



# LEGISLATIVE RESEARCH SERVICE

## KEY POINTS OF PLENARY PROCEEDINGS

*Second Regular Session, 19<sup>th</sup> Congress*

### **Session No. 38**

### **Tuesday, 12 December 2023**

#### **1. Proposed Senate Resolution No. 790 under Committee Report No. 119**

Resolution Concurring in the Ratification of the Agreement Between the Government of the Republic of the Philippines and the Government of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income

#### **Sponsorship Speech of Senator Marcos**

Senator Marcos informed the Body that the total bilateral trade between the Philippines and Brunei amounted to US\$607.40 million. Based on 2023 estimates, 22,932 Filipinos live and work in Brunei Darussalam.

The Sponsor highlighted the salient features of the Philippines-Brunei Double Taxation Avoidance Agreement (DTAA), which include, among others:

- Business profits will be taxed only in the state where the company is doing business unless that company has a permanent establishment in the other state;
- Independent personal services, such as professional services by lawyers, engineers, etc., shall be taxed only in the worker's state of residence, provided he does not stay for an aggregate period of over 183 days in any 12-month period;
- Professors, teachers, and researchers who teach or research, upon the invitation of any educational institution in the other contracting state, shall be exempt from that state's income tax;
- Cross-border remittances for a student's or a trainee's maintenance, education, study, or training shall be exempt from tax and on the grants, allowances, and awards given abroad;
- The DTAA has a nondiscrimination provision to ensure that taxpayers are not subjected to unfair treatment or denied benefits solely on the basis of their nationality or residence and mandates the exchange of information between the contracting parties to help prevent tax evasion;

- The DTAA will also encourage cross-border trade and investments between the two countries and provide clarity and certainty in the manner by which each state will treat and levy income taxes, enabling businesses and investors from both nations to finance and develop their businesses; and
- The DTAA will foster people-to-people exchanges between professional academics, students, businessmen, and workers, encouraging close personal ties between two good neighbors.

**Motion of Senator Villanueva that the cosponsorship speech of Senator Legarda be inserted into the *Record***

**Motion of Senator Villanueva that his cosponsorship speech be inserted into the *Record***

**Manifestation of Senator Legarda**

Senator Legarda recalled that there have been many treaties on double taxation, which the Senate has already passed, but many pending treaties still need to be ratified. She then urged the Executive Department, the Department of Foreign Affairs, in particular, to negotiate with all the pending countries where the negotiations have yet to be consummated.

**Approved on Second Reading**

**2. Proposed Senate Resolution No. 878 under Committee Report No. 176**

Resolution Concurring in the Ratification of the Agreement on Social Security Between the Government of the Republic of the Philippines and the Government of the Republic of Korea

**Sponsorship Speech of Senator Marcos**

Senator Marcos informed the Body of the key features of the Philippines-South Korea Social Security Agreement (SSA), including, among others:

- Filipinos in South Korea, including dependents of survivors, will be equally eligible for social security benefits as South Korean nationals;
- South Korean nationals who migrate to the Philippines may continue to receive benefits from the South Korean Social Security System even as Filipinos qualified for SSS or GSIS benefits may opt to receive them as they leave South Korea;
- There will be a totalization of insurance periods, which will help those unable to complete the required and extended insurance period under the South Korean and Philippine Social Security System to still qualify for social security benefits from either of the two countries; and
- OFWs who want to avail of the lump sum refund of their social security payments at the end of their employment contract in South Korea may still opt to do so.

