite the lowering of average tariff rates from 13.3% in 1994 to 12.5% in 1995 under the tariff reform program, the broadening of tax incentives to exporters, and the continuing strength of the Philippine peso.





*The Computer Operation Network and Engineering Section of the Information Systems Unit — RDC, BIR Manila. This unit services the revenue district offices of Binondo, Quiapo, Intramuros, and Parañaque.*

### **Non-Tax Revenues**

Non-tax revenues reached P49.7 billion in 1995 compared with P64.9 billion in 1994. The year 1994 was a banner year in privatization due to the remittance of P29.9 billion to the National Treasury, largely attributed to the privatization of Petron Corporation, the largest oil refinery in the country. For 1995, remittance from privatization amounted to P22.8 billion of which P19.5 billion came from the Fort Bonifacio sale, a transaction which generated investment interest in an erstwhile undeveloped area of the National Capital Region.

Interest income from government deposits declined in 1995 as cash balances were reduced to minimize borrowings. This policy move dampened the pressure on interest rates and substantially lowered interest payments.

The Bureau of Treasury collected P15.9

billion which is 26.0% lower than P21.5 billion raised in 1994, and missing the target of P35.9 billion for 1995. This is due to the new policy on the optimum use of cash balances.

### **Borrowings**

The Department raised P75.5 billion from gross borrowings of which P16.8 billion was raised from foreign sources and P58.7 billion from domestic sources.

#### ***External Borrowing***

In 1995, a vital component of development financing requirements was secured by negotiating 32 loans summing US \$2.2 billion. These include the Economic Integration Loan from World Bank and Japan Eximbank in the amount of US \$160.0 million which was fully disbursed in the first quarter of 1995.

In the area of project financing, the



DOF: 1) sustained efforts to implement core public investment projects, 2) helped improve the set-up for private sector participation in infrastructure and development, and 3) helped enhance the Build-Operate-and-Transfer (BOT) program through the Public Sector Infrastructure initiative.

### *Domestic Borrowing*

In the domestic front, the DOF continued to optimize the use of its cash balances to reduce debt burden, supported the development of the domestic capital market and completed the rehabilitation program for the Philippine National Bank (PNB) prior to its privatization. In end-1995, it reduced its cash balance to P107.9 billion from P118.1 billion the year before. It reduced its gross flotation of T-Bills to P388.0 billion from P451.9 billion in 1994 and instead, introduced 5-year Fixed Term Treasury Bonds. These moves enhanced the domestic capital market by setting interest rate benchmarks for long-term bonds on which private sector issuers could base their issues. The issuance of PNB warrants as the avenue to privatize the country's biggest commercial bank also boosted the capitalization of stock exchange aside from enhancing the variety of issues available to investors. The DOF also completed the rehabilitation of PNB through the issuance of 12-year Treasury Bonds to

PNB amounting to P25 billion. It also supported the liquidation of the Central Bank-Board of Liquidators, assisting the Bangko Sentral to the extent of P26.4 billion.

The overall National Government (NG) public debt ratios improved significantly despite the claims on resources by rehabilitation programs. The ratio of NG debt outstanding dropped from 61.3 % to 56.6%. Interest expense as a percent of GNP dropped from 4.5% to 3.7%. Interest expense as a percent of expenditure likewise fell from 24.7% to 20.8%.

*The Computerized Formal Entry Division using the Automated System for Customs Data (ASYCUDA) software. This is part of the BOC thrust.*





# Comprehensive Tax Reform Package

**I**n November 1995, the Comprehensive Tax Reform Package was submitted to Congress - a product of two years of intensive study by an inter-agency and inter-sectoral task force spearheaded by the Department of Finance.

The vision of the tax reform package is to create a self-sustaining revenue system that will provide increasing funds as the economy grows. It will be the cornerstone of our sustained economic growth.

The tax reform program aims to improve the quality of life of every Filipino. It seeks to ease the tax burden of low-income taxpayers. It aims to simplify the tax system, level the playing field, and lessen the opportunities for tax avoidance. In effect, the comprehensive tax reform program is a more equitable and productive system. It has therefore been labeled "pro-poor" and "pro-progress".

The program covers four major areas:

a. Reforms in income taxation which will restructure the individual income tax and introduce the modified gross income approach or gross income approach of taxing corporations.

b. Reforms in fiscal incentives which will introduce universal incentives applicable to all enterprises such as net operating loss carryover and accelerated depreciation,

c. Reforms in excise taxation which will introduce a specific tax system with automatic inflation adjustment mechanism and an excise tax structure for petroleum products that will incorporate the socialized pricing policy and internalize the environmental costs of petroleum consumption, and

d. Reforms in tax administration which will introduce bold measures to

## Comprehensive Tax Reform Package (House Bill No. 6060)

### A. Income Tax

- Increased Exemptions
- Exemption of non-resident Filipinos e.g. OCWs
- Corporate tax of 30% on modified gross income or 17.5% on gross income
- Minimum corporate income tax of 0.75% of net assets
- Taxation of fringe benefits
- Increased threshold of P1.5 million gross sales for small corporations
- Provision of negative list of business expenditures

### B. Excise Tax

- Shift from ad valorem tax to specific tax on cigarettes and alcoholic products

### C. Oil Tax Restructuring

- Consolidates the following into a specific tax:
  - excise tax on petroleum products
  - duty differential on crude and finished oil products
  - special oil levy

### D. Tax Incentives

- Universalization of incentives
- Net Operating Loss Carry Over
- Accelerated Depreciation
- Focused incentives under EO 226
- Rationalized incentives under special laws

### E. Tax Administration

Among others:

- Rotation of tax examiners
- Publication of top individual and corporate taxpayers
- Summary dismissal of revenue officer for grave misconduct
- Creation of "Taxpayer's Ombudsman"
- Development of Comprehensive Tax Roll



check on tax evaders and dishonest tax authorities as well.

The proposed tax reforms under the package were designed to make our country's tax system comparable and competitive with our Asian neighbors. For instance, in the case of the corporate income tax, the Philippines will have a tax rate of 30%, comparable with

Taiwan's 25%, Singapore's 27%, and Thailand and Malaysia's 30%.

The package is expected to generate additional revenues in the amount of P13.6 billion. The measure will raise the necessary revenues required to finance our expenditures. The institution of this self-sustaining system will remove the perennial need of government to raise funds by introducing new taxes or increasing the tax rates.

## The Government Corporate Sector

The financial position of the government corporate sector continued to be strengthened with sustained efforts of the National Government (NG) to further promote efficiency in the sector. Various fiscal and financial reforms were implemented to enhance financial discipline and improve resource allocation among government-owned and controlled corporations (GOCCs).

In the area of fiscal reform, the financing program of the government corporate sector was formulated in line with the policy to reduce the fiscal imbalance of the consolidated public sector. Accomplishments in the sector for 1994 and 1995 indicate the following:

In 1995, the combined financing surplus of the 13 major non-financial GOCCs, the 4 Government Financial Institutions (GFIs), and the Social Security Institutions (SSIs) reached P3.4 billion or 0.17% of the GNP compared to a deficit of P18.6 billion or 1.07% of GNP in 1994 and to a programmed deficit level of P8.8 billion in 1995.

