

M. BUDGETARY SUPPORT TO GOVERNMENT CORPORATIONS - OTHERS

New Appropriations, by Purpose

	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
TOTAL NEW APPROPRIATIONS	P	<u>28,606,000</u>		P <u>28,606,000</u>

Special Provision(s) Applicable to All Government-Owned or -Controlled Corporations

1. **Budgetary Support to Government Corporations.** Income and revenues collected by GOCCs from all sources shall be used to cover all its operating requirements. Any deficiency may be augmented by the budgetary support from the National Government, which may either be:

- (a) Subsidy, which shall be used in accordance with the purposes identified in this Act: *Provided*, That unless otherwise stated in the special provisions, subsidy releases may be used by GOCCs which are financially unable to pay for the separation or retirement benefits and incentives resulting from an approved reorganization, merger, streamlining, abolition, or privatization plan under R.A. No. 10149, and other laws and issuances.
- (b) Equity, which shall be used as capital investment of the National Government in accordance with the capitalization requirement under pertinent laws. In no case shall equity investments be used for the payment of salaries, allowances, incentives, and retirement and separation benefits, except in cases authorized by the DBM.

2. **Offsets Against Budgetary Support to Government Corporations.** The appropriations authorized herein may be offset by the BTr against the: (i) corporate payments of cash dividends under R.A. No. 7656; (ii) guarantee fees; (iii) advances for loans relented to corporations; (iv) obligations which are guaranteed by the National Government; and (v) other receivables of the government from the GOCCs.

If the total level of actual revenues at the end of the immediately preceding year, including income from liquid assets such as, but not limited to, interest in cash deposits, short-term and bond investments, and other fund sources of the GOCC, exceed the corresponding projections considered in the formulation of the current year's budgetary support program, the excess may be deducted from said program and the budgetary support may be reduced to the extent of such favorable result.

3. **Prior Years' Subsidy Releases from the National Government.** The GOCCs concerned are hereby authorized to use subsidy released for programs and projects in prior years to cover the additional funding requirements of activities or projects covered by the programs or sub-programs indicated in this Act. Accordingly, they shall prepare a work and financial plan covering the projects or activities to be funded from prior years' subsidies subject to the endorsement of the GOCC's governing board, to be submitted to the DBM for approval.

Implementation of this provision shall be subject to the guidelines issued by the DBM.

4. **Payment of Compensation and Benefits.** Payment of basic salaries, allowances, benefits, and incentives by GOCCs shall be made in accordance with applicable laws, rules, and regulations such as, but not limited to, P.D. No. 985, as amended, R.A. No. 6758, as amended, R.A. No. 10149, E.O. No. 150, s. 2021, Memorandum Order No. 20, s. 2001, and Corporate Compensation Circular No. 10 dated February 15, 1999. In addition, payment of separation or retirement benefits shall be computed in accordance with the rates, conditions, and procedure prescribed under existing separation or retirement laws, and such pertinent guidelines issued thereon.

5. **Submission of Corporate Operating Budgets and Other Related Financial Statements.** All GOCCs, including GFIs, whether or not receiving budgetary support from the National Government, shall prepare their FY 2026 Corporate Operating Budgets (COBs) in accordance with E.O. No. 518, s. 1979, and the procedures and guidelines prescribed by the DBM. Said COBs, together with their supporting financial statements, shall be approved by their governing boards, and submitted to the Secretary of Budget and Management for review and evaluation as part of the budget process pursuant to Section 10, Chapter 4, Title XVII, Book IV of E.O. No. 292, s. 1987. The NEA, NPC, and PNOC shall be governed further by the provisions of R.A. No. 7638.

6. **Implementation of Infrastructure Projects.** The respective heads of GOCCs shall comply with the restrictions on critical geo-hazard areas or no-build zones identified by the Mines and Geosciences Bureau and such other conditions provided under Section 27 of the General Provisions of this Act. In the case of housing projects, the shelter agencies shall likewise adopt and promote the use of new and innovative housing technologies and materials to bring down the cost of housing and reduce any adverse impact of construction on the environment.

7. **Tobacco Fund.** The amount of Five Hundred Fifty Six Million Twenty Seven Thousand Pesos (P556,027,000) shall be used by the National Tobacco Administration (NTA) for its operating requirements sourced from the forty percent (40%) of the balance of the entire collection from the specific taxes on locally-manufactured Virginia-type cigarettes and tariff duties on imported leaf tobacco, after setting aside the share of the LGUs and BIR, in accordance with Section 5 of R.A. No. 4155, as amended by Section 3 of R.A. No. 5447.

Implementation of this provision shall be subject to judicious fiscal programming by the National Government.

