

XI. DEPARTMENT OF FINANCE

A. OFFICE OF THE SECRETARY

STRATEGIC OBJECTIVES

MANDATE

Under Executive Order No. 127, 127-A and 292, the Department of Finance is responsible for the following: 1. Formulation, institutionalization and administration of fiscal policies in coordination with other concerned agencies and instrumentalities of the government; 2. Generation and management of the financial resources of the government; 3. Supervision of the revenue operations of all local government units; 4. Review, approval and management of all public sector debt, domestic or foreign; and 5. Rationalization, privatization and public accountability of corporations and assets owned, controlled or acquired by the government.

VISION

1. A strong economy with stable prices and strong growth; 2. A stable fiscal situation with adequate resources for government projects; 3. A borrowing program that is able to avoid the crowding-out effect on the private sector, and minimizes costs; 4. A public sector debt profile with long maturities and optimum mix of currencies that minimizes the impact of currency and interest rate movement; and 5. A strong economic growth with equity and productivity.

MISSION

Our economy must be one of the most dynamic and active in the world, globally competitive and onward looking. The DOF shall take the lead in providing a solid foundation for the achievement of the objective, by building a strong fiscal position, through the following: 1. Formulation, institutionalization and administration of fiscal policies; 2. Improvement of tax collection efficiency; 3. Mobilization of adequate resources on most advantageous terms to meet budgetary requirements; 4. Sound management of public sector debt; and 5. Initiation and implementation of structural and policy reforms.

KEY RESULT AREAS

Anti-Corruption, Transparent, Accountable, Efficient and Participatory Governance

SECTOR OUTCOME

1. Fiscal Strength; 2. Resilient and Inclusive Financial System; and 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; and 6. Establish the country at the forefront of international and regional economic finance cooperation.

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)

BASELINE

2015 TARGETS

Fiscal Sustainability Attained

Improved tax effort

FY2011: 12.4%; FY2012: 12.9%;
FY2013: 13.3%

Increase of 0.3% over the
previous year

| | | |
|---|---|--|
| Sustained country's position at the forefront of international and regional economic finance cooperation | Recommendation / positions on issues taken up at the various international and regional fora depending on the frequency of meetings attended | Country position on issues presented by Secretary of Finance - majority adopted by other Ministers |
| Transparency initiatives for mining industry | The country has not yet produced an EITI Report | Output / reports on extractive industry (First Report to be published by December 31, 2014) |
| Asset and Debt Effectively Managed | | |
| Sustained dividend collection from GOCCs | FY 2011 P5.5B, FY 2012 P5.5B, FY 2013 P5.5B | P6 Billion (+ / -10%) |
| 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\$2.4 Billion (This includes requirements to finance Yolanda post disaster reconstruction) | Value of foreign loans and grants: (> or = US\$ 500 million) |
| | FY 2011 -7; FY 2012-15; FY 2013- 12 foreign loans | Number of foreign loans and grants negotiated: (> or = 7) |
| MAJOR FINAL OUTPUTS (MFOs) / PERFORMANCE INDICATORS (PIs) | | 2015 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 | | 4 |
| 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 | | 72 |
| Number of personnel charged with OMB or CSC | | 37 |
| Percentage of personnel charged by appropriate authority over the no. of personnel investigated | | > 50% |
| Percentage of investigation completed within the prescribed period | | 100% |
| GOCC Monitoring | | |
| Amount collected as dividend from GOCCs | | P6.0 Billion |
| Dividend from GOCCs collected within the prescribed period | | 100% collection by 4Q |
| Percentage of dividend collected over target dividend | | 100% |
| Negotiation of International Loans | | |
| Value of foreign loans and grants negotiated | | > or = US\$500M |
| Number of foreign loans and grants negotiated | | > or = 7 |
| Percentage of ODA loans obtained annually compliant to the Weighted Average Grant Element as set under the Law | | 100% |
| Percentage of foreign loans and grants negotiated within the agreed schedule | | not applicable |
| MFO 3: MUNICIPAL DEVELOPMENT FUND ADMINISTRATION SERVICES | | |
| Number of applications for grants and loans acted upon | | 55 |
| Number of grants and loans approved | | 40 |
| Number of loans and grants under management | | 459 |
| Value of loans and grants under management | | P2,171.22 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 | | 80% |
| Percentage of borrowers that are default on an interest or principal repayment after one (1) month grace period | | 28% |