The turnaround was mainly accounted for by the combined surplus of the GFIs and SSIs which stood at P4.7 billion, a remarkable improvement from the combined deficit of P8.9 billion in 1994. The GFIs

### Overall Financial Position of the Government Corporate Sector

(In Billion P)	1994 Actual	1995 Actual	Target
GOCCs	(9.71)	(1.26)	(22.57)
GFIs	3.09	4.68	4.08
SSIs	(11.96)	0.01	9.66
Total	(18.57)	3.43	(8.84)

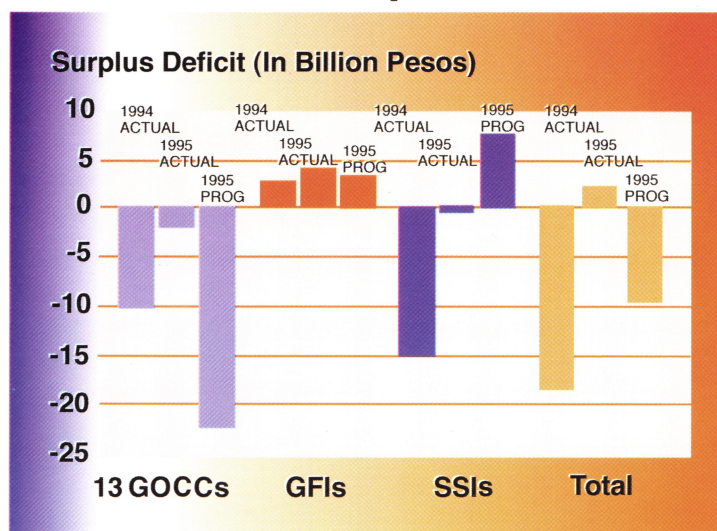


achieved a 15% increase over projected surplus in 1995, attributed to the increased loan portfolio of PNB, monetization of acquired assets and massive bankwide computerization program as well as improved performance of LBP. On the other hand, the SSIs' below target performance resulted from lesser placements or non-renewal of maturing placements in government securities.

The GOCCs also contributed to the over-all surplus with a substantial decrease in deficit by P21.3 billion against the 1995 program and P8.5 billion decrease from 1994 level. However, the deficit reduction effort was marked by deferment in the implementation of the capital expenditures (capex) program rather than an improvement in internal cash generation. Capital expenditures reached P22.3 billion of which 97% was in the energy sector. The capex shortfall was due to various operational problems and failure to provide the necessary conditions of creditors as in the case of the National Power Corporation (NPC). The savings in capex was partly offset by deterioration in internal cash generation of National Development Corporation (NDC) due to shortfall in privatization receipts, and of Metropolitan Waterworks Sewerage System (MWSS) due to lower collection and billing efficiencies.

The government corporate sector's dependence on NG for financing its requirements was substantially curbed in recent years while enhancing fiscal transparency and financial accountability. In 1995, net transfers to NG from GOCCs were set at positive P1.7 billion as the contribution of the GOCC sector to the National Treasury of P13.6 billion exceeded budgetary support to GOCCs of P11.9 billion. This is significantly lower by P31.6 billion from the P33.3 billion net transfers in 1994 ac-

## Financial Performance of the Government Corporate Sector



	13GOCCs	GFIs	SSIs	Total
1994 Actual	-9.71	3.09	-11.96	-18.57
1995 Actual	-1.26	4.68	0.01	3.43
1995 program	-22.57	4.08	9.66	-8.84

counted for by: 1) higher privatization proceeds represented by the sale of government shares in Petron and the National Steel Corporation; 2) strict enforcement of existing NG policies on declaration of dividends which resulted in the collection of P3.1 billion, the highest collection since the introduction of the policy in 1979; and 3) net lending support to GOCCs consisting of higher repayments for debt servicing than advances. The shortfall in 1995 dividend collection was attributed to the late remittance by PNOC of P3.5 billion which represents 59% of the estimated total cash dividend collection.

The Department tightened the review and approval process for NG guarantees for GOCC loans and performance undertakings for BOT projects. Total loan guarantees extended to GOCCs is estimated at P43.0 billion in 1995 of which foreign loan guarantees endorsed amounted to about P33.52 billion for projects of NPC, LBP,



DBP, LUWA, PNR and MIAA, while domestic loan guarantees estimated at P9.5 billion were endorsed for NDC and NFA.

The Department also reviewed and extended net lending support which totalled P3.7 billion in 1995 to cover debt servicing of GOCCs whose internal cash generation can not accommodate payment of maturing loan obligations. Major recipients are PNR, NEA, LRTA, PHILPHOS, PASAR and NASUREFCO.

In support of the investment program of several GOCCs, the Department adopted more stringent standards in the grant of subsidies in order to reduce or eventually eliminate them. A total of

P781.8 million tax subsidy for capital imports of GOCCs was endorsed to the Fiscal Incentives Review Board in 1995.

The Water Supply Sector Reform Study conducted in 1994 under the technical assistance of the Japanese Government through the World Bank provided a viable timetable for the implementation of institutional reforms and financial restructuring of the country's water supply sector. The DOF is the lead agency of the Inter-Departmental Steering Committee on Water District Privatization and is actively involved in all activities related to water district privatization.

## Enhancing Private Sector Role in the Economy

### ENHANCING PRIVATE SECTOR ROLE IN THE ECONOMY

The strategy to enhance the role of the private sector in the economy was concretized under two major programs—privatization, Build-Operate-Transfer (BOT) and related schemes.

#### Privatization Program

Since its inception on December 8, 1986, the privatization program has underscored government's thrust to increase private sector participation in the economy. In its ninth year of operation, the program has continued to be a remarkable success in terms of reducing government's role in business, broadening ownership base, developing the capital market, and generating revenues for priority government expenditures.

In 1995, total sales proceeds of the privatization program reached P44.0 billion, increasing the program's accumulated receipts to P172.2 billion as of year-end. In 1995, remittances to the National Treasury arising from privatization amounted to P22.8 billion, largely accounted for by the sales of the shares of stocks of the Bases Conversion Development Authority in Fort Bonifacio Development Corporation. The National Government also sold an additional 7.2% shares of stocks of the Philippine National Bank for P1.9 billion via public offering. The Asset Privatization Trust sold assets amounting to P3.2 billion.

