

FIRST PROGRESS REPORT OF THE INTERGOVERNMENTAL FISCAL POLICY BOARD (IFPB)

2022

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List of Acronyms

AAIIBP	Al-Amanah Islamic Investment Bank of the Philippines
ARMM	Autonomous Region in Muslim Mindanao
BAGO	Bangsamoro Attorney General's Office
BARMM	Bangsamoro Autonomous Region in Muslim Mindanao
BG	Bangsamoro Government
BIR	Bureau of Internal Revenue
BLGF	Bureau of Local Government Finance
BOC	Bureau of Customs
BOD	Board of Directors
BOL	Republic Act No. 11054 or the Bangsamoro Organic Law
BPDA	Bangsamoro Planning and Development Authority
BRO	Bangsamoro Revenue Office
BTA	Bangsamoro Transition Authority
BTO	Bangsamoro Treasury Office
BTr	Bureau of the Treasury
BSP	Bangko Sentral ng Pilipinas
CGT	Capital Gains Tax
COVID-19	Coronavirus Disease
DBM	Department of Budget and Management
DFA	Department of Foreign Affairs
DOF	Department of Finance
DST	Documentary Stamp Tax
DTI	Department of Trade and Industry
FY	Fiscal Year
GAA	General Appropriations Act
GCG	Governance Commission for GOCCs
GOCCs	Government-Owned and/or -Controlled Corporations
IFPB	Intergovernmental Fiscal Policy Board
IGR	Intergovernmental Relations
IGRB	National Government – Bangsamoro Government Intergovernmental Relations Body
JC	Joint Circular
MENRE	Ministry of Environment, Natural Resources, and Energy
MFBM	Ministry of Finance, and Budget and Management
MinDA	Mindanao Development Authority
MOA	Memorandum of Agreement
MPW	Ministry of Public Works
MTIT	Ministry of Trade, Investments, and Tourism
NCMF	National Commission on Muslim Filipinos
NDA	Non-Disclosure Agreement
NEDA	National Economic and Development Authority
NIRC	National Internal Revenue Code
OCM	Office of the Chief Minister
RA	Republic Act
RDO	Revenue District Office
RR	Revenue Regions
SAC	<i>Shari'ah</i> Advisory Council
SPDA	Southern Philippines Development Authority
SSB	<i>Shari'ah</i> Supervisory Board
TOR	Terms of Reference
TSG	Tax Study Group
TWG	Technical Working Group

Message of Secretary Carlos G. Dominguez

The Intergovernmental Fiscal Policy Board (IFPB) was the first of the intergovernmental mechanisms organized after the enactment of the Bangsamoro Organic Law (BOL). The Board is mandated to address revenue imbalances and fluctuations in regional financial needs and the revenue-raising capacity of the Bangsamoro Government.

Since its first meeting in 2020, the IFPB has worked closely through collaborative and cooperative discussions. It has been instrumental in pursuing measures to strengthen the Bangsamoro Autonomous Region in Muslim Mindanao's (BARMM) revenue-generation capacity and in encouraging its policy decision-makers to utilize its funds in a programmatic, transparent, performance-based, and phased manner, all with the end goal of achieving meaningful fiscal autonomy in the BARMM.

Through this progress report, we are pleased to present the notable achievements, pending matters, and other issues taken up by the IFPB. This documents the cooperation and pooled efforts by the National Government and the Bangsamoro Government in ensuring that the transition would be done swiftly and harmoniously despite the unprecedented challenges brought about by the COVID-19 pandemic to the country and the initial "birth pains".



I am confident that this report captures the trust and confidence that both panels invested in this historic process. We recognize, however, that there is still much to be done. Nonetheless, we are confident that through the unrelenting dedication and commitment of the National Government and the Bangsamoro Government, the IFPB will be able to bring genuine fiscal autonomy to the BARMM.




CARLOS G. DOMINGUEZ
Secretary of Finance

Co-Chair, Intergovernmental Fiscal Policy Board

JUN 29 2022

Message of Minister Ubaida C. Pacasem



Bismillahir Rahmanir Raheem

Assalamu'alaykum wa Rahmatullahi wa Barakatuh

It is both an honor and a pleasure to present this Intergovernmental Fiscal Policy Board (IFPB) First Progress Report before the transition period ends and under the Duterte administration.

The Bangsamoro People's struggle for self-governance and self-determination has lasted for decades. With the enactment of the *Bangsamoro Organic Law*, the National Government legally recognized this struggle and noble pursuit. The overwhelming yes to *Bangsamoro Organic Law* in the plebiscite symbolized the Bangsamoro People's unified aim to govern ourselves. However, in order to fully realize BARMM's goal of self-governance, it is vital to achieve authentic and genuine fiscal autonomy. Thus, the creation of the IFPB.

The IFPB was established by the *Bangsamoro Organic Law* to address the revenue imbalances and fluctuations in the regional financial needs and revenue-raising capacity of the BARMM in order to attain complete fiscal autonomy. The main objective of the IFPB is to formulate an efficient, equitable, and sound fiscal system in the context of Bangsamoro. This is both challenging and rewarding. The complexity of the subject matter that we had to deal with made it challenging. The benefits that the BARMM will gain for future generations as well as ours made it rewarding.