**Motion of Senator Villanueva that his cosponsorship speech be inserted into the *Record***

**Motion of Senator Villanueva that the cosponsorship speech of Senator Legarda be inserted into the *Record***

**Approved on Second Reading**

### **3. Senate Bill No. 2449 under Committee Report No. 137**

An Act Providing for Organizational Reforms in the Philippine National Police, Amending for The Purpose Republic Act No. 975, Otherwise Known as the "Department of the Interior and Local Government Act of 1990", as Amended, and Republic Act No. 8551, Otherwise Known as "Philippine National Police Reform and Reorganization Act of 1998"

Sponsor : Sen. Ronald "Bato" Dela Rosa

#### **Interpellation of Senator Cayetano (A)**

Senator Cayetano (A) inquired how important the Internal Affairs Service (IAS) is to the PNP organization and whether there is anything in the proposed measure that would strengthen the office; Senator Dela Rosa stated that the present setup of the IAS was actually patterned after the setup of other police agencies in Europe and the United States of America and that he does not find any weakness of the office as long as the people assigned to the office are vetted properly, true to their mandate, and committed to their work. However, he believed it would be better to strengthen the office than create another office outside the PNP.

The Sponsor admitted that compared to the Armed Forces of the Philippines, the PNP is more prone to political intervention, as he lamented how politics played a role in the assignment of chiefs of police in some local government units. He wished that the decision of the PNP leadership insofar as assignments of police officers in the localities are concerned were respected.

Senator Cayetano (A) noted that there were two built-in mechanisms in the existing law supposedly to address the concerns raised by the Sponsor: 1) in the assignment of police officers in LGUs, the PNP leadership submits five names from which the local executive would choose; and 2) the National Police Commission (NAPOLCOM) which has the authority to withdraw the delegated authority of operational control from the local executive.

Senator Cayetano (A) maintained that strengthening the IAS would protect the personnel assigned to it. Thus, they could discharge their duties without fear or favor. He then asked the Sponsor to consider placing the IAS directly under either the Chief PNP or the NAPOLCOM. The Sponsor added the need to introduce measures that would make the IAS attractive to quality officers by offering, for instance, better remuneration.

As regards the term of office of the Chief PNP, which, as observed by Senator Cayetano (A), has been too short to implement reforms or projects, Senator Dela Rosa cited the amendatory provision of the bill, which proposes a fixed term of two years, unless relieved by the President.

Regarding the ratio of police to the public and whether the government should spend more on technology and reduce police presence, the Sponsor pointed out that the current police-to-population ratio is 1:525, which is close to the ideal ratio. Still, he believes that the government should invest more in technology and, at the same time, increase police manpower so that with both measures, there would be more police visibility and promote confidence-building, as pointed out by Senator Cayetano (A).

As part of reforms, Senator Cayetano (A) asked the Sponsor to consider the proposal of uplifting the stature of the PNP and increasing the benefits of its personnel, including the non-uniformed personnel, for instance, retirement benefits and housing, among others. He said he would also like the Department of Education (DepEd) to teach the children about the police.

### **Interpellation of Senator Go**

Senator Go expressed his support for the proposed measure, which, he noted, aims to enhance police operations efficiency and effectiveness.

Senator Go then asked if the stakeholders were consulted in drafting the proposed bill, especially in the proposal to increase the retirement age from 56 to 57. He also revealed the information he got that there were several PNP personnel who filed for early retirement for fear that the current benefits would be reduced.

In reply, Senator Dela Rosa clarified that the retirement age adjustment from 56 to 57 was to synchronize it with the retirement age of the AFP, and he assured that the adjustment would not reduce the retirement benefits currently enjoyed by retiring PNP personnel. He added that by way of an amendment, the proposed measure offers those who have less than one year in the service upon the effectivity of the Act the option to retire at the age of 56 without any reduction of retirement benefits. He maintained his position that the proposed MUP bill, which is still pending, would not affect those in the active service and those who already retired. He expressed confidence that the bill under consideration would be passed ahead of the proposed MUP.

Regarding redundancy of positions, Senator Go cited the area police commands headed by three-star generals, like the Metro Davao District Office, under which is the Davao City Police Office headed by a police colonel who, in turn, is under the regional director, a junior officer. In reply, the Sponsor explained that the Davao City Metropolitan Police Command was envisioned to take care of the Metro Davao Development Authority, governed by a new law that the PNP is lukewarm to implement because of redundancy.