Acknowledging the critical role of privatization in the country's economic development, the Philippine Congress passed into law Republic Act No. 7886

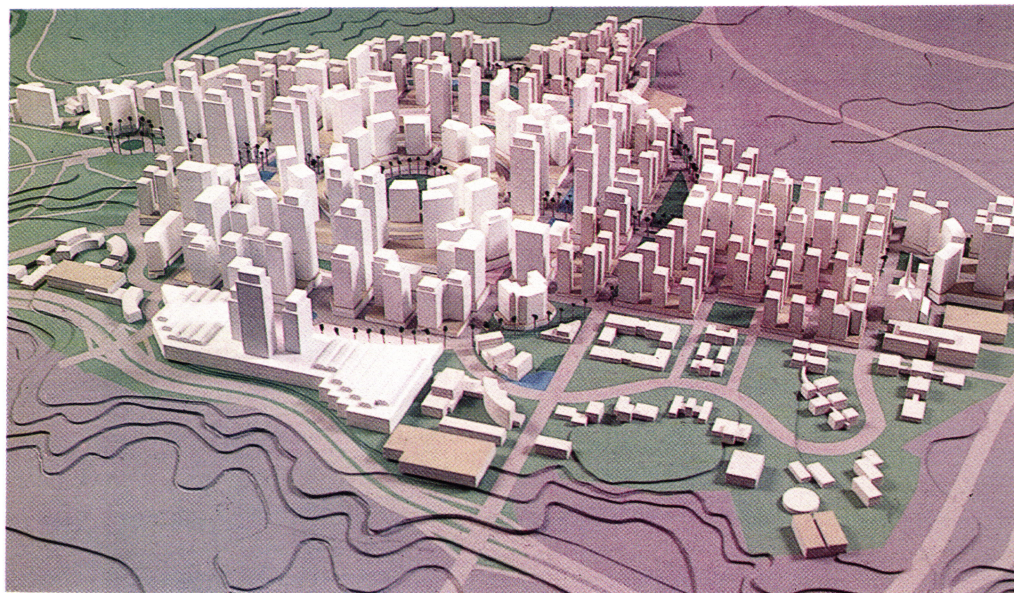


which extended the life of the Committee on Privatization (COP) and the Asset Privatization Trust (APT) from July 1, 1995 to December 31, 1999. The extension served to continue the policy and institutional framework that contributed to the implementation of privatization plans and programs.

For 1996 and beyond, the government is geared towards accelerating the disposition/privatization of remaining transferred assets (TAs) and government-owned and controlled corporations (GOCCs) and pursuing a more comprehensive privatization program as it moves into the second and third wave of privatization. The first wave refers to the disposition/privatization of TAs and GOCCs approved by the President for privatization. The second wave covers the privatization of public utilities particularly the power sector and the water sector. The privatization of these sectors is relatively more complex as it involves policy concerns on the regulatory framework. The third wave refers to public and private partnerships in social services such as education, health services and pension funds. The third wave may not involve the outright sale of public hospitals and public schools, but may utilize various modes of public-private partnership.

### **BOT Program**

The government also enhanced the participation of the private sector in the infrastructure program through the pro-



motion of Build-Operate-Transfer (BOT) and other related schemes. The BOT program enabled the government to implement projects which would not have otherwise been implemented due to resource constraints in the public sector, and encouraged private sector entities to take advantage of the significant investment opportunities offered by non-traditional financing schemes. The BOT program was initially intended to solve the power crisis which plagued the country in the early '90s but the program was highly successful such that it became a significant component of the medium-term infrastructure programs not only for power but for transport, irrigation and industrial area development. The Philippine BOT program has been hailed as the model for other developing countries by international financial institutions.

As of 30 December 1995, total investment commitments approved under the BOT program amounted to US\$8.3 billion of which US\$7.1 billion was in power, US\$0.9 billion in transport, US\$0.6 billion in irrigation, water supply and sewerage, and US\$0.3 billion in other areas. Of total investment commitments, an estimated US\$4.1 billion has been actually implemented as of end-1995.

A total of US\$11.1 billion in applications are in varying stages of preparation.



## National Government Debt

As a result of the national government surplus and effective cash management, the National Government's (NG) debt outstanding declined as a percentage of GNP from 61.3% in 1994 to 56.6% in 1995. The NG's external debt declined from 22.9% to 19.8% while domestic debt declined from 38.5% to 36.8%.

The ratio of NG's debt service to GNP rose from 6.8% to 7.2% as the NG accelerated principal payments to its creditors. This offset the marked decline in interest payments from 4.6% to 3.7% of GNP.

The NG continued to limit its domestic loan availments. Its net domestic borrowing amounted to only P19.6 billion in 1995 after a net repayment of P10.4 billion in 1994. This allowed the private sector continued priority in

the utilization of domestic loanable funds.

The NG's net repayment of its external obligations also allowed adequate room for private sector borrowers to tap external funding sources for their investment undertakings. In 1995, the NG paid back P12.9 billion in external borrowing compared with P11.6 billion repayment made in 1994.

## External Debt

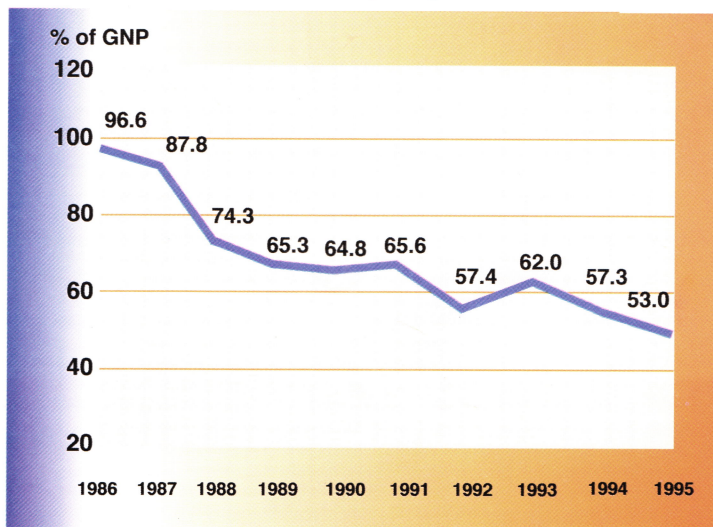
The country's overall outstanding external debt dropped from 57.3% of GNP in 1994 to 53% in 1995, moving closer to Thailand's 44.0% and Malaysia's 32.5%. The country's ratio is better than Indonesia's 58.6%.

Debt service likewise declined from 17.4% of exports in 1994 to 14.9% in 1995. The country has overtaken Indonesia which has a ratio of 32.2% and is moving closer to Thailand's 12.5% and Malaysia's 6.0%.

These developments resulted mainly from past efforts to restructure the country's debt while embarking on a holistic strategy towards export- and investment-led growth. In line with this strategy, debt swap arrangements were concluded with Swiss and German Governments at deep discounts of 50% and 70%, respectively.