Release of funds shall be subject to the submission of a Special Budget Request, and other relevant budgetary requirements in accordance with applicable laws, rules, and regulations.

8. **Proceeds from the Exploration, Development and Exploitation of Energy Resources.** The amount of Eight Billion Pesos (P8,000,000,000) shall be used for the payment of stranded contract costs and stranded debts transferred to and assumed by the Power Sector Assets and Liabilities Management Corporation (PSALM), including anticipated shortfalls in accordance with Section 4 of R.A. No. 11371, sourced from the proceeds of the net national government share from the Malampaya Fund under Section 8 of P.D. No. 910.

Implementation of this provision shall be subject to judicious fiscal programming by the National Government.

Release of funds shall be subject to the submission of a Special Budget Request, and other relevant budgetary requirements in accordance with applicable laws, rules, and regulations.

9. **Remittance of Cash Dividends.** Cash Dividends equivalent to at least fifty percent (50%) of the annual net earnings of GOCCs shall be remitted to the National Treasury as income of the General Fund pursuant to R.A. No. 7656.

10. **Transparency Seal.** To enhance transparency and enforce accountability, and promote systematized access to government information, all GOCCs shall maintain a Transparency Seal to be posted on their websites. The Transparency Seal shall contain the following:

- a) corporation's mandate and functions, names of its officials with their position and designation, and its contact information;
- b) approved COB and corresponding targets including any amount of budgetary support from the National Government;
- c) budgetary adjustment;
- d) annual procurement plan/s and contracts awarded with the winning supplier, contractor, or consultant;
- e) major programs or projects and their target beneficiaries;
- f) status of implementation, evaluation, or assessment reports of said programs or projects;
- g) all subsidy and assistance programs of the government, including details on the manner of the execution, the amounts allocated, and relevant data of the target beneficiaries subject to R.A. No. 10173 or the Data Privacy Act;
- h) Budget and Financial Accountability Reports;
- i) Updated People's Freedom of Information (FOI) Manual signed by head of agency, Updated One-Page FOI Manual, and Agency FOI Reports;
- j) year-end financial reports for the last three (3) fiscal years;
- k) particulars of concessions, permits, or authorizations granted by the GOCC, subject to R.A. No. 10173 or the Data Privacy Act; and
- l) current news and updated events conducted by GOCCs.

GOCCs shall ensure that the content posted under the transparency seal is regularly reviewed, updated, and maintained using internal systems and procedures that support accountability, data integrity, and operational efficiency.

The respective heads of GOCCs and their web administrators or equivalent shall be responsible for ensuring compliance with this requirement.

The DBM shall post on its website the status of compliance of GOCCs. The GOCCs are responsible in ensuring that the contents and data of their posts in their respective official websites and communication channels are searchable for the public's easy access to information regarding matters on public funds.

11. **Fund Releases.** Funds appropriated herein shall be under the administration of the DBM and released directly to the recipient GOCCs through the BTr, subject to the submission of a Special Budget Request, and other relevant budgetary requirements, as applicable, in accordance with applicable laws, rules, and regulations. All requests for fund release either as subsidy or equity investment to GOCCs shall be included in the GOCCs' COB duly approved by their respective governing boards.

12. **Reporting and Posting Requirements.** The GOCC shall submit quarterly reports on their financial and physical accomplishments, within thirty (30) days after the end of every quarter, through the following:

- (a) URS or other electronic means for reports not covered by the URS until such time that all agencies have fully migrated to the BTMS; and
- (b) GOCCs' websites.

The GOCCs shall send written notice when said reports have been submitted or posted on their websites to the DBM, House of Representatives, Senate of the Philippines, House Committee on Appropriations, Senate Committee on Finance, and other offices where the submission of reports is required under existing laws, rules, and regulations. The date of notice to said agencies shall be considered the date of compliance with this requirement.

New Appropriations. by Purpose

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

REGULAR PROGRAMS

BSGC - Others

1. Rest of Budgetary Support to Government-Owned and/or
Controlled Corporations, subject to Section 35, Chapter 5,
Book VI of E.O. No. 292 and Letter of Implementation No. 29

P	28,606,000		P 28,606,000
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Sub-total, BSGC-Others

	28,606,000		28,606,000
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TOTAL NEW APPROPRIATIONS

P	28,606,000		P 28,606,000
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New Appropriations, by Object of Expenditures
(In Thousand Pesos)

Current Operating Expenditures

Maintenance and Other Operating Expenses

Financial Assistance/Subsidy

		28,606
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Total Maintenance and Other Operating Expenses

		28,606
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Total Current Operating Expenditures

		28,606
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TOTAL NEW APPROPRIATIONS

		28,606
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