

XI. DEPARTMENT OF FINANCE

A. OFFICE OF THE SECRETARY

STRATEGIC OBJECTIVES

SECTOR OUTCOME

1. Fiscal Strength
2. Resilient and Inclusive Financial System
3. Good Governance

ORGANIZATIONAL OUTCOME

1. Fiscal Sustainability Attained
2. Asset and Debt Effectively Managed

PERFORMANCE INFORMATION

KEY STRATEGIES

1. Desired Revenue to Gross Domestic Product ratio attained
2. Prudent liability management
3. Effective management of government assets and liabilities
4. Improved fiscal performance of Local Government Units (LGUs) to support local development projects and delivery of basic services
5. Effective international finance management through strategic mobilization and allocation of funds
6. Establish the country at the forefront of international and regional economic finance cooperation

ORGANIZATIONAL OUTCOMES (Oos) / PERFORMANCE INDICATORS (PIs)	BASELINE	2017 TARGETS
Fiscal Sustainability Attained		
Improved tax effort	FY 2011-12. 4%: FY 2012-12. 9%: FY 2013-13. 3%: FY 2014-13. 6%: FY 2015-13. 7%	17. 5%
Sustained country's position at the forefront of international and regional economic finance cooperation, through participation in international meetings / treaty negotiations (e.g. APEC & ASEAN)	FY 2011-4: FY 2012-4: FY 2013-4: FY 2014-4	6
Transparency initiative for mining industry	FY 2014-100%: FY 2015-100%	100%
Asset and Debt Effectively Managed		
Sustained dividend collection from GOCCs	FY 2011-P 5. 5 B: FY 2012-P 5. 5B: FY 2013-P 5. 5B	P 10. 0 Bn

Amount of loans with concessional terms increased or amount of concessional loans maximized	FY 2011-US\$1.5 Billion: FY 2012-US\$2.0 Billion: FY 2013-US\$4 Billion (This includes requirements to finance Yolanda post disaster reconstruction)	Values of foreign loans and grants (> or = US\$ 500 Million)
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FY 2011-7: FY 2012-15: FY 2013-12 foreign loans	Number of foreign loans and grants negotiated (> = 7)
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MAJOR FINAL OUTPUTS (MFOs) / PERFORMANCE INDICATORS (PIs)

2017 Targets

MFO 1: FINANCIAL SECTOR AND FISCAL POLICY SERVICES (DOMESTIC AND INTERNATIONAL)

Number of plans and policy advisories developed and issued or updated and disseminated	5
Percentage of stakeholders who rate DOF plans/policy advisories as good or better	80%
Percentage of plans and policy advisories that have been updated, issued and disseminated within the last 3 years	80%

MFO 2: PUBLIC SECTOR FINANCIAL RESOURCES MANAGEMENT SERVICES

Revenue Integrity Protection and Services

Number of personnel investigated	108
Number of personnel charged with OMB or CSC	55
Percentage of personnel charged by appropriate authority over the number of personnel investigated	51%
Percentage of investigation completed within the prescribed period	100%

GOCC Monitoring

Amount collected as dividend from GOCCs	P 10.0 Billion
Dividend from GOCCs collected within the prescribed period	100% collection by 4th Q
Percentage of dividend collected over target dividend	100%

Negotiation of International Loans

Value of foreign loans and grants negotiated	> = US\$ 500 M
Number of foreign loans and grants negotiated	> = 7
Percentage of ODA loans obtained annually compliant to the Weighted Average Grant Element as set under the law	100%

MFO 3: MUNICIPAL DEVELOPMENT FUND ADMINISTRATION SERVICES

Number of applications for grants and loans acted upon	40
Number of grants and loans approved	30
Number of loans and grants under management	170
Value of loans and grants under management	850.82 Million
Percentage of loans with one or more interest payments in arrears by 30 days or more	10%
Percentage of applications acted upon within 2 weeks	100%
Percentage of borrowers that are default on an interest or principal repayment after one (1) month grace period	10%

B. BUREAU OF CUSTOMS

STRATEGIC OBJECTIVES

SECTOR OUTCOME

1. Fiscal Strength
2. Enhancement of Trade and National Security

ORGANIZATIONAL OUTCOME

1. Revenue Collection Improved
2. Secured Trade Facilitation by International Standards Achieved

PERFORMANCE INFORMATION

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)	BASELINE	2017 TARGETS
Revenue Collection Improved		
Collection targets increased		10% increase in the actual cash collection over last year 40% increase in the proceeds of sale from forfeited and abandoned goods over last year
Secured Trade Facilitation by International Standards Achieved		
Ranking / Rating in cargo clearance process improved		Number of documents on exports and imports decreased: < / =5 export docs; < / =6 import docs Run After the Smugglers (RATS) cases filed annually
MAJOR FINAL OUTPUTS (MFOs) / PERFORMANCE INDICATORS (PIs)		2017 Targets