B. BUREAU OF CUSTOMS

STRATEGIC OBJECTIVES

MANDATE

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

VISION

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

MISSION

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

KEY RESULT AREAS

Anti-Corruption/Transparent, Accountable and Participatory Governance

SECTOR OUTCOME

Fiscal Strength, Enhancement of Trade and National Security

ORGANIZATIONAL OUTCOME

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

PERFORMANCE INFORMATION

| ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs) | BASELINE | 2015 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)

2015 Targets

MFO 1: COLLECTION OF DUTIES AND TAXES

Collection Performance

| | |
|---|------------------|
| Amount of duties and taxes collected | P456,458 Million |
| Number of entries filed containing commercial goods | 670,000 |
| Estimated potential customs tax effort | 3.05% |
| 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% |
| Percentage of prosecutions that result in a favourable judgment for Government | 80% |
| Percentage of imported goods cleared within 10 days from filing of import declaration | 100% |

Passenger Processing

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

Enforcement

| | |
|---|------|
| Number of enforcement actions (alerts) undertaken | 240 |
| Percentage of actions that result in favourable judgement for Government | 85% |
| Percentage of shipment selected and physically examined or x-rayed resulting to seizures | 15% |
| Percentage of enforcement actions (alerts) completed within 30 days from issuance of alert orders | 100% |

Exports and Warehouse Operations

| | |
|--|-------------|
| Volume of imported goods entered for warehousing and to special economic zones | 210,000 kgs |
| Percentage of customers who report irregularities with respect to their stored goods | 0% |
| Percentage of customers who rate the service as good or better | 85% |
| Percentage of customers who rate timeliness of access to facilities as good or better | 90% |
| Percentage of shipments entered for warehousing legally withdrawn for various puposes within the prescribed period | 10% |

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

C. BUREAU OF INTERNAL REVENUE

STRATEGIC OBJECTIVES

MANDATE

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

VISION

The Bureau of Internal Revenue is an institution of service excellence, a partner in nation-building, manned by globally competitive professionals with integrity and patriotism.

MISSION

The Bureau of Internal Revenue is committed to collect taxes for nation-building through excellent, efficient and transparent service, just and fair enforcement of tax laws, uplifting the life of every Filipino.

KEY RESULT AREAS

Anti-Corruption, Transparent, Accountable and Participatory Governance

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. Improve integrity and accuracy of taxpayer database; 6. Improve integrity, competence, professionalism, and satisfaction of human resources; 7. Improve knowledge management; and 8. Optimize management of resources.

| ORGANIZATIONAL OUTCOMES (Oos) / PERFORMANCE INDICATORS (PIs) | BASELINE | 2015 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) | 2015 Targets | |
| MFO 1: TAX COLLECTION SERVICES | | |
| Collection performance | | P1,722,864,000,000 |
| Collection growth | | 18.3% |

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

D. BUREAU OF LOCAL GOVERNMENT FINANCE

STRATEGIC OBJECTIVES

MANDATE

EO 127: Assist in the formulation and implementation of policies on local government revenue administration and fund management; Assist LGUs in the development and implementation of Real Property Tax Administration (RPTA) projects; Develop plans and programs for the improvement of tax collection enforcement mechanism and credit utilization schemes at the local levels; Exercise administrative and/or technical supervision over local treasury and assessment operations; Exercise line supervision over its regional offices and coordinate regional activities to maximize manpower and financial resources; and Perform such other appropriate functions as maybe assigned.