Early in 1995, the DOF cancelled the 5th round of rescheduling with the Paris Club, in effect accelerating the country's graduation from rescheduling country status. With the help of other government agencies, the country was granted 2 credit ratings up-

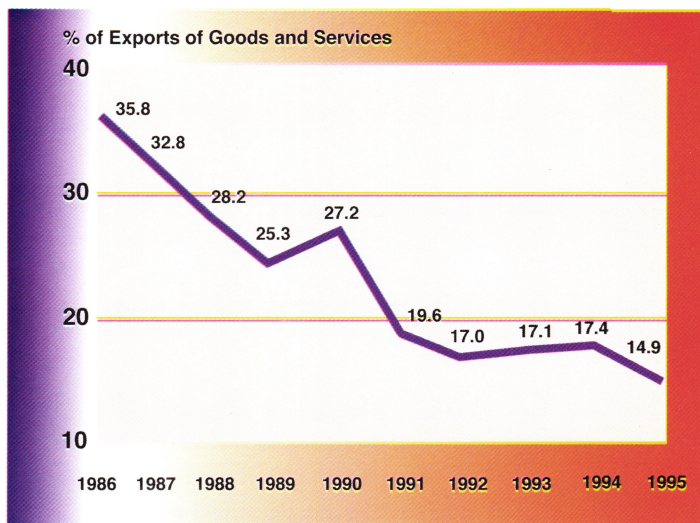
## External Debt Ratio





grades from Moody's and Standard and Poor's, and a favorable initial rating from Duff and Phelps in May 1995. These are the leading international credit rating agencies. The favorable credit ratings assigned to the Philippines helped broaden access as well as lower cost of capital for local borrowers in the international financial markets. As a result of these developments, public and private sector firms were able to raise an estimated US\$1.2 billion from the bond markets during the second semester of 1995.

## External Debt Service



## Fiscal Support to Priority Sectors

The revenue-generating responsibility of the Department of Finance employs a two-fold approach: directly, through tax collections and indirectly, through strengthening of the economic base. Thus, the taxing powers of BIR and BOC are complemented by tax exemption privileges granted by the Revenue Operations Group (ROG) and tax credits processed by the One-Stop Shop Tax Credit and Duty Drawback Center (OSS-CENTER).

In 1995, the ROG waived taxes and duties in the amount of P28.4 billion, reflecting a 32% drop from P41.6 billion tax incentives granted in 1994. The decline is due to the government's adoption of a more focused fiscal incentive system and a broader-based tax system. In 1995, the duty-free importation privilege of prospective BOI registrants was removed and a minimum 3% rate of duty was applied on their capital goods imports.

The biggest recipients of tax exemptions were the BOI-registered enterprises

with P23.9 billion, followed by importers of capital equipment with P2.9 billion, and the telecommunications sector with P2.1 billion.

The OSS-CENTER issued tax credit certificates totaling P12.6 billion in 1995. The biggest recipients were Napocor with P6.9 billion on its imports of crude petroleum for electricity generation, the oil industry with P1.9 billion, garments with P1.8 billion, agro-based industries with P0.6 billion, chemicals with P0.3 billion, and metals and engineering sectors with P0.2 billion.



The OSS has proven faithful to its mandate to process tax credit and duty drawback applications within the 30-day period provided by Administrative Order No. 266. In 1995, the OSS-CENTER processed TCCs at an average of 28.5 days.

The OSS-CENTER played a vital role

in the forthcoming implementation of the new tax incentives enunciated by the Export Development Act of 1994 (EDA). These new incentives are designed to boost the competitiveness of the export sector and consequently sustain the economic development of all regions.

## Other Accomplishments

**T**he DOF participated actively in the formulation of major economic reform initiatives including the trade liberalization program, the oil industry deregulation program, rationalization of the electricity sector, capital market development and investment liberalization, among others. It conducted extensive studies on major aspects of these programs and participated in discussions in various forums to facilitate their approval.

With the broadening of opportunities brought about by sustained economic recovery, the DOF also pioneered work with the private sector in the following areas: housing finance, bond market development, pension fund reform, taxation of government securities, securitization, infrastructure finance, micro-lending, and mutual funds. A consensus with the private sector was reached on the program of reforms in the capital market.

In 1995, the DOF supported pathbreaking public sector bond issues that helped the country earn the reputation as the most financially innovative in Asia in 1995. To help promote investments, the DOF approved the Multilateral Investment Guarantee Agency (MIGA) insurance coverage for project proposals totaling \$85.0 million.

The efforts of DOF to sustain economic development through successful fiscal management did not pass unnoticed. In 1995, the DOF garnered the second highest net score in the Executive Outlook Survey conducted by the Makati Business Club. The survey, which was based on the members' perception of the agency's performance, included a total of 32 government agencies.

The man at the helm of the Department garnered both international and local acclaim for his unswerving efforts to steer the economy toward the path of NIC-hood. Finance Secretary Roberto F. de Ocampo was voted "Finance Minister of the Year" by the Euromoney magazine "for presiding over the least expected recovery of an Asian economy". On the domestic front, he was named "Man of the Year" for 1995





by Philippine Graphic magazine for the substantial turnaround of the Philippine economy.

These rewards show a clear recognition of the unwavering commitment of the Department, spearheaded by the Finance Secretary, to the goals of Philippines 2000.

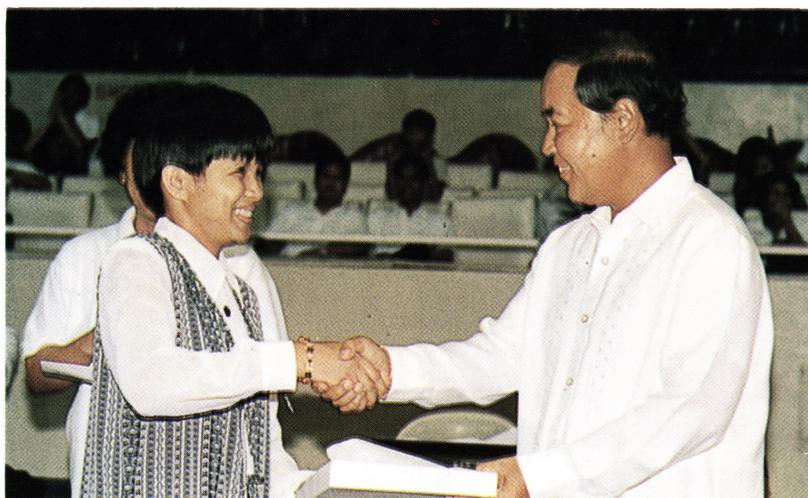
## Human Resource Development

Some organizational theorists believe that the wealth of an organization is its human resources. The Department of Finance indeed ranks personnel development as one of its top priorities.

In 1995, a Human Resource Development program was created to equip DOF personnel with improved skills, knowledge and attitudes (SKA) to enable them to meet the demands of their work assignments. The program encompasses the judicious hiring of personnel, performance evaluation and provision of opportunities for personal development and career mobility.

The DOF personnel were encouraged to attend numerous masteral courses and short courses/seminar/training programs to hone their skills, improve work performance, and increase both individual and office productivity. These include courses/seminar/training on economic development, organizational and management development, macroeconomic analysis and financial management, fiscal and monetary policy, public finance, information technology, strategic planning, accounting, budgeting and internal audit.

In-house seminars were conducted by



*Ms. Lilia R. Tan receiving the plaque from Secretary Roberto F. de Ocampo for being chosen as the "1995 DOF Model Employee — Maria Masipag"*

the DOF, among others, Seminar on Micro Soft Package, Value Orientation Workshop for middle managers in support of the Moral Recovery Program of the Office of the President and orientation program for newly hired employees.