MFO 1: COLLECTION OF DUTIES AND TAXES

Collection Performance

Amount of duties and taxes	467,896 M
Number of entries filed containing commercial goods	750,000
Estimated potential customs tax effort	3.3%
Percentage of inspections resulting in 10% or greater increase in assessment of duties or taxes	2%
Percentage of customers whose goods are cleared that rate the service as good or better	100%
% of prosecutions that result in a favorable 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 favorable 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	450
Percentage of actions that result in favorable 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 Warehousing Operations

Volume of imported goods entered for warehousing and to special economic zones	310,000 MT
Percentage of customers who report irregularities with respect to their stored goods	0%
Percentage of customers who rate the service as good or better	90%
Percentage of customers who rate timeliness of access to facilities as good or better	95%
Percentage of shipments entered for warehousing legally withdrawn for various purposes within the prescribed period	100%

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

C. BUREAU OF INTERNAL REVENUE

STRATEGIC OBJECTIVES

SECTOR OUTCOME

Fiscal Strength

ORGANIZATIONAL OUTCOME

Internal Revenue Collection Improved

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. Build and deploy contemporary information technology systems, processes and tools
6. Improve integrity, competence, professionalism and satisfaction of human resources
7. Optimize management of resources

ORGANIZATIONAL OUTCOMES (Oos) / PERFORMANCE INDICATORS (PIs)	BASELINE	2017 TARGETS
Internal Revenue Collection Improved		
Collection Target Attained	2012: 99.23%, 2013: 97.05%	+ / - 2% (P1.723B) (based on Medium Term Revenue Program as of December 18, 2013)
Percentage in number of New Registered Business TPs Increased (Individual and Non-Individual)	2012: 7.59%, 2013: 8.11%	10%
Frequency of Filing of RATE Cases with the Department of Justice (DOJ)	2012: 57 cases filed, 2013: 64 cases filed	3 cases filed per month (36 cases filed for the year)

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

2017 Targets

MFO 1: TAX COLLECTION SERVICES

Collection Performance

Collection Performance

1, 829, 249, 000, 000

Collection Growth

Collection Growth

12. 9%

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

D. BUREAU OF LOCAL GOVERNMENT FINANCE

STRATEGIC OBJECTIVES

SECTOR OUTCOME

Fiscal Strength

ORGANIZATIONAL OUTCOME

Fiscal sustainability of LGUs strengthened

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

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)

BASELINE

2017 TARGETS

Fiscal sustainability of LGUs strengthened

Ratio of LGU expenditures over total income

2012 : 0.75

Ratio is < or = 1

Percentage of total actual collections of LGUs from local taxes and other locally generated revenue sources versus targets

2012: 108.54%

Collection efficiency is > or = 95%

2013: 84.33% (preliminary only since processing of SRE reports of LGUs for CY 2013 is still ongoing)

Number of LGUs not exceeding 20% of their regular income for debt servicing (Sec. 324 (b) of RA 7160) 2013: 99.3% (Actual)

No. of LGUs is > or = 95% of the total number of provinces, cities and municipalities nationwide

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

2017 Targets

MFO 1: REGULATION OF LGU FINANCIAL MANAGEMENT

Number of directives, guidance notes, policies and procedures issued	459
Number of compliance reviews carried out	2,763
% 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	10%

E. BUREAU OF THE TREASURY

STRATEGIC OBJECTIVES

SECTOR OUTCOME

Fiscal Strength

ORGANIZATIONAL OUTCOME

1. Efficiency in cash management improved
2. Efficiency in debt management improved

PERFORMANCE INFORMATION

KEY STRATEGIES

1. Maximize income earned from BTr-managed funds
2. Prudent liability management
3. Effective management of government assets
4. Enhanced business processes through 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