VISION

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

MISSION

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

KEY RESULT AREAS

Anti-Corruption/Transparent, Accountable and Participatory Governance

SECTOR OUTCOME

Fiscal Strength

ORGANIZATIONAL OUTCOME

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

2015 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)

2015 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 | 70% |

E. BUREAU OF THE TREASURY

STRATEGIC OBJECTIVES

MANDATE

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

VISION

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

MISSION

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

KEY RESULT AREAS

Anti-corruption/transparent, accountable and participatory governance

SECTOR OUTCOME

Fiscal strength

ORGANIZATIONAL OUTCOME

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

PERFORMANCE INFORMATION

KEY STRATEGIES

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

| ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs) | BASELINE | 2015 TARGETS |
|--|---|--|
| Efficiency in cash management improved | | |
| Adequacy of cash holdings ensured | N / A (Not yet adopted) | Cash balance ensured to cover at least one-month programmed deficit, disbursements (MDS, interest expense, etc.), and foreign debt service (Principal payment) |
| Yield / returns on cash balances of NG maximized | 1.5957% (average monthly interest on NG Peso holdings for 2013) | Earn at the rate of 1.4% per annum on NG cash balances |
| TSA fully operationalized by 2016 | N / A (Not yet adopted) | National Payroll Structure adopted for the TSA and serve as a pilot |
| | N / A (Not yet adopted) | Some off-budget accounts of NGAs folded-in to the TSA |
| Efficiency in debt management improved | | |
| Interest payments relative to program maintained | Interest Savings FYs2011-2013: | Interest payments < or = program |
| | 2011 - 13.25% | 97.36% (of program) |
| | 2012 - 1.53% | |
| | 2013 - 2.64% | |
| Average Time to Maturity (ATM) maintained | 10 years | ATM of NG debt portfolio maintained above 7 years |
| % of foreign borrowings to total borrowing requirements | 6% | 20% or lower |

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

2015 Targets

MFO 1: CASH MANAGEMENT SERVICES

Fund the budgetary and non-budgetary expenses of NG

Interest income on deposits and BSF/SSF investment

P30,282,000,000

NG Income remitted to BTr

P23,170,000,000

Amount of paid MDS checks replenished

not available

% Excess of BTr Income from Operations over Target

not available

% of replenishment of validated paid MDS checks

100% replenishment

NG income reports submitted within the prescribed schedule

On time submission

% of paid MDS checks replenished within the set schedule

daily before cut-off time

MFO 2: MANAGEMENT OF PUBLIC DEBTS

Monitor and service NG Debt

Amount of debt service

P859,285,000,000

% of matured NG debt paid

100% of NG debt matured

NG debt paid fifteen (15) working days prior to due date

as NG debt fall due

Issue government securities

Volume of government securities issued and redeemed

P692,632,000,000

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

3.00%

Auction of government securities conducted as scheduled

as scheduled

F. CENTRAL BOARD OF ASSESSMENT APPEALS

STRATEGIC OBJECTIVES

MANDATE

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

VISION

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

MISSION

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

KEY RESULT AREAS

Anti-corruption/transparent, accountable and participatory governance

SECTOR OUTCOME

Fiscal strength

ORGANIZATIONAL OUTCOME

Due process for fair 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 system
4. FAQ on CBAA and LBAA rules and procedures
5. E-bayad internet-based portals to effect a more convenient system of filing of appealed cases before the CBAA

| ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs) | BASELINE | 2015 TARGETS |
|--|----------|--------------|
| Due process for fair and equitable real property taxation improved | | |
| Percentage of cases reviewed during the year that were elevated to the higher court and overturned reduced | 25 | 10%(3) |

| MAJOR FINAL OUTPUTS (MFOs) / PERFORMANCE INDICATORS (PIs) | 2015 Targets |
|---|--------------|
| MFO 1: ADJUDICATION SERVICES | |
| Number of cases reviewed | 32 |
| Percentage of cases reviewed over the last five years whose decisions are overturned by a higher court | 0 |
| Percentage of cases received for adjudication that are resolved within 30 days of receipt of complete documentation | 90% |

