



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
**FISCAL INCENTIVES REVIEW BOARD**  
MANILA

**RULES AND REGULATIONS TO IMPLEMENT THE SUBSIDY  
PROVISION UNDER EXECUTIVE ORDER NO. 93**

Pursuant to Section 2 (e) of Executive Order No. 93, the following rules and regulations for the availment of subsidy are hereby promulgated:

**RULE 1. BASIC GUIDELINES AND DEFINITIONS**

**SECTION 1. Statement of Policy. -**

(a) It is the policy of the Government to assist Government Entities especially in cases where their operations effectively contribute to the goals of national economic development. Assistance to Government Entities where necessary, however, may be better provided and made more transparent by subsidy and budgetary support rather than tax and duty incentives.

(b) Availment of subsidies shall be granted to Government Entities qualified therefor.

**SEC. 2. For purposes of these rules and regulations. -**

(a) "Government Entities" mean any political subdivision of the Government of the Republic of the Philippines and other government agencies and instrumentalities, including government-owned or-controlled enterprises and their subsidiaries.

(b) "FIRB or Board" means Fiscal Incentives Review Board, created under Presidential Decree No. 776, as amended by Memorandum Order No. 23, composed of: (1) Secretary of Finance - Chairman; (2) Secretary of Trade and Industry; (3) Secretary of Budget and Management; (4) Director-General of the National Economic and Development Authority; (5) Commissioner of Internal Revenue; (6) Commissioner of Customs; and (7) Director of the National Tax Research Center, as members.

(c) "Subsidies" mean any expenditure chargeable against the Tax Expenditures Fund (TEF).

(d) "TEF" refers to the fund in the budgetary program as approved by the Congress which shall be set aside to cover the subsidy support for the Beneficiaries as may be determined by the FIRB.



- (e) "Beneficiaries" mean recipients of subsidy.

RULE II. AUTHORITY OF THE FISCAL INCENTIVES REVIEW BOARD

SECTION 1. The FIRB created under Presidential Decree No. 776, as amended, shall meet regularly at least once a month, or oftener at the call of the Chairman, to discharge the following functions:

- (a) To act on applications for availment of subsidies by qualified Beneficiaries; and
- (b) To require the assistance and cooperation of any appropriate Government and Private Entities in the discharge of its functions.

SEC. 2. Criteria for Approving Applications for Availment of Subsidies.

In approving applications for availment of subsidies, the FIRB shall take into account any or all of the following considerations:

- (a) Effect of subsidy on relative price levels;
- (b) Relative contribution of the Beneficiaries to the revenue generation effort;
- (c) Nature of the activity engaged in by the Beneficiaries;
- (d) Greater national interest to be served;
- (e) Magnitude and source of funding for the system of subsidies;
- (f) Number of eligible Beneficiaries and their proportionate share in the system of subsidies;
- (g) Terms and conditions for the availment of subsidies, including reporting requirements;
- (h) Effect of the system of subsidies on international agreements of the Philippines, including precautions such that the availment of subsidies does not become the basis for countervailing action; and
- (i) Such other considerations as may be determined by the FIRB.



### RULE III. PROCEDURAL GUIDELINES

#### SECTION 1. Application for Availment of Subsidy

a) All requests for the availment of subsidy shall be filed together with the following documents:

- (1) standard application and data from (FIRB Form No. 87-1) duly accomplished;
- (2) a copy of charter or enabling law;
- (3) a copy of the latest financial statement as certified to by the Commission on Audit.

The requests together with the required documents shall be submitted to:

The FIRB Secretariat  
Room 405, Office of the Director  
National Tax Research Center  
BF Condominium Building  
Andres Soriano, Jr. Avenue (Formerly Aduana Street)  
Intramuros, Manila

(b) The FIRB Secretariat shall prepare the studies corresponding to all requests or applications for the availment of subsidy. The FIRB Technical Committee shall review the studies on such requests and submit its recommendations thereon to the Board.

(c) The Board shall act on the recommendations of the Technical Committee. The action of the Board, whether it be approval or disapproval, shall be communicated to the concerned Entities.

#### SEC. 2. Availment of Subsidy. -

If the Board approves the availment of subsidy, a Certificate of Entitlement to Subsidy (FIRB Form No. 87-3) shall be issued to the Beneficiary indicating among others, the following:

- (a) Date and period of effectivity;
- (b) Scope and coverage of subsidy availment;
- (b) Conditions and reporting requirements; and
- (d) Such other information as may be determined by the Board.



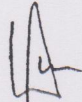
The Certificate of Entitlement to Subsidy shall be a pre-numbered and an accountable form of the FIRB, signed by the FIRB Chairman and attested to by the Chairman of the Technical Committee and the Head of the Secretariat.

#### RULE IV. REPEALING PROVISIONS

All rules and regulations or parts thereof which are inconsistent herewith are hereby repealed or modified accordingly.

#### RULE V. EFFECTIVITY

These rules and regulations shall take effect fifteen (15) days after their publication in a newspaper of general circulation in the Philippines.



VICENTE R. JAYME  
Secretary  
Chairman-FIRB