Despite the fact that this is IFPB's first progress report, I can already proudly say that this Board has already done a lot. With that, I want to express my gratitude to my IFPB Co-Chair, Secretary Carlos Dominguez, the rest of the IFPB members, and the IFPB secretariat. To our counterpart from the National Government, thank you for your willingness to assist the Bangsamoro people. This is something that will be remembered by our community. Being a newly-formed government, your guidance is essential to us as it aids us in resolving existing and future issues. Without your knowledge and expertise on the matters that we previously faced, we will not be able to accomplish everything in a timely manner. To my colleagues from BARMM, thank you for all your noticed and unnoticed sacrifices for our people. May you continue to serve the Bangsamoro until the realization of our objectives.

Our accomplishments here are but shards of a larger puzzle that we are gradually piecing together. We still have about three years left in the transition period; while this may seem short, I am confident that with your zeal and passion to support the Bangsamoro, we will be able to accomplish much more.

Thank you to everyone who has contributed to the IFPB from the beginning. Your efforts will not be in vain.

I am eager to work with the IFPB members and secretariat in the remaining transition years and accomplish more.

For the Bangsamoro.

Thank you very much and *Wassalam*.

Minister Ubaida Pacasem
Ministry of Finance, and Budget
and Management



Executive Summary

This first progress report highlights the milestones, significant achievements, as well as remaining issues and concerns on matters discussed/resolved at the IFPB. It covers the period beginning from the IFPB's first meeting on 29 May 2020 until the end of the Duterte Administration by 30 June 2022.

Milestones

The IFPB is one of the IGR bodies created under the BOL, and one of the first IGR mechanisms that was organized and convened after the enactment of the BOL in 2018. It was created to address revenue imbalances and fluctuations in regional financial needs and revenue-raising capacity of the BG. The IFPB is supported by a Joint Secretariat which is also composed of representatives from the DOF and from various offices and ministries from the NG and BG, respectively.

During its first meeting on 29 May 2020, the IFPB approved the TORs of the IFPB and the IFPB Joint Secretariat, and the creation of the TSG for the BARMM. The IFPB has successfully convened four times from 2020 to 2022, while seven meetings have already been conducted by the TSG as of June 2022.

Significant Achievements

The IFPB approved the Guidelines on Foreign Grants to the BARMM on 5 February 2021, which contain the procedure for approval of grants, in cash or in kind, from foreign governments, their agencies and instrumentalities or multilateral institutions or organizations to the BG.

The *Shari'ah* Supervisory Board (SSB) was established through a Joint Circular and the Memorandum of Agreement, signed by the BSP, the DOF, the NCMF, and the BG on 26 April 2022 and 04 May 2022, respectively. The SSB shall be responsible for the issuance of *Shari'ah* opinions on Islamic banking and *Shari'ah* products in the BARMM; and provide advice to the BSP on *Shari'ah* matters related to Islamic banking and finance.

The IFPB also approved the TSG's recommendations on the taxable elements of capital gains tax, donor's tax, estate tax, and documentary stamp tax, and directed the TSG to draft a resolution for signature of the IFPB.

Pending Issues on Matter Discussed/Resolved at the IFPB

The IFPB shall continue discussing the computation of the annual block grant. The NG maintains its position that a parallel and consistent application of the items to be deducted from the internal revenue tax collection of the BIR, should be observed for purposes of computing the net collection of the BOC. The BG, however, maintains its position that the block grant should be part of the earmarked funds of the BOC.

As directed by the IFPB, the TSG shall continue discussing its remaining deliverables with respect to the process and procedure on the collection and remittance of BG share in national taxes, fees and charges in the BARMM, the transfer of the assessment function to the BRO, and the digitalization of the BRO. Moreover, the TSG shall study and provide recommendations on the BG's proposed guidelines on the payment of taxes by corporations, partnerships or firms under Sections 12 and 37(f), Article XII of the BOL. The proposed guidelines contain the following salient points such as covered entities; taxes, fees, and charges covered; allocation of income and sharing of taxes; and (4) procedure for filing and payment of corporate income tax returns.

With regard to the participation of the BG in the AAIBP and the SPDA, the BG will submit the names of its nominees to the AAIBP and SPDA Board of Directors, under the new administration. The IFPB Joint Secretariat shall also study and recommend the repurposing and reorganizing of the SPDA to address the overlapping issues in functions and coverage of SPDA and the MinDA, and to reconstitute the SPDA BOD.

Other Matters Discussed During the First IFPB Meeting

The BG discussed the actual and preferred mechanism for downloading its annual block grant. The DOF committed to continue discussing with DBM and the BTr the possibility of implementing a more efficient way of downloading the block grant to the BG starting 2021.

With regard to the amount of ₱246,431,285.56 that was debited from the accounts of the BG Ministry of Public Works - District Engineering Offices on 02 April 2020, the same amount was credited back to MPW back accounts on 02 July 2020.