G. COOPERATIVE DEVELOPMENT AUTHORITY

STRATEGIC OBJECTIVES

MANDATE

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

VISION

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

MISSION

To ensure the safe and sound operations of cooperatives

KEY RESULT AREAS

Anti-Corruption/Transparent, Accountable and Participatory Governance

SECTOR OUTCOME

Progressive Cooperative Enterprises

ORGANIZATIONAL OUTCOME

Growth and viability of cooperative enterprises improved

PERFORMANCE INFORMATION

KEY STRATEGIES

Efficient Registration of Cooperatives and Mainstreaming of Membership in Cooperatives and provision of Technical Advisory Services
 Effective Regulation of Cooperatives and Enforcement of Cooperative Laws, Rules and Regulations
 Strengthen Governance and Enhance Regulatory Framework

| ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs) | BASELINE | 2015 TARGETS |
|--|------------------------|--------------|
| Growth and viability of cooperative enterprises improved | | |
| Increase in percentage of cooperatives complying with reportorial requirements | 11,889 (FY 2013 data) | 5% |
| Increase in the number of jobs generated by cooperatives | 274,294 (FY 2013 data) | 5% |
| Increase in gross revenue of cooperatives | P53,017,937,242.90 | 5% |

| MAJOR FINAL OUTPUTS (MFOs) / PERFORMANCE INDICATORS (PIs) | 2015 Targets |
|---|--------------|
| MFO 1: TECHNICAL ADVISORY SERVICES | |
| Registration of Cooperatives and Expansion of Membership | |
| Number of technical services rendered | 34,759 |
| Percentage of clients who rate the technical services as good or better | 80% |
| Percentage of technical services rendered within 3 days of request | 80% |
| MFO 2: REGULATION OF COOPERATIVES | |
| Registration | |
| Number of registration applications and renewals/amendments acted upon | 1,705 |
| Number of cooperative registration applicants who rated the registration process as good or better | 70% |
| Percentage of registration applications acted upon within 45 days from date of receipt of complete documents | 80% |
| Monitoring | |
| Number of sites, facilities and financial records monitored and/or inspected with reports issued | 61,616 |
| Percentage change in violations detected | 40% |
| Percentage of cooperatives inspected and/or examined within the year | 80% |
| Enforcement | |
| Number of violations or complaints acted upon and reports issued | 150 |
| Percentage of non-compliant cooperatives complying with sanctions and/or directives | 60% |
| Percentage of violations/complaints acted upon within 15 days after knowledge of violation or upon receipt of complaint | 80% |

H. INSURANCE COMMISSION

STRATEGIC OBJECTIVES

MANDATE

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

VISION

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

MISSION

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

KEY RESULT AREAS

Anti-Corruption/Transparent, Accountable and Participatory Governance

SECTOR OUTCOME

Financial Sector Stability and Growth

ORGANIZATIONAL OUTCOME

Insurance Industry Growth and Stability Improved

PERFORMANCE INFORMATION

| ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs) | BASELINE | 2015 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 2016 |
| | 2013: 1.72% | |
| Net Worth of Insurance Companies increased | > or = P250 Million | > or = P550M in Net Worth for each Insurance Company by 2016 |
| Percentage of Insurance Companies and MBAs compliant with Risk Based Capital (RBC) framework increased | FY 2012: 75.8% (no data yet for FY 2013) | 80% of Insurance Companies and MBAs are compliant with the required RBC hurdle rate by 2016 |
| MAJOR FINAL OUTPUTS (MFOs) / PERFORMANCE INDICATORS (PIs) | | 2015 Targets |
| MFO 1: INSURANCE REGULATION SERVICES | | |
| Insurance Licensing Services | | |
| Number of licenses and permits issued | | 52,290 |
| Percentage of applications processed with complete documentation | | 90% |
| Percentage of license or permit applications processed within 14 days of receipt | | 80% |

| | |
|--|--------|
| Monitoring | |
| Number of target entities/reports/disclosures monitored | 2,504 |
| Percentage of target entities/reports/disclosures monitored for compliance to tariff rules and investment requirements | 90% |
| Percentage of monitored target entities/reports/disclosures reviewed within the year | 90% |
| Enforcement | |
| Number of entities/reports/disclosures inspected | 46,585 |
| Number of violations of tariff rules and investment requirements detected in the last 3 years | 0 |
| Percentage of entities/reports/disclosures that have been inspected within the prescribed schedule | 90% |