In compliance with Republic Act 7192, otherwise known as "Women in Development and Nation Building Act",





*Secretary Roberto F. de Ocampo awarding the trophy to the Violet Team (composed of employees from DFG, IFG and OSS-Center), Overall Winner in the "DOF Sports Fest", which was held at Rizal Memorial Coliseum - May 26, 1995.*

the DOF Gender and Development (GAD) Focal Point was created as an institutional mechanism to ensure gender-responsive and sustained GAD mainstreaming programs in the Department. It aims to analyze, direct, coordinate, monitor and serve as technical adviser for programs/projects on gender and development concerns within the Department.

Among the activities undertaken in

1995 were the briefing sessions on GAD and orientation of GAD Focal points attended by representatives from the different offices, bureaus and attached agencies of the Department.

It was in 1995 when the DOF officials and employees transferred to their new home - the Executive Tower and the 7th and 8th floors of the EDPC Building within the Bangko Sentral ng Pilipinas Complex along Roxas Boulevard. It was

in these premises where a week-long celebration of the 98th Foundation Anniversary of the Department was held with no less than President Fidel V. Ramos as guest of honor and speaker. The new working environment under a single roof will enhance the Department's efficiency and effectiveness in the delivery of services to the public and improve coordination and foster better working relations among Department personnel.

## DOF Operating Bureaus, Attached Agencies and Corporations

### Bureau of Internal Revenue

The Bureau of Internal Revenue (BIR) collects half of National Government tax revenues. In 1995, it achieved total revenue collections of P210.2 billion.

To improve taxpayer's compliance, the BIR launched the following programs: the Legal Enforcement Program, the Third Party Information Program, the Non-Filer Detection Program, the Stop Filer Identification Program and the Tax Fraud Program.

The Legal Enforcement Program aims

to enhance the enforcement of internal revenue laws. With this program, the BIR collected P39 million under a compromise offer with tax delinquents. It also rendered decisions on 25 disputed tax assessments which involved P165 million.

The third party Program aims to obtain and process information that will indicate significant income or wealth and taxable transactions from government and non-government sources. With this program, the BIR collected P20.8 million as a result of the Internal Revenue Service Ex-



change of Information Project of Filipinos deriving income from the United States of America, and audited 395 cases under the Car Purchasers Project that resulted in total assessment of P5.3 million.

The Non-filer detection Program aims to increase the number of registered taxpayers engaged in business. The Program realized an increase of 62,270 registered taxpayers in 1995, and collected as much as P1.1 billion from the newly registered taxpayers.

The Stop Filer Identification Program aims to help the Revenue District Officers in the issuance of reminder letters. Records of some 74,373 accounts were updated.

To enhance the image of the Department of Finance as a business-friendly, pro-people agency, the BIR launched the Operation Tax Refund Agad. In 1995, the BIR processed 364,653 claims for tax refunds, and issued 343,020 tax refund notices.

The BIR also embarked on a nationwide computerization of its systems and processes. The use of the diskette reporting system of collection was introduced.

#### **Bureau of Customs**

The Bureau of Customs (BOC) reported a record high collection in 1995 of P97.6 billion as against a collection target of P93.4 billion. This translated into a steep increase in the amount collected per Customs personnel, from P12 million in 1992 to P17 million in 1995.

The BOC launched the On Line Release System which eliminated 40 steps in processing cargo transmittal, the Green Lane which is a fast lane for selected accounts, and the Valuation Center and Library which provide the various assessment units and offices of the BOC dutiable values in electronic form taken from various

sources such as: International publications, Clean Report of Findings, invoices of importations through free ports, export processing zones and duty free stores. Furthermore, the Valuation Center and Library were able to identify addresses in the INTERNET providing prices of commodities imported to the country.

The computerization program of BOC is divided into two major parts: the BOC-private sector initiatives, and the World Bank-funded Philippine Tax Computerization Project-BOC Component. The latter cost about \$15 million, and utilizes the ASYCUDA, or the Automated System for Customs Data software. The most visible and most useful BOC administrative reform was the computerization of its collection system. The Collection Division of the three major ports, namely: the Port of Manila, the Manila International Container Port and the Ninoy Aquino International Airport, were connected to more than 160 banks and branches all over Metro Manila, electronically transmitting to BOC some 300 million payments data daily covering the importers' payment of taxes and duties.

Further, the BOC computerized its car valuation system which allows the release of car shipments within 2 hours after filing of the import entry. Through the application of various computer systems, some shipments were cleared as fast as 30 minutes.

#### **Bureau of the Treasury**

The Bureau of the Treasury (BTr) contributed P34.4 billion (including the 18.5 billion proceeds from the sale of Fort Bonifacio) in revenues to national coffers in 1995. This represents a 9.5% share of the total revenues generated during the year. In 1995, the BTr streamlined collection and remittance procedures to enable the govern-



ment to receive and credit collections within 1 to 2 days instead of 3 days to 1 month. To increase yields and reduce expenses, the BTr kept a close watch at market rates and conditions and daily cash balances, and placed temporary idle funds in high yielding instruments. The BTr earned P1.4 billion interest income in 1995 from National Government deposits.

On debt management, the BTr introduced longer term Treasury Notes with fixed rate coupon, and 3-year, 5-year, and 7-year debt instruments, monitored daily the placements, roll-overs and terminations of idle funds of GOCCs, and maintained a maturity profile of all loans.

While maintaining the same manpower complement, the BTr took over the fiscal agency functions regarding government securities operations from the Bangko Sentral ng Pilipinas. This was made possible with the establishment of an electronic/scriptless auction of government securities which is linked with the Philippine Central Depository System.

#### **Bureau of Local Government Finance**

The Bureau of Local Government Finance (BLGF) took bold initiatives to promote progressive developments in local finance management. It started to reorient and guide the treasury and assessment officials in accepting new approaches and developing techniques towards improving local finance operations.

The BLGF conducted training, monitoring, investigations and other performance-enhancing activities to continuously upgrade the standards of service to higher degree of integrity, uniformity, consistency and transparency. It also continued to support local development through provisions of direct grant and loan projects and facilities under the Municipal Development Fund.

In 1995, 15 schools for Phase III (Municipal Treasury and Assessment Offices) and 8 schools for Phase IV (Local Assessment and Treasury Rank and Files) of the National Training Program were conducted.

On real property taxes, the total assessed value nation-wide increased steadily from P279.1 billion in 1991 to P554.3 billion in 1995. This was attributed to the collective efforts of local assessors in revising real property assessments and local treasurers in upgrading tax collection enforcement programs according to improved methods and procedures introduced in the National Training Program.

In support of the efforts of Local Government Units (LGUs) to mobilize revenue, BLGF extended direct financial assistance to improve its real property tax administration. The project engaged the Local Assessment and Treasury Offices to undertake the following major components of the project: 1) tax mapping, 2) records conversion and management; 3) tax collection enforcement, and 4) data computerization. In 1995, some 199 project LGUs were completed and 66 new project LGUs were initiated thereby increasing the coverage to 789 project LGUs.

#### **Economic Intelligence and Investigation Bureau**

The Economic Intelligence and Investigation Bureau (EIIB) reports directly to the Secretary of Finance. It gathers and analyzes information on illegal activities affecting the economic resources of government, and investigates them. As such, it provides intelligence, investigation and prosecution support to the BIR and BOC, as well as the other offices under the Department of Finance.