MAIN REPORT

I. Overview of Intergovernmental Fiscal Policy Board (IFPB)

Article VI of Republic Act No. 11054 or the *Bangsamoro Organic Law* (BOL) provides for the creation of several intergovernmental relation mechanisms (IGRs), aside from the Intergovernmental Relations Body (IGRB). Section 4, Article VI of BOL created the Intergovernmental Fiscal Policy Board (IFPB) which shall address revenue imbalances and fluctuations in regional financial needs and revenue-raising capacity of the Bangsamoro Government.

A. Functions

Section 37, Article XII of the BOL provides the following functions of the IFPB:

1. Recommend the necessary fiscal policy adjustments by undertaking periodic reviews of taxing powers, tax base, rates, wealth sharing arrangements, and sources of revenues of the Bangsamoro Government vis-à-vis its development needs;
2. Address disputes between the National Government and the Bangsamoro Government involving the collection of capital gains tax, documentary stamp tax, donor's tax, and estate tax;
3. Determine the extent of the participation of the Bangsamoro Government in the board of directors or the policy-making bodies of government-owned or controlled corporations (GOCCs) that operate a substantial portion of their businesses directly or through their

subsidiaries in the Bangsamoro Autonomous Region or where the Bangsamoro Government has substantial interest;

4. Determine the participation of the Bangsamoro Government in the operations of government-owned or controlled corporations and their subsidiaries operating in the Bangsamoro Autonomous Region, and its shares from the results of said operations;
5. Determine the participation of the Bangsamoro Government in the *Al-Amanah* Islamic Investment Bank of the Philippines and the Southern Philippines Development Authority; and
6. Define the modalities for the filing of income tax returns for corporations or firms whose central, main, or head offices are located outside the Bangsamoro Autonomous Region but are doing business within its territorial jurisdiction to determine the income realized from such operations in the Bangsamoro Autonomous Region, which shall be attributed as income derived therein and subject to the sharing scheme between the National Government and the Bangsamoro Government.

The other provisions of the BOL likewise provide for the following additional functions of the IFPB:

1. Review the formula of the block grant five (5) years after its effectivity, and



every five (5) years thereafter to consider, among others, the fiscal needs of the Bangsamoro Government and the actual revenues it shall be able to generate and to ensure that all block grant expenditures are transparent and performance-based: Provided, that, if the National Government shall no longer have any representative in the IFPB, the review shall be undertaken by the IGRB (Sec. 22, Art. XII of the BOL);

2. Determine the shares from the dividends of national GOCCs and their subsidiaries due to the BARMM as among the sources of revenues of the Bangsamoro Government (Sec. 6, Art. XII of the BOL);
3. Promulgate rules on the determination of taxable elements in relation to capital gains tax, documentary stamp tax, donor's tax and estate tax, and the sharing of revenues from the collection of such taxes where the taxable elements are both situated within and outside of the territorial jurisdiction of the BARMM [Sec. 9(l)(4), Art. XII of the BOL];
4. Resolve any dispute between the National Government and the Bangsamoro Government arising from the imposition of capital gains tax, documentary stamp tax, donor's tax and estate tax [Sec. 9, Art. XII of the BOL];
5. Promulgate rules to implement Section 12, Article XII of the BOL, including the determination of covered entities and the allocation of income for covered entities;

6. Promulgate rules for the implementation of Section 26, Article XII of the BOL on grants and donations; and

7. Submit an annual report, made available to the public, to the National Government and the Bangsamoro Government (Sec. 39, Art. XII of the BOL).

The IFPB may also recommend to the Philippine Congress or the appropriate National Government agency the grant of additional fiscal powers to the Bangsamoro Government, as stipulated in Section 41, Article XII of the BOL.

B. Composition

Section 38, Article XII of the BOL expressly provides that the IFPB shall be composed of heads or representatives of the appropriate departments and agencies of the National Government and heads or representatives of the ministries and offices in the Bangsamoro Government. The same BOL provision also provides that the National Government Secretary of Finance and the Minister from the appropriate ministry shall serve as the co-chairpersons, and further provides that, the Secretary of Budget and Management, Secretary of Trade and Industry, and Secretary of Socioeconomic Planning shall be members thereof. Based on the approved Terms of Reference (TOR) of the IFPB, the Bangsamoro Government designated the following as the Co-Chair and members of the IFPB:

Table 1. Composition of the IFPB, as of June 2022

NO.	NATIONAL GOVERNMENT	BANGSAMORO GOVERNMENT
1	Sec. Carlos G. Dominguez – <i>Co-Chair</i> Department of Finance	Min. Ubaida C. Pacasem – <i>Co-Chair</i> Ministry of Finance, and Budget and Management
2	OIC-Sec. Tina Rose Marie L. Canda Department of Budget and Management	Min. Abu Amri A. Taddik Ministry of Trade, Investments, and Tourism
3	Sec. Ramon M. Lopez Department of Trade and Industry	Deputy Minister Amilbahar P. Amilasan, Jr. Ministry of Finance, and Budget and Management
4	Sec. Karl Kendrick T. Chua Department of National Economic and Development Authority	Director General Mohajirin T. Ali Bangsamoro Planning and Development Authority