On the status of promotion in the PNP, asked how the proposed measure would improve the process, Senator Dela Rosa replied that, as proposed in the bill, "any personnel designated to any key position whose rank is lower than that which is required for such position shall, UPON RECOMMENDATION OF THE

COMMISSION, be entitled to a rank adjustment corresponding to the position. He added that under RA 8551, less than one year before retirement is a prohibition for one to occupy a position that calls for a higher rank except for the Chief PNP.

On the authority of local chief executives under RA 8551 to choose the chief of police from among the five nominees, Senator Dela Rosa replied that said provision was removed under the proposed measure. Still, he would reintroduce it in consideration of the position of Senator Gatchalian, to which he agreed.

Senator Gatchalian maintained that peace and order is a shared responsibility of both the LGU and the PNP.

### **Manifestation of Senator Go that he be made a coauthor of Senate Bill No. 2449**

#### **Interpellation of Senator Poe**

Asked by Senator Poe to clarify the provision in the bill which granted the PNP Chief the power to designate and assign PNP officers in various key positions, Senator Dela Rosa explained that under the current system, in the case of the chief of police, the provincial police director submits a list of five recommendees from which the mayor will choose; in the case of provincial police director, the regional police director submits a list of three recommendees from which the provincial governor will choose. Thus, there must be concurrence of the local chief executives as far as the selection of the chief of police and provincial police director. The Sponsor stated that he would propose deleting this particular provision—even if he felt strongly against it—because some Members are hesitant to disturb the present status.

However, Senator Poe suggested retaining the provision with some criteria because she does not want local chief executives to influence law enforcement in the locality. She said that the provision provides a system of checks and balances.

On another matter, Senator Poe questioned why PNP Academy cadets are entitled to salaries of the rank of Police Executive Master Sergeant, and, along with the reorganization, how much would be the budgetary requirement. Senate President Zubiri explained that the PNP cadets' entitlement to salaries was patterned after the PMA cadets' entitlement. The Sponsor added that it is one way of uplifting the stature of the PNP as espoused by Senator Cayetano (A) as he further assured that the additional budgetary requirement is negligible.

Regarding PNP personnel under investigation or charged with a crime or grave administrative case, Senator Dela Rosa confirmed that they will be confined to the barracks even if they are still under investigation.

#### **Interpellation of Senator Gatchalian**

Senator Gatchalian inquired if the People's Law Enforcement Board (PLEB) would be retained under the proposed measure. Senator Dela Rosa replied in the affirmative.

Senator Gatchalian expressed his support for the proposed amendment to retain the old tradition of allowing the local chief executive to choose from a list the potential chief of police, proposing further that those in the list should be carefully vetted and should not be changed because, to him, this is a way of strengthening the system of checks and balance within local politics, as well as national administration.

### **Interpellation of Senator Go (continuation)**

Commenting on the proposal to maintain the status quo regarding the concurrence of local executives insofar as the designation of the chief of police in their area, Senator Go pointed out that there is yet no policy on who is responsible for paying or providing the logistical and funding requirements for policing the community, municipal or city level; thus, it is important to clarify in the law that the beneficiary of the services should shoulder all the expenses instead of leaving it solely at the discretion of the local chief executive. In reply, the Sponsor pointed out that the Local Government Code did not devolve police functions to the local government unit. He agreed not to remove the power of the local chief executives to select the chief of police of their locality to ensure that local support in terms of logistics, among others, would continue.

### **Interpellation of Senator Pimentel**

Senator Pimentel asked for a clarification on the purpose of the command group. The Sponsor explained that under existing laws (RA 6975 and RA 8551), the command group is composed of the Chief PNP himself and the three officers under him for purposes of succession, namely, the Deputy Chief for Administration who is in charge of the administrative affairs of the PNP, the Deputy Chief for Operations who is in charge of the operations of the whole PNP, and the Chief Directorial Staff, the one controlling all the directorial staff of the PNP – from personnel up to logistics, finance, and all the directorial staff. He stated that the Directorial Staff, which serves as the Cabinet of the Chief PNP, comprises 11 directorates, all headed by two-star police generals.