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

I. NATIONAL TAX RESEARCH CENTER

STRATEGIC OBJECTIVES

MANDATE

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

VISION

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

MISSION

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

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

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

KEY RESULT AREAS

Anti-Corruption/Transparent, Accountable and Participatory Governance

SECTOR OUTCOME

Fiscal Strength

ORGANIZATIONAL OUTCOME

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. Involvement in Land Administration and Management Project Phase 2-Property Valuation and Taxation Component
- 6. Consultancy to the Executive and Technical Committee on Real Property Valuation pursuant to Department Order No. 6-2010 and BIR Regional Revenue Special Order No. 61-2010
- 7. Technical assistance to Congress and other government agencies

| ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs) | BASELINE | 2015 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 (3+33.3%(3)=4 |
| Tax Information Dissemination and Taxpayer Awareness Enhanced | N / A | P8 Billion Estimated Tax Subsidy Granted 1000 Recipients of NTRC Publications |
| MAJOR FINAL OUTPUTS (MFOs) / PERFORMANCE INDICATORS (PIs) | | 2015 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% |

J. PRIVATIZATION AND MANAGEMENT OFFICE

STRATEGIC OBJECTIVES

MANDATE

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

VISION

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

MISSION

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

KEY RESULT AREAS

Anti-Corruption/Transparent, Accountable and Participatory Governance

SECTOR OUTCOME

Fiscal Strength

ORGANIZATIONAL OUTCOME

Effective management and disposition of transferred assets 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 | 2015 TARGETS |
|--|--|--|
| Effective management and disposition of transferred assets and other government properties | | |
| Percentage of remittance over the fair market value of the assets disposed increased | 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) | 2015 Targets |
|---|-----------------|
| MFO 1: PRIVATIZATION OF GOVERNMENT ASSETS | |
| Sale/Disposition of assets and other properties assigned by the Privatization Council | |
| Number of Assets Sales Completed | 3 |
| Value of Asset Sale Proceeds | P500,000,000 |
| 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 | 131 |
| Value of assets under management | P52,104,861,000 |
| Average change in estimated value of assets under management from beginning of year to end of year or earlier date of sale | 0 |
| Percentage of assets for which the financial accounts are produced within 30 days of the end of the financial year | 8 |

K. SECURITIES AND EXCHANGE COMMISSION

STRATEGIC OBJECTIVES

MANDATE

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

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

VISION

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

MISSION

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

KEY RESULT AREAS

Anti-Corruption/Transparent, Accountable and Participatory Governance

SECTOR OUTCOME

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

ORGANIZATIONAL OUTCOME

Corporate and capital market infrastructure strengthened

PERFORMANCE INFORMATION

| ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs) | BASELINE | 2015 TARGETS |
|--|---|--|
| Corporate and capital market infrastructure 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 | 10,000 (FY 2014 target number of registrations approved and licenses issued based on approved 2014 Physical Plan) | 5% increase from 2014 target (10,500) |
| Total number of regulated entities and individuals monitored and evaluated as compliant with SEC rules and regulations increased | 20,427 (FY 2014 target number of entities monitored and evaluated based on approved 2014 Physical Plan) | 5% increase from 2014 target (21,448) |

| MAJOR FINAL OUTPUTS (MFOs) / PERFORMANCE INDICATORS (PIs) | 2015 Targets |
|---|--------------|
| MFO 1: CORPORATE AND CAPITAL MARKET DEVELOPMENT SERVICES | |
| PI SET 1 - Policy measures implemented to enhance the regulatory framework and foster continued growth of the capital market in particular and the business sector in general | |
| Number of planned measures promulgated/implemented | 6 |
| Percentage of measures promulgated/implemented that are rated good or better | 100% |
| Percentage of measures promulgated/implemented within the prescribed timeframe | 100% |
| PI SET 2 - Technical Assistance | |
| Number of technical assistance rendered | 0 |
| Percentage of clients who rate the technical assistance as good or better | 100% |
| Percentage of requests for technical assistance that are acted upon within the prescribed timeframe | 100% |
| MFO 2: CORPORATE AND CAPITAL MARKET REGULATION SERVICES | |
| Registration/ Licensing Services | |
| Number of registrations approved and licenses issued | 10,500 |
| 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 | 64,345 |
| 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% |