Bangsamoro Government

Co-Chair: Minister of Finance, and Budget and Management

Members:

Minister of Trade, Investments, and Tourism;
Deputy Minister of Finance, and Budget and Management; and
Director General, Bangsamoro Planning and Development Authority

C. Joint Secretariat

Based on the approved Terms of Reference (TOR) of the IFPB Joint Secretariat, the IFPB Joint Secretariat is composed of the following members:

National Government:

1. Representative, Department of Finance

Bangsamoro Government:

1. Representative, Office of the Chief Minister;
2. Representative, Bangsamoro Attorney General's Office;
3. Representative, Ministry of Finance, and Budget and Management;
4. Representative, Ministry of Trade, Investments and Tourism; and
5. Representative, Bangsamoro Planning and Development Authority.

The IFPB Joint Secretariat is currently co-headed by Undersecretary Bayani H. Agabin of the Department of Finance and Director Sittie Amirah

K. Pendatun, of the Ministry of Finance, and Budget and Management, from the National Government and Bangsamoro Government, respectively.

D. Terms of Reference of the IFPB and the IFPB Joint Secretariat

Following Section 39, Article XII of the BOL which provides that the IFPB shall adopt its own rules of procedures for the conduct of its meetings, the IFPB approved its Terms of Reference, as well as the TOR of the IFPB Joint Secretariat during its first meeting on 29 May 2020. The TORs of the IFPB and the Joint Secretariat contain, among others, its composition, functions, meeting procedures, and resolution of issues discussed therein. The TOR of the IFPB also provides that changes in the composition of the IFPB, except for members enumerated in Sec. 38, Art. XII of the BOL, shall be decided by and made upon approval of the IFPB.

The TORs of the IFPB and IFPB Joint Secretariat are attached as Annex 1.

II. Milestones of the IFPB

A. Establishment of the National Government – Bangsamoro Government IFPB

During the first Consultative Meeting of the IGRB on 16 December 2019, the National Government discussed and raised the need for the constitution and convening of other intergovernmental relations mechanisms (IGRs) created by the BOL.

The IFPB is one of the first few IGRs that was constituted. It convened for its first meeting on 29 May 2020, amidst the emerging COVID-19 cases in the country, which started in the first quarter of 2020. In fact, even prior to the first meeting, the concerned National Government agencies have extended technical advice on fiscal, budgetary management and financial planning to the BARMM in its formulation of sound fiscal policies to ensure the Region's long term sustainability.

B. Convening of the IFPB

Despite the continuous challenges and limitations brought about by COVID-19 pandemic to the BARMM's overall transition process, the IFPB convened three times from 2020 to 2022 via video teleconferencing:

1. First Meeting (29 May 2020);
2. Second Meeting (5 February 2021); and
3. Special Meeting (14 June 2021);

For its Third Meeting on 1 June 2022, the IFPB opted to conduct the meeting physically in the Department of Finance Building, Manila.

C. Creation and Convening of the Tax Study Group

Section 3 of the IFPB's TOR provides that the IFPB may create a technical working group composed of technical staff of member-agencies, to review and discuss issues that may need complete staff work before elevating to the IFPB.

During the first IFPB meeting held on 29 May 2020, the IFPB created the Tax Study Group (TSG) for BARMM to contribute to the understanding and resolution of issues related to the implementation of Sections 9 (I), 10, 11, Article XII of the BOL. The TSG is composed of representatives from the following offices:

National Government:

1. Department of Finance
2. Department of Budget and Management
3. Bureau of Internal Revenue
4. Bureau of the Treasury

Bangsamoro Government:

1. Ministry of Finance, and Budget and Management
2. Office of the Chief Minister
3. Bangsamoro Transition Authority
4. Bangsamoro Treasury Office
5. Ministry of Environment and Natural Resources and Energy
6. Ministry of Interior and Local Government

The IFPB also approved the possible engagement of academic institutions and development partners to assist in the study.

The TSG is tasked to perform the following functions:

1. Conduct research and identify the taxable elements of capital gains tax, documentary stamp tax, donor's tax and estate tax;
2. Come up with a proposal on the sharing of revenues from the collection of the four aforementioned taxes where the taxable elements are both situated within and outside of the Bangsamoro territorial jurisdiction;

3. Explore mechanisms to facilitate the transfer of the tax assessment and collection functions of the concerned BIR Revenue District Offices to the Bangsamoro Revenue Office, and prepare a plan to implement the same;
4. Understand/agree on the formula and process of determining the share of the Bangsamoro Autonomous Region in the National Government taxes, fees, and charges collected in the Bangsamoro Autonomous Region (other than tariff and customs duties);
5. Identify and recommend the modality and timeframe for the transfer of BARMM's share in the said taxes;
6. Provide valuable input and technical assistance on tax collection, sharing, remittance and other related matters, as may be requested by the IFPB;
7. Hold regular meetings with the primary purpose of sharing information, discussing findings and reviewing proposals; and
8. Prepare policy briefs, notes, reports and other materials as may be required by the IFPB.