The EIIB collected P9.3 billion from apprehensions, seizures, technical/pure





*A regular meeting of the Government Securities Auction Committee at the Bureau of Treasury with Treasurer Caridad Valdehuesa chairing in behalf of Secretary Roberto F. de Ocampo.*

smuggling, and illegally harvested natural resources. Out of the 306 cases ranging from criminal, seizure and referrals to the Department of Environment and Natural Resources, 246 have already been resolved.

#### **Insurance Commission**

As part of its continuing regulatory and supervisory functions over the insurance industry, the Insurance Commission (IC) issued a total 23,989 licenses and certificates of authority and registration to insurance companies and its intermediaries and mutual benefit associations, and trusts for charitable uses. IC also approved 276 requests for investments of insurance funds amounting to P9.0 billion and US\$26.1 million on various types of investments.

IC maintained close cooperation with regional and international insurance supervisory authorities and other local and foreign government agencies in various

insurance activities.

Furthermore, it monitored insurance companies with the most number of insurance claims, prepared an inventory of claims, and issued certificates of clearance regarding the company's capability to settle claims promptly and equitably.

#### **Philippine Deposit Insurance Corporation**

The Philippine Deposit Insurance Corporation (PDIC) is tasked with enhancing confidence in the Philippine banking system and providing support to minimize the adverse effects of bank failures. In 1995, the corporation further strengthened its risk management function and maintained depositor confidence through deposit insurance.

PDIC conducted on-site examinations on 24 commercial and thrift banks and 27 rural banks, exceeding the 45 banks targeted for 1995. With the partial implementation of the Financial Condition Monitor-



ing System, the off-site examiners monitor banks more effectively through the enhanced retrieval of bank financial data.

In 1995, PDIC paid P3.2 billion representing over one million accounts in direct payments and transfer deposits.

It also took over a total of 75 closed banks from the Bangko Sentral ng Pilipinas, bringing to 272 the total number of closed banks under receivership and liquidation.

As part of its rehabilitation function, PDIC lent financial assistance to 7 member banks amounting to P1.6 billion. These were given in the form of lending, asset purchase and assumption of liabilities.

### **Philippine Crop Insurance Corporation**

The Philippine Crop Insurance Corporation (PCIC) provides insurance protection to agricultural producers through crop and livestock insurance program and a guarantee program to agricultural lenders.

The total sales for the regular lines (rice, corn and tobacco) amounted to P1.1 billion. This is 34.3% lower than the level posted in 1994. The shortfall was primarily due to the imposition of tight credit policies by lending institutions and the occurrence of drought during the early part of the year.

Claims paid for all regular crop insurance lines amounted to P101.9 million, 47.6% lower than the 1994 level. The substantial drop was due to the relatively lower level of 1994 typhoon claims carried over to 1995 than carry-over claims in 1994. Also contributing to the reduction in claims was the adoption of the repackaged scheme composed of a standard cover against natural calamities and an extended coverage endorsement against pests and diseases.

Consequently, total revenues in 1995

amounted to P171.5 million, 35% lower than the previous year's level as all revenue items posted decreases. Investment income went down by 25.1% as the investment fund was eroded by drawdowns to finance operations. The 62.8% decline in guarantee fees and other income also contributed to the revenue loss.

### **Central Board of Assessment Appeals**

The Central Board of Assessment Appeals (CBAA) hears and decides appeals on all real property tax assessment cases, all protests on realty tax payments, and all claims for realty tax refund. Among its major accomplishments were the conduct of hearings for appealed cases on tax assessments, meetings with provincial governors and board members on real property tax assessment, provision for coordinative and consultative services to Local Board of Assessment Appeals, and capability-building seminars for local treasury and assessment officials.

CBAA renders free advisory and information services to assessors, legal practitioners, other government agencies, and the general public on CBAA procedures, decisions, jurisprudence, and on various aspects of real property tax administration.

### **Philippine Coordinating Committee on the Asian Development Bank**

The Philippine Coordinating Committee on the Asian Development Bank (PCC-ADB) was originally under the Office of the President. It was established 30 years ago by President Diosdado Macapagal primarily to assist the ADB in its operations. Under Republic Act 7845, the PCC-ADB was transferred to the Department of Finance, effective January 1, 1995.

Under its present mandate, the PCC-ADB represents the President in ADB and



serves as the official channel of communications between the ADB and the Philippine Government, covering all administrative aspects of the ADB-Philippine Government relationships pertaining to the status and operations of the Bank in the country.

As a coordinating and liaison office, the work of PCC-ADB is administrative in nature. This includes: 1) renewing certificates and permits, 2) monitoring the observance of the privileges and immunities of the Bank and its officials under the terms of the RP-ADB Headquarters Agreement, and 3) resolving conflicts that may arise therefrom.

#### **Philippine Export and Foreign Loan Guarantee Corporation**

The Philippine Export and Foreign Loan Guarantee Corporation (Phil-guarantee) is mandated to provide guarantee coverage to approved foreign loans and credits granted by banks, or financial institutions to exporters and producers of export products, or service contractors abroad.

In 1995, the total guarantees issued by the corporation reached P1.7 billion or 28% over last year's level. It posted a net income of P39.8 million vis-a-vis a net loss of P332.0 million in 1994. The complete turn around was attributed to the decrease in the provision for losses on doubtful accounts. The assets and liabilities account decreased by P582.6 million over last year's level primarily due to the decrease in value of the acquired assets, accounts receivables and conversion of liabilities with the National Government into equity. As a result of the conversion into equity of the liabilities with the National Government, Philguarantee's net worth increased by P567.1 million.

#### **Securities and Exchange Commission**

The Securities and Exchange Commission (SEC) exercises absolute jurisdiction, supervision and control over corporations, partnerships and associations. This is to curb fraud, manipulation and elimination of the excesses of the stock market thus preventing the exploitation of the investing public.

In 1995, a stronger performance by the corporate sector was recorded as operational indicators reflected continued growth. This was achieved by dismantling a protectionist and regulated environment that hampered the growth and development of business activities.

For its capital market development program, it introduced to Congress amendments to the Revised Securities Act. The core amendments relate to the shift in SEC's regulatory method with regard to the registration of securities for sale to the public, from a merit-based system to one of full disclosure. The second amendment mandates the various market players to operate as one self-regulatory organization with SEC exercising oversight functions. The other proposal is to amend the Investment Company Act to liberate the mutual fund industry from its restrictive policies and practices.

On its regulatory reforms, SEC implemented the work cell concept that streamlined the operations of two departments into 'one-stop shops' serving the requirements of securities registration and monitoring, and the regulation of various market participants like the brokers, dealers, etc.

On the organizational front, SEC strictly adheres to the spirit of collegiality and teamwork in all its deliberations and decisions.



Lastly, on its stock market performance, SEC registered and licensed securities amounting to P144.3 billion, as of December 8, 1995. These included both equities and debts. A total volume of 1,028.6 billion shares, with a total value of P381.3 billion were traded at the stock exchange in 1995.