ORGANIZATIONAL OUTCOMES (Oos) / PERFORMANCE INDICATORS (PIs)	BASELINE	2017 TARGETS
Efficiency in cash management improved		
Adequacy of cash holdings ensured	BSP; PhilPASS, TRAMS	Maintain a sufficient cash buffer to cover deviations from the cash forecast
Yield / returns on cash balances of NG maximized	Cash Operation Report (COR)	Earn at the rate of 1.5% per annum on NG cash balances NG Average Interest Rate: (Year, USD Rate, PHP Rate): 2012, - , 2.3018%; 2013, - , 1.5957%; 2014, 0.0614%, 1.73%; Jan 1-May 7, 2015, 0.09%, 2.00%
Efficiency in debt management improved		
Interest payments relative to program maintained	Cash Operation Report (COR)	Actual interest payments < or = latest approved program Interest Savings for 2012-2014 2012 - 1.53% 2013 - 2.65% 2014 - 8.90%
Average Time to Maturity (ATM) maintained	BTr Debt Indicators	ATM of NG debt portfolio maintained above 7 years Average Maturity (residual, in years); 2012 - 2014 2012 - 10.96 2013 - 10.89 2014 - 11.13 As of March 2015 - 11.77
% of foreign borrowings to total borrowing requirements	Cash Operation Report (COR)	< / = 25% Foreign Financing (% of total); 2012 - 2014 2012 - 16.4 2013 - 6.1 2014 - 26.8

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

2017 Targets

MFO 1: CASH MANAGEMENT SERVICES

Fund the budgetary and non-budgetary expenses of NG

% of paid MDS checks replenished within the set schedule

Daily before cut-off time

Interest income on deposits and BSF/SSF investment (In Million Pesos)

27,368

NG income remitted to BTr (In Million Pesos)

22,983

% of replenishment of validated paid MDS checks

100% replenishment

NG income reports submitted within the prescribed schedule

On time submission

MFO 2: MANAGEMENT OF PUBLIC DEBTS

Monitor and service NG Debt

Amount of debt service (In Million Pesos)

649,231

% of matured NG debt paid

100% of NG debt matured

NG debt paid prior to due date

as NG debt fall due

Issuance of government securities

Volume of government securities issued and redeemed (In Million Pesos)

520,817

Average interest rate for the 364-day T-bills maintained over the last three(3) years

3%

Auction of government securities conducted as scheduled

as scheduled

F. CENTRAL BOARD OF ASSESSMENT APPEALS

STRATEGIC OBJECTIVES

SECTOR OUTCOME

Fiscal Strength

ORGANIZATIONAL OUTCOME

Due process for fair and and equitable real property taxation improved

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 sytem
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

ORGANIZATIONAL OUTCOMES (Oos) / PERFORMANCE INDICATORS (PIs)

BASELINE

2017 TARGETS

Due process for fair and and equitable real property taxation improved

Percentage of cases reviewed during the year that were elevated 25
to the higher court and overturned reduced

0%

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

2017 Targets

MFO 1: ADJUDICATION SERVICES

Number of cases reviewed	35
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. INSURANCE COMMISSION

STRATEGIC OBJECTIVES

SECTOR OUTCOME

Financial Sector Stability and Growth

ORGANIZATIONAL OUTCOME

Insurance Industry Growth and Stability Improved

PERFORMANCE INFORMATION

ORGANIZATIONAL OUTCOMES (Oos) / PERFORMANCE INDICATORS (PIs)

BASELINE

2017 TARGETS

Insurance Industry Growth and Stability Improved

Percentage contribution of the Insurance Industry to the Gross Domestic Product increased

2012: 1.31%

2.5% contribution of the Insurance Industry to the Gross Domestic Product by 2017

2013: 1.72%

Net Worth of Insurance Companies increased

> or = P250 Million

> or = P550M in Net Worth for each Insurance Company by 2017

Percentage of Insurance Companies and MBAs compliant with Risk Based Capital (RBC) framework increased

FY 2012: 75.8%

80% of Insurance Companies and MBAs are compliant with the required RBC hurdle rate by 2017

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

2017 Targets

MFO 1: INSURANCE REGULATION SERVICES

Insurance Licensing Services

Percentage of applications processed with complete documentation	90%
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Percentage of license or permit applications processed within 14 days of receipt	80%
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Number of licenses and permits issued	54,905
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Monitoring

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

Number of entities/reports/disclosures inspected	46,585
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Number of violations of tariff rules and investment requirements detected in the last 3 years	238
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Percentage of entities/reports/disclosures that have been inspected within the prescribed schedule	90%
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NOTE : Exclusive of Targets funded from other sources, e.g. Special Account in the General Fund.