As of June 2022, a total of seven (7) meetings have already been conducted by the TSG to discuss the TSG deliverables.

With regard to the TSG deliverable on the identification of revenue regions (RRs) and revenue district offices (RDOs) within BARMM, the BIR has already presented the list of RRs and RDOs within the BARMM, during the TSG meeting and third IFPB meeting held on 3 February 2021 and 1 June 2022, respectively.

On the other hand, the IFPB referred to the TSG the BG's proposed guidelines on the payment of taxes by corporations, partnerships or firms under Sections 12 and 37

(f), Article XII of the BOL, for study and recommendation, considering that the guidelines relate to the implementation of tax-related provisions of the BOL.

III. Significant Achievements

A. Guidelines on Foreign Grants to the Bangsamoro Autonomous Region in Muslim Mindanao

Prior to the approval of the IFPB of the Guidelines on Foreign Grants to the BARMM, the governing guidelines for foreign grants is the Department of Foreign Affairs' (DFA) guidelines on foreign donations to the BARMM, in relation to COVID-19 pandemic, which was issued on 20 November 2020. Since the guidelines is effective only during the time of COVID-19 pandemic, the IFPB issued a guidelines in order to set a standard and efficient process for BARMM in receiving foreign grants.

The issuance of the said IFPB guidelines is pursuant to Article XII, Section 26 of the BOL which provides that for grants or donations from governments of foreign countries, their agencies and instrumentalities, or multilateral institutions or organizations, acceptance thereof shall be subject to prior clearance and approval by the President or his authorized representative and that the IFPB shall promulgate the rules for the implementation of the said section.

Section 2 (z), Article V, and Section 6 (h) and (i), Article XII of the BOL also provide that the Bangsamoro Government have the authority over grants and loans, without prejudice to the general supervision of the President of the Philippines; and the power to create its own sources of revenue including grants, endowments, agreements, or conventions entered into by the Bangsamoro Government to which the National Government is a party, respectively.

During its second meeting on 5 February 2021, the IFPB approved the Guidelines on Foreign Grants to the BARMM, which pertains to the procedure for approval of grants from foreign governments or multilateral institutions to the Bangsamoro Government. The approved guidelines was patterned after Memorandum Circular No. 16, s. 2017, which refers to the authority given by the President for the negotiation and signing of international agreements or agreements covering borrowings, guarantees, foreign grants.

The Guidelines was issued in consonance with the Administrative Code of the Philippines, the Bangsamoro Organic Law, the General Appropriations Act (GAA) for Fiscal Year 2020, Republic Act No. 4860, and Memorandum Circular No.16, s. 2017. The approved IFPB guidelines rendered the governing DFA Guidelines *functus officio* for foreign grants to the Bangsamoro.

Attached as Annex 2 is the approved IFPB Guidelines on Foreign Grants to the BARMM

Executive Order No. 292, s. 1987.
Republic Act No. 11054.
Republic Act No. 11465.

B. Establishment of the *Shari'ah* Supervisory Board

Section 32, Article XIII of the BOL provides that the BG, the BSP, the DOF, and the NCMF shall jointly promote the development of an Islamic banking and finance system including the establishment of SSB and the promotion and development of *Shari'ah*-compliant financial institution. Further, the BSP shall determine the type of organizational structure to be created and its composition.

Additionally, Section 34, Article XIII of the BOL also provides that the SSB shall:

- be responsible for monitoring the compliance of *Shari'ah* rules in banking and finance transactions and issuance of *Shari'ah* products.
- have the authority, as representative of the various *Ulama*, to issue *fatwas* regarding the products and practices employed by banks and other institutions.

Both the Joint Circular (JC) and the Memorandum of Agreement (MOA) on the Establishment of SSB have been signed by the BSP, the DOF, the NCMF, and the BG. The JC was digitally signed on 26 April 2022. On 04 May 2022, a face-to-face ceremonial signing ceremony for the MOA was held and attended by representatives of the BSP, the DOF, the NCMF, and the BG. Attached as Annex 3 is a copy of the Joint Circular on the Establishment of the SSB in the BARMM.

The Joint Circular on the Establishment of the SSB has the following salient features:





BSP Governor Diokno delivering his Message during the signing ceremony on the Establishment of the SSB

- *Functions of the SSB:*

The SSB: (1) shall issue *Shari'ah* opinions on Islamic banking and *Shari'ah* products in the BARMM; and (2) may advise the BSP on *Shari'ah* matters related to Islamic banking and finance.

- *Membership of the SSB:*

The SSB shall be composed of nine (9) members, as follows:

- Five (5) members from the private sector; and
- One (1) member each from the BG, BSP, DOF, and NCMF.

- *Escalation Process:*

In cases where the opinions issued by the SSB and the *Shari'ah* Advisory Council (SAC) of an Islamic Bank (IB) are conflicting, the SSB and the SAC of an IB shall discuss their opinions to arrive at an appropriate solution.

If the SSB and SAC of an IB are unable to resolve their conflicting opinions, the BSP shall convene them for bilateral talks, and the BSP may deploy appropriate supervisory actions, if warranted, in accordance with laws and regulations.