#### **National Tax Research Center**

The National Tax Research Center (NTRC) conducts studies on tax policy questions and related issues. It is the research arm of the DOF, specializing in tax and fiscal researches. It prepares draft legislations or amendments to existing tax laws. It also provides technical assistance to the Fiscal Incentives Review Board through preparation of required technical papers, revenue estimates, agenda and minutes of meetings.

#### **Fiscal Incentives Review Board**

The Fiscal Incentives Review Board (FIRB) reviews and approves requests for subsidy availment of government entities from the tax expenditure fund of the National Government.

Presidential Decree No. 776 empowers FIRB to modify, withdraw, revoke or suspend tax exemptions and subsidies. The Board is chaired by the Secretary of Finance with the Secretary of Trade and Industry, NEDA Director, and Commissioners of BIR and BOC as members. The NTRC serves as the technical secretariat of the Board.



# The Secretary of Finance



**Roberto F. de Ocampo**



## The Undersecretaries



Romeo L. Bernardo



Ma. Cecilia G. Soriano



Juanita D. Amatong



Milwida M. Guevara



## The Assistant Secretaries



**Antonio P. Belicena**



**Ma. Eleanor F. Dela Cruz**



**Gil S. Beltran**



## The Directors



**Lourdes Z. Santiago**  
*Central Administration Office*



**Ma. Lourdes V. Dedal**  
*Central Financial  
Management Office*



**Soledad Emilia J. Cruz**  
*Corporate Operations Office*



**Crisanta S. Legaspi**  
*Privatization Office*



## The Directors



**Ma. Teresa S. Habitan**  
*Fiscal Policy and  
Planning Office*



**Jeremias N. Paul, Jr.**  
*International Finance  
Policy Office*



**Rosalia C. de Leon**  
*International Finance  
Operations Office*



**Atty. Porfirio B. Villena**  
*Office of the Undersecretary  
PDMSG*



**Atty. Concepcion S. Kimpo**  
*Revenue Office*



**Atty. Thelma A. Mariano**  
*Legal Affairs Office*



## The Bureau Heads



**Commissioner Liwayway V. Chato**  
*Bureau of Internal Revenue*



**Treasurer Caridad Valdehuesa**  
*Bureau of the Treasury*



**Commissioner Servando V. Lara**  
*Economic Intelligence and  
Investigation Bureau*



**Commissioner Guillermo L. Parayno**  
*Bureau of Customs*



**Executive Director Lorinda M. Carlos**  
*Bureau of Local Government Finance*



## The Heads of Attached Agencies



**Chairman Perfecto R. Yasay**  
*Securities and Exchange  
Commission*



**Commissioner Eduardo T. Malinis**  
*Insurance Commission*



**Executive Director Vicente G. Quintos**  
*National Tax Research Center*



**Chairman Margarita G. Magistrado**  
*Central Board of Assessment Appeals*



## The Heads of Attached Corporations



**President Ernest C. Leung**  
*Philippine Deposit Insurance  
Corporation*



**President Victor C. Macalincag**  
*Philippine Export and Foreign Guarantee  
Corporation*



**President Jorge C. Abada**  
*Philippine Crop Insurance Corporation*



## Directory of the Department of Finance Officials including its Bureaus and Attached Agencies

POSITION	NAME	ADDRESS	TEL. NOS.
DEPARTMENT OF FINANCE			
Secretary	Hon. Roberto F. de Ocampo	DOF, 6/F Executive Tower Bldg. Roxas Blvd. cor Vito Cruz Manila 1004	Fax: 521-2948 523-4355, 523-6051 524-7011 Loc. 2211/3009
Undersecretaries	Romeo L. Bernardo	DOF, 5/F Executive Tower Bldg.	Fax: 521-0106
	Int'l Finance Group	Roxas Blvd. cor. Vito Cruz	523-4955, 524-7011
	Corporate Affairs Group	Manila 1004	Loc. 3135/3136
	Ma. Cecilia G. Soriano (on leave up to May 31, 1995)	DOF, 3/F Executive Tower Bldg. Roxas Blvd. cor. Vito Cruz Manila 1004	Fax: 526-4648 526-2298, 524-7011 Loc. 2785
	Juanita D. Amatong (on leave starting June 1, 1995)		
	Policy Dev't. & Mgt. Serv. Group Revenue Operations Group		
Acting Undersecretary	Milwida M. Guevarra Domestic Finance Group	DOF, 3/F Executive Tower Bldg. Roxas Blvd. cor. Vito Cruz Manila 1004	Fax: 526-2260 526-1515
Assistant Secretaries	Antonio P. Belicena Revenue Operations Group	DOF, 3/F Executive Tower Bldg. Roxas Blvd. cor. Vito Cruz Manila 1004	526-1515
	Ma. Eleanor F. Dela Cruz Policy Dev't & Mgt. Serv. Group	DOF, 8/F Executive Tower Bldg. Roxas Blvd. cor. Vito Cruz Manila 1004	526-8459
Acting Asst. Secretary	Gil S. Beltran Domestic Finance Group	DOF, 4/F Executive Tower Bldg. Roxas Blvd. cor. Vito Cruz Manila 1004	Fax: 524-4287 525-3305, 523-3825 524-7011 Loc. 2459
Director IV	Lourdes Z. Santiago Central Administration Office	DOF, 8/F Executive Tower Bldg. Roxas Blvd. cor. Vito Cruz Manila 1004	Fax: 526-7604 526-1265
	Ma. Lourdes V. Dedal Central Financial Mgt. Office	DOF, 8/F Executive Tower Bldg. Roxas Blvd. cor. Vito Cruz Manila 1004	526-0493



POSITION	NAME	ADDRESS	TEL. NOS.
Director IV	Soledad Emilia J. Cruz Corporate Operations Office	DOF, 5/F Executive Tower Bldg. Roxas Blvd. cor. Vito Cruz Manila 1004	525-7427, 524-7011 Loc. 3158
	Crisanta S. Legaspi Privatization Office	DOF, 5/F Executive Tower Bldg. Roxas Blvd. cor. Vito Cruz Manila 1004	523-5143, 524-7011 Loc. 3177
Acting Director IV	Ma. Teresa S. Habitan Fiscal Policy & Planning Office	DOF, 5/F Executive Tower Bldg. Roxas Blvd. cor. Vito Cruz Manila 1004	Fax: 524-4287 525-3305, 523-3825
	Jeremias N. Paul, Jr. Int'l. Finance Policy Office	DOF, 5/F Executive Tower Bldg. Roxas Blvd. cor. Vito Cruz Manila 1004	521-8584, 524-7011 Loc. 2875
	Rosalia C. de Leon Int'l. Finance Operations Office	DOF, 5/F Executive Tower Bldg. Roxas Blvd. cor. Vito Cruz Manila 1004	524-7011 Loc. 2875
	Porfirio B. Villena, Jr. Office of the Undersecretary Policy Dev't. & Mgt. Serv. Group	DOF, EDPC Bldg. Roxas Blvd. cor. Vito Cruz Manila 1004	526-6924
	Concepcion S. Kimpo Revenue Office	DOF, Podium Exec. Tower Bldg. Roxas Blvd. cor. Vito Cruz Manila 1004	526-8458
	Thelma A. Mariano Legal Affairs Office	DOF, 4/F Executive Tower Bldg. Roxas Blvd. cor. Vito Cruz Manila 1004	526-8468
Director III	Helena B. Habulan Corporate Operations Office	DOF, 5/F Executive Tower Bldg. Roxas Blvd. cor. Vito Cruz Manila 1004	524-7011 Loc. 2213
Acting Director III	Fidel G. Condrada Legal Affairs Office	DOF, 5/F Executive Tower Bldg. Roxas Blvd. cor. Vito Cruz Manila 1004	526-0519
	Rogelio A. Casiguran, Jr. Revenue Office	DOF, Podium Exec. Tower Bldg. Roxas Blvd. cor. Vito Cruz Manila 1004	526-0531
Acting Dep. Exec. Dir.	Uldarico P. Andutan, Jr. One-Stop-Shop Tax Credit and Duty Drawback Center	DOF, 5/F Executive Tower Bldg. Roxas Blvd. cor. Vito Cruz Manila 1004	Fax: 526-2281 526-2290/98, 526-2260