Senator Pimentel stated that earlier, it was mentioned that since the tenure in office of the Chief PNP is too short, his programs may not be implemented. However, he believed this should not be a concern because with the Directorial Staff acting as the Cabinet, there should be short-term, medium-term, and long-term plans for the PNP. In reply, Senator Dela Rosa stated that through the Center for Policy Strategy Management (CPSM), plans and programs are formulated and are covered by NAPOLCOM resolutions. However, he admitted that once a new Chief PNP comes in, his ideas usually take precedence over those programs and plans since they are recommendatory in nature. It is up to the Chief PNP whether or not he would implement them. The Sponsor pointed out that the 11 directorates comprising the Directorial Staff have their respective functions distinct from the others, and two-star generals head them.

As regards the operation unit of the Intelligence Group, Senator Dela Rosa stated that it is directly under the Chief PNP, but the functional supervision belongs to the Deputy Chief for Operations; insofar as regional and provincial intelligence, it is under the regional director and the provincial director, respectively. He said that a more detailed explanation of how the different units/groups function and

the manner of supervision are found in the relevant NAPOLCOM resolutions. He said that all the special police, which include the Internal Affairs Office, are directly under the Office of the Chief PNP.

Senator Pimentel questioned why there were units of offices headed by a police brigadier general and even higher that were created even without a law. Senator Dela Rosa replied that when these units were created, it was stated then that the commander would only be full colonel, but in coordination with the DILG, NAPOLCOM, and the PNP, the DBM included a provision in the General Appropriations Act of 2023, specifically Section 92 thereof, to address said issue.

Asked if the bill intends to remove from the NAPOLCOM the authority to create an office, Senator Dela Rosa replied in the affirmative.

As to why, under the bill, the Civil Service Commission would no longer be among those that would endorse the appointments made by the Chief PNP, the Sponsor replied that it was to simplify the process, and the CSC did not interpose any objection.

Senator Dela Rosa affirmed Senator Pimentel's observation that the proposal is to provide the Chief PNP a fixed term of two years but not to exceed four years, adding that he would no longer insist on the proposed proviso that concerns the present Chief PNP.

#### **4. Privilege Speech of Senator Padilla**

Senator Padilla informed the Body that last Friday, he had a meeting with CDR Dennis S. Resuello PN (GSC) at the office of the Naval Air Wing in Naval Base Heracleo Alano, Sangley Point, Cavite City, and their discussion centered on the situation currently prevailing in the West Philippine Sea and the challenges they face when they conduct resupply mission for the troops in the area. He said that part of that discussion was the Navy's very urgent need for modern equipment, which includes the Multipurpose Amphibian Aircraft (MPAA), an aircraft capable of taking off and landing on air and water. It would help the Navy conduct resupply missions faster and without need of escorts.

He added that the MPAA would be very effective in supporting the conduct of Humanitarian Assistance and Disaster Response (HADR), Rapid Damage Assessment and Needs Analysis (RDANA), Search and Rescue (SAR) in the sea, maritime air surveillance (MAS), intelligence surveillance and reconnaissance (ISR), and other missions on the different islands of the country.

Senator Padilla then asked that the purchase of the MPAA be given priority for the Philippine Navy.

## **5. Conference Committee on Senate Bill No. 2426/House Bill No. 8525**

The following members were designated as the Senate conferees to the Bicameral Conference Committee on the Disagreeing Provisions of Senate Bill No. 2426 and House Bill No. 8525:

Chairperson	-	Sen. Sonny Angara
Members	-	Sen. Nancy Lourdes S. Binay and Sen. Aquilino "Koko" Pimentel III

## **6. Motion of Senator Ejercito for the creation of the Subcommittee on Games and Amusement to hear Senate Bill No. 2061 with Sen. Raffy T. Tulfo as Chairperson**

**The session was adjourned at 6:57 p.m.**