During the third meeting of the IFPB on 01 June 2022, the IFPB deemed the Establishment of the SSB in the BARMM resolved. The BSP, the DOF, the NCMF, and the BG have also submitted their designated representatives to the SSB.

With the establishment of the SSB, the BG, the BSP, the DOF, and the NCMF completed the necessary enabling framework that will help build a supporting environment for Islamic finance, harmonize Islamic and conventional banking operations, and harness the distinctive features of Islamic financial products to strengthen the Philippine economy.



Signing of the Establishment of the Shari'ah Supervisory Board. From Left to Right: Dir. Arifa Ala, Dep. Gov. Chuchi Fonacier, Usec. Bayani Agabin, Gov. Benjamin Diokno, Min. Mohammad Yacob, OIC Comm. Yusoph Mando, and Min. Abu Amri Taddik

C. Determination of the Taxable Elements for Capital Gains Tax, Donors' Tax, Estate Tax, and Documentary Stamp Tax

As part of fiscal autonomy, the BOL grants the Bangsamoro Government the power to create its own sources of revenues, and to levy taxes, fees, and charges, subject to the provisions of the Organic Law, to attain economic self-sufficiency and genuine development. This includes Section 9, Article XII of the BOL providing for the authority of the Bangsamoro Government to impose the capital gains tax, donor's tax, estate tax, and documentary stamp tax where all taxable elements are within the Bangsamoro territorial jurisdiction to the exclusion of the Bureau of Internal Revenue of the National Government.

The term "taxable element" is not a technically defined term under the National Internal Revenue Code (NIRC), as amended, and the Local Government Code, the primary laws that impose taxes in the Philippines. It was also not defined under the BOL. Instead, the BOL mandated the IFPB to promulgate rules on the determination of taxable elements in relation to four (4) additional taxing powers, as well as, on the sharing of revenues from the collection of such taxes where the taxable elements are both situated within and outside of the Bangsamoro territorial jurisdiction (last paragraph, Section 4, Article XII, RA 11054).

Thus, the TSG was tasked to propose rules on: (1) the determination of taxable elements in relation to the four (4) aforementioned taxes, and (2) the sharing of revenues from the collection of said taxes where the taxable elements are both situated within and outside of the Bangsamoro.

1. CAPITAL GAINS TAX

The TSG proposes that in relation to sale of real property classified as capital asset, the location of the property shall be the sole element to be considered in determining whether the transaction is subject to capital gains tax (CGT) to be collected by the Bangsamoro Government.

As such, the Bangsamoro Government may only impose, collect, and/or assess CGT on the transaction or exchange of real property classified as capital asset, if such property is located within the BARMM territory, irrespective of the residence of the seller.

Considering the agreed upon taxable element, the different scenarios of taxation of capital gains from sale of real properties classified as capital assets are summarized in Table 2.

As the TSG agreed to propose only one taxable element in determination of taxability of certain sale/transfer exchange/disposition of real properties classified as capital assets, there will be no instances wherein the taxable elements are both within and outside of the Bangsamoro territorial jurisdiction which would call for sharing of revenues.

Table 2. Capital Gains Tax Scenarios

Capital Gains Tax – Real Property				
Transaction/Exchange	SELLER BARMM Residents	SELLER BARMM Non-Residents	SELLER Domestic Corporations (Central, Main or Head Office)	SELLER Non-resident citizen/Alien Individual
Sale of real property classified as capital asset situated/located with-in the BARMM	Included (BG)	Included (BG)	Included (BG)	Included (BG)
Sale of real property classified as capital asset situated/located out-side the BARMM	Not included (BIR)	Not included (BIR)	Not included (BIR)	Not included (BIR)
Sale of real property classified as ordinary assets situated/located within BARMM (ordinary asset: subject to VAT, CWT, and DST)	Not included (BIR)	Not included (BIR)	Not included (BIR)	Not included (BIR)

*Included means it can be imposed, collected, and assessed by the Bangsamoro Government. The tax rate/s shall follow the prevailing rate/s under the NIRC, as amended.

2. DOCUMENTARY STAMP TAX

Table 3 lists down various documents/instruments, the issuance/execution of which is subject to documentary stamp tax. If corresponding transaction or scenario is present in BARMM, the Bangsamoro Government shall have the

authority to impose, collect, and/or assess the corresponding DST thereon, which rate shall be pursuant to the NIRC, as amended.