POSITION	NAME	ADDRESS	TEL. NOS.
BUREAU OF INTERNAL REVENUE			
Commissioner	Liwayway Vinzons-Chato	National Internal Revenue Bldg. Diliman, Quezon City	Fax: 922-4894 929-7602
Deputy Commissioner	Victor A. Deoferio	National Internal Revenue Bldg. Diliman, Quezon City	Fax: 921-6091 922-192
	Rene G. Bañez	National Internal Revenue Bldg. Diliman, Quezon City	Fax: 922-9345 921-4324
	Beethoven L. Rualo	National Internal Revenue Bldg. Diliman, Quezon City	929-7676
BUREAU OF CUSTOMS			
Commissioner	Guillermo L. Parayno, Jr.	Bureau of Customs Bldg. Port Area, South Harbor, Manila	527-4511
Deputy Commissioner	Licerio C. Evangelista	Bureau of Customs Bldg. Port Area, South Harbor, Manila	527-1933
	Cesar Z. Dario	Bureau of Customs Bldg. Port Area, South Harbor, Manila	527-4537
	Titus B. Villanueva	Bureau of Customs Bldg. Port Area, South Harbor, Manila	527-4507
	Luciano N. Millan, Jr.	Bureau of Customs Bldg. Port Area, South Harbor, Manila	527-4602
BUREAU OF THE TREASURY			
Treasurer of the Phils.	Caridad Valdehuesa	Palacio Del Gobernador Bldg., Intramuros, Manila	Fax: 527-3822 527-3129
Deputy Treas. of the Phils.	Alberto D. Buyawe	Palacio Del Gobernador Bldg., Intramuros, Manila	527-3121
	Eduardo S. Mendiola	Palacio Del Gobernador Bldg., Intramuros, Manila	527-3152



POSITION	NAME	ADDRESS	TEL. NOS.
BUREAU OF LOCAL GOVERNMENT FINANCE			
Executive Director	Lorinda M. Carlos	7/F, Palacio Del Gobernador Bldg., Intramuros Manila	Fax: 527-2780 530-1244, 527-7641 to 48 Loc 203
Deputy Director	Angelina M. Magsino	7/F, Palacio Del Gobernador Bldg., Intramuros Manila	527-7646 Loc. 205
ECONOMIC INTELLIGENCE AND INVESTIGATION BUREAU			
Commissioner	Servando V. Lara	Camp Aguinaldo EDSA, Quezon City	Fax: 911-7821 911-7841
Deputy Commissioner	Federico A. Macabasco	Camp Aguinaldo EDSA, Quezon City	Fax: 911-7821 911-7841
SECURITIES AND EXCHANGE COMMISSION			
Acting Chairman	Perfecto R. Yasay, Jr.	SEC Bldg., EDSA Greenhills Mandaluyong City	Fax: 722-0990 704-757, 774-543
Associate Commissioner	Fe Eloisa C. Gloria	SEC Bldg., EDSA Greenhills Mandaluyong City	788-459,701-911
	Merle O. Manuel	SEC Bldg., EDSA Greenhills Mandaluyong City	796-158
	Rodolfo L. Samarista	SEC Bldg., EDSA Greenhills Mandaluyong City	796-158
INSURANCE COMMISSION			
Commissioner	Eduardo T. Malinis	Insurance Commission Bldg. UN Ave., Manila	Fax: 522-1434 583-534, 599-221
NATIONAL TAX RESEARCH CENTER			
Executive Director	Vicente G. Quintos	Leland Bldg., Port Area Manila	Telefax: 527-2049 527-2065



POSITION	NAME	ADDRESS	TEL. NOS.
Deputy Director	Alejandro C. Flores	Leland Bldg., Port Area Manila	Telefax: 527-2049 527-2065
	Lina D. Isorena	Leland Bldg., Port Area Manila	Telefax: 527-2049 527-2065
CENTRAL BOARD OF ASSESSMENT APPEALS			
Chairman	Margarita G. Magistrado	DOF, 8/F Executive Tower Bldg. Roxas-Blvd. cor. Vito Cruz Manila 1004	526-8469
Member	Eleanor A. Santos	DOF, 8/F Executive Tower Bldg. Roxas Blvd. cor. Vito Cruz Manila 1004	526-8469
PHILIPPINE DEPOSIT INSURANCE CORPORATION			
President	Ernest C. Leung	2223 Pasong Tamo Makati City	818-0404 Loc. 801 817-7445
Sr. Vice-President	Rosalinda U. Casiguran	2223 Pasong Tamo Makati City	818-0404 Loc. 810
	Cesar Octavious V. Parlade	2223 Pasong Tamo Makati City	818-0404 Loc. 710
	Nievelena V. Rosete	2223 Pasong Tamo Makati City	818-0404 Loc. 700
PHILIPPINE EXPORT AND FOREIGN LOAN GUARANTEE CORPORATION			
President	Victor C. Macalincag	Executive Center Bldg. Gil Puyat Ave., Makati City	Fax: 895-1416 895-1506, 895-1507
Executive Vice-President	Jesus M. Tañedo	Executive Center Bldg. Gil Puyat Ave., Makati City	896-4515



POSITION	NAME	ADDRESS	TEL. NOS.
PHILIPPINE CROP INSURANCE CORPORATION			
President	Jorge C. Abada	VAG Bldg., Ortigas Ave. San Juan Metro Manila	Fax: 727-1291 721-0833
Executive Vice-President	Bienvenido P. Faustino	VAG Bldg., Ortigas Ave. San Juan Metro Manila	721-5461 to 65 712-0831 to 35
FISCAL INCENTIVES REVIEW BOARD			
Chairman	Hon. Roberto F. de Ocampo	DOF, 6/F Executive Tower Bldg. Roxas Blvd. cor. Vito Cruz Manila 1004	Fax: 521-9495 523-4255, 523-6051, 524-7011 Loc. 2211/3009



# Work Distribution and Organizational Chart