H. NATIONAL TAX RESEARCH CENTER

STRATEGIC OBJECTIVES

SECTOR OUTCOME

Fiscal Strength

ORGANIZATIONAL OUTCOME

Philippine Tax System Improved

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. 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
6. Technical assistance to Congress and other government agencies

ORGANIZATIONAL OUTCOMES (Oos) / PERFORMANCE INDICATORS (PIs)	BASELINE	2017 TARGETS
Philippine Tax System Improved		
Findings and recommendations considered in tax policy reforms	No baseline because the target is dependent on the Legislative Policy Agenda of the DOF / Administration	5 tax studies supportive of tax policy reforms
Monitoring of compliance to AO 31 re Revision of Fees and Charges Improved	P30.54 Billion (2013 Actual Collection)	P6.65 Billion projected additional collection from revised fees and charges P30.54 Billion + (20% X P30.54 Billion)=P36.65 Billion
Applications for Tax Subsidies of GOCCs Evaluated	3 GOCCs	4 GOCCs will apply for tax subsidy (P8 Billion Estimated Tax Subsidy Granted)
Tax Information Dissemination and Taxpayer Awareness Enhanced	N / A	1,000 Recipients of NTRC Publications

MAJOR FINAL OUTPUTS (MFOs) / PERFORMANCE INDICATORS (PIs)	2017 Targets
MFO 1: TECHNICAL ADVISORY SERVICES	
Number of evaluations, studies, tax proposals/tax assessments	45, 37, 16 respectively
Percentage of recommendations adopted	90 %
Percentage of reviews, evaluations and studies delivered on or before the requested date	100 %

I. PRIVATIZATION AND MANAGEMENT OFFICE

STRATEGIC OBJECTIVES

SECTOR OUTCOME

Fiscal Strength

ORGANIZATIONAL OUTCOME

Effective management and disposition of transferred assets/entities and other government properties.

PERFORMANCE INFORMATION

KEY STRATEGIES

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

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)	BASELINE	2017 TARGETS
Effective management and disposition of transferred assets / entities and other government properties.		
Percentage of remittance over the fair market value of the assets disposed increased	% increase of remittance over the fair market value of the assets disposed	
	90% of proceeds (per Sec. 6, Art. III of EO 323)	% increase of remittance over the fair market value of the assets disposed

MAJOR FINAL OUTPUTS (MFOs) / PERFORMANCE INDICATORS (PIs)	2017 Targets
MFO 1: PRIVATIZATION OF GOVERNMENT ASSETS	
Sale/Disposition of assets and other properties assigned by the Privatization Council	
Number of assets sales completed	6
Actual of asset sale proceeds	P740, 375, 000
Actual asset sale proceeds less the estimated market value of assets	0
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	129
Value of assets under management	P51, 960, 539, 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

J. SECURITIES AND EXCHANGE COMMISSION

STRATEGIC OBJECTIVES

SECTOR OUTCOME

1. Resilient and Inclusive Financial System
2. Good Governance

ORGANIZATIONAL OUTCOME

Corporate and Capital Market Structure Strengthened

PERFORMANCE INFORMATION

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)	BASELINE	2017 TARGETS
Corporate and Capital Market Structure Strengthened		
Volume and value of IPOs, securities and corporate bonds registered and value of authorized capital stock and foreign direct investments increased		5% increase from the average of the last three (3) years

Total number of applications for registration, licensure and accreditation processed and approved increased	37,565 (FY 2015 actual registrations approved)	38,692 (3% increase from FY 2015 actual registrations approved)
Total number of regulated entities and individuals monitored and evaluated as compliant with SEC rules and regulations increased	145,058 (FY 2015 actual number of entities / reports / disclosures monitored and evaluated)	149,410 (3% increase from the actual number of entities / reports / disclosures monitored and evaluated)

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

2017 Targets

MFO 1: CORPORATE AND CAPITAL MARKET DEVELOPMENT SERVICES

Policy measures implemented to enhance the regulatory framework and foster continued growth of the capital market in particular and the business sector in general

Number of planned measures promulgated/implemented	10
Percentage of measures promulgated/implemented that are rated good or better	100%
Percentage of measures promulgated/implemented within the prescribed timeframe	100%

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 the prescribed timeframe	100%

MFO 2: CORPORATE AND CAPITAL MARKET REGULATION SERVICES**Registration/Licensing Services**

Number of registrations approved and licenses issued	38,692
Percentage of applications processed pursuant to standard processing procedures and timeframe	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	149,410
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	100%
Percentage of enforcement activities undertaken in accordance with rules, regulations and standards	100%
Percentage of enforcement activities undertaken within standard timeframe	100%