Table 3. Documentary Stamp Tax on Various Documents/Instruments/Transactions

Documentary Stamp Taxes	
Document/Instrument	Taxable in BARMM
Original issue of shares of stock	If the principal place of business of the issuing corporation is in BARMM
Sales, agreements to sell, memoranda of sales, deliveries or transfer of shares or certificates of stock	If the seller or transferor is in BARMM
Transfer of bonds, debentures, certificates of stocks or indebtedness issued in foreign countries	If the transfer documents are executed in the BARMM
Certificates of profits or interest in property or accumulations	If the property is located in the BARMM
Bank checks, drafts, certificates of deposit not bearing interest, and other instruments	If the principal place of business of drawee bank is in BARMM
Debt instruments	If the debt instrument is issued or executed in the BARMM; if executed abroad, object of the contract is located or used in BARMM
Bills of exchange or drafts	If the bill is issued in the BARMM
Acceptance of bills of exchange and others	If the bill is accepted in the BARMM
Foreign bills of exchange and letters of credit	If the bill is drawn in the BARMM
Life insurance policies	If issued by a domestic corporation whose principal place of business is located in the BARMM
Policies of insurance upon property	If issued by a domestic corporation whose principal place of business is located in the BARMM
Fidelity bonds and other insurance policies	If issued by a domestic corporation whose principal place of business is located in the BARMM
Policies of annuities and pre-need plans	If issued by a domestic corporation whose principal place of business is located in the BARMM
Indemnity bonds	If issued by a domestic corporation whose principal place of business is located in the BARMM
Certificates	If executed or issued in the BARMM
Warehouse receipts	If the warehouse receipt is issued in the BARMM
Jai-alai, horse race tickets, lotto or other authorized numbers games	If the ticket is issued in the BARMM
Bills of Lading or receipts	If the bill of lading is executed in the BARMM
Proxies	If the proxy document is executed in the BARMM
Powers of attorney	If the document is executed in the BARMM
Leases and other hiring agreements	If the principal place of business of the lessor is located in the BARMM
Mortgages, pledges, and deeds of trust	If the mortgage, pledge or deed is executed in the BARMM
Deeds of sale, conveyances, and donation of real property	If the property is located in the BARMM
Charter parties and similar instruments	If the instrument is executed in the BARMM

3. DONOR'S TAX

As proposed by the TSG, the residence of donor will be the sole taxable element in determining whether the donation is taxable within the Bangsamoro territorial jurisdiction, irrespective of the location of the donated property (real, tangible, or intangible). Meaning, the location of the property is no longer relevant in determining whether a donated property may be included in the computation of the donor's tax to be collected by the

Bangsamoro Government. As such, the taxability of different properties are summarized in Table 4.

As the TSG agreed to propose only one taxable element in the determination of taxability of certain properties, there can be no case where the taxable elements are both within and outside of the Bangsamoro territorial jurisdiction which would call for sharing of revenues.

Table 4. Donor's Tax Scenarios

TYPE OF DONATED PROPERTY	DONOR'S TAX		
	CITIZENS OR RESIDENTS BARMM Resident	CITIZENS OR RESIDENTS BARMM Non-resident	NON-RESIDENT ALIEN
Real property located within the BARMM	Included	Not Included	Not Included (File in RDO 39, Embassy, CIR)
Real property located <u>outside</u> the BARMM	Included	Not Included	Not Included
Real property located <u>outside</u> the Philippines	Included	Not Included	Not Included
Tangible personal property located within the BARMM	Included	Not Included	Not Included
Tangible personal property located <u>outside</u> the BARMM	Included	Not Included	Not Included
Tangible personal property located <u>outside</u> the Philippines	Included	Not Included	Not Included
Intangible personal property located within the BARMM (ex. Shares of stock in a domestic corporation whose principal place of business is located in the BARMM)	Included	Not Included	Not Included
Intangible personal property located <u>outside</u> the BARMM (ex. Shares of stock in a domestic corporation whose principal place of business is located outside the BARMM)	Included	Not Included	Not Included
Intangible personal property located <u>outside</u> the Philippines (ex. Shares of stock in a foreign corporation)	Included	Not Included	Not Included

4. ESTATE TAX

As proposed by the TSG, the residence of the decedent at the time of death will be the sole taxable element in determining whether the estate is taxable within the Bangsamoro territorial jurisdiction. Meaning, the location of the property is no longer relevant in determining whether an estate property (real, tangible or

intangible) may be included in the computation of the estate tax to be collected by the Bangsamoro Government. As such, the taxability of different properties are summarized in Table 5.

In its third meeting held on 01 June 2022, the IFPB approved the TSG's abovementioned recommendations on the taxable elements of capital gains

Table 5. Estate Tax Scenarios

TYPE OF ESTATE PROPERTY	ESTATE TAX		
	CITIZENS OR RESIDENTS BARMM Resident	BARMM Non- resident	NON-RESIDENT ALIEN
Real property located within the BARMM	Included	Not Included	Not Included (File in RDO 39, Embassy, CIR)
Real property located <u>outside</u> the BARMM	Included	Not Included	Not Included
Real property located <u>outside</u> the Philippines	Included	Not Included	Not Included
Tangible personal property located within the BARMM	Included	Not Included	Not Included
Tangible personal property located <u>outside</u> the BARMM	Included	Not Included	Not Included
Tangible personal property located <u>outside</u> the Philippines	Included	Not Included	Not Included
Intangible personal property located within the BARMM (ex. Shares of stock in a domestic corporation whose principal place of business is located in the BARMM)	Included	Not Included	Not Included
Intangible personal property located <u>outside</u> the BARMM (ex. Shares of stock in a domestic corporation whose principal place of business is located outside the BARMM)	Included	Not Included	Not Included
Intangible personal property located <u>outside</u> the Philippines (ex. Shares of stock in a foreign corporation)	Included	Not Included	Not Included



tax, donor's tax, estate tax, and documentary stamp tax, and directed the TSG to draft a resolution for signature of the IFPB.

IV. Issues Pending Resolution

A. Annual Block Grant Computation

The formula for the Annual Block Grant, which the BOL requires the National Government to provide to the Bangsamoro Government, is provided for under Section 16, Article XII of the BOL, which states that its amount shall be equivalent to five percent (5%) of the net national internal revenue tax collection of the Bureau of Internal Revenue (BIR) and the net collection of the Bureau of Customs (BOC) from the third fiscal year immediately preceding the current fiscal year.

The abovementioned provision clearly defines the term net national internal revenue tax collection of the BIR as the sum of all internal revenue tax collections of the Bureau of Internal Revenue during the base year, less the internal revenue allotment of local government units, the amount released during the same year for tax refunds, payments for informers' reward, and any portion of internal revenue tax collections which are presently set aside, or hereafter earmarked under special laws for payment to third persons.

Notably, however, said provision is silent on the definition of the term "net" for the collection of the BOC.

In this regard, the NG maintains that a parallel and consistent application of the items to be deducted from the internal revenue tax collection of the BIR should be observed for purposes of computing the net collection of the BOC. On the other hand, the BG maintains the position that the block grant should be part of the earmarked funds of the BOC.

During the third meeting of the IFPB on 01 June 2022, the IFPB resolved to continue discussions on the computation of the Annual Block Grant.

B. TSG Deliverables

1. Collection and remittance of BG share in National Government taxes, fees and charges in the BARMM

Following Sections 6 to 14, Article XII of the BOL, some fiscal administrative functions of the NG are devolved to the BG for purposes of increasing the revenue-raising capacity of the latter. This includes the establishment of a Bangsamoro Revenue Office (BRO) and collection and assessment by the BRO of certain transfer taxes previously levied by the BIR, as provided for under Section 11, Article XII of the BOL. To avoid duplication of functions, there is a need to delineate the roles and responsibilities of said agencies.

Section 10 Article XII of the BOL provides that the National Government taxes, fees, and charges collected in the Bangsamoro Autonomous Region, other than tariff and customs duties, shall be shared as follows:

- a. Twenty-five percent (25%) to the National Government: Provided, that for the first ten (10) years following the effectivity of the BOL, such share shall accrue to the Bangsamoro Government: Provided, further, that after the first ten (10)-year period, upon petition of the Bangsamoro Government, the National Government may extend the period as it shall deem necessary; and
- b. Seventy-five percent (75%) to the Bangsamoro Government, inclusive of the shares of the constituent local government units.

Moreover, Section 11, Article XII of the BOL provides that until such time that the BRO is established, the tax collection shall be undertaken by the BIR. The share of the Bangsamoro Government shall be retained by the National Government collecting agencies and remitted to the Bangsamoro Government in lump sum without need of an appropriation law.

The TSG is in the process of discussing the draft guidelines on the collection, reporting, and release of the BARMM share, particularly regular cash collections, in the National Government taxes, fees, and charges collected in the BARMM, pursuant to the above provisions. The intent is to implement the BOL, and modify the existing mechanism where the corresponding shares are appropriated and only released upon the joint certification of the BIR and BTr.

The draft guidelines envision that by FY 2024, BARMM's share in the regular cash collection shall be deposited directly to the account of the Bangsamoro Treasury Office. The draft guidelines also provide the specific roles and responsibilities of the concerned instrumentalities of both the NG such as the DBM, and the DOF through the BIR and the Bureau of Treasury (BTr), and the BG through the Ministry of Finance, and Budget and Management's (MFBM), BRO, and BTO.

2. Study and provide an outline on the transfer of collection and assessment functions from the BIR Revenue Office to BARMM Revenue Office

The TSG has yet to agree on the transfer of collection and assessment functions from the BIR to the BRO as the issue on whether the BRO has the power to assess national taxes to be collected within the Bangsamoro Region is yet to be resolved.

The TSG members differ with respect to the interpretation of the assessment function of the BRO. The BG-TSG maintains the position that the BRO shall have the power to assess and collect Bangsamoro taxes, and other collectible taxes in the Bangsamoro Autonomous Region, as provided for in Section 11, Article XII of the BOL. On the other hand, the NG-TSG stands by its position that the assessment function with respect to national taxes remains with the BIR, except with respect to the four devolved taxes (capital gains tax, documentary stamp tax, donor's tax, and estate tax) when all the taxable elements are within the Bangsamoro territorial jurisdiction.

During the third meeting of the IFPB on 01 June 2022, the IFPB directed the TSG to continue the discussion of its remaining deliverables.

3. Proposed Guidelines on the Payment of Taxes by Corporations, Partnerships or Firms under Sections 12 and 37(f), Article XII of the BOL

One of the potential sources of revenues of the Bangsamoro Government is the payment of taxes, fees or charges by corporations, partnerships or firms doing business in the BARMM. This exception to the limitations of the taxing power of the Bangsamoro Government is a carry-over provision from the previous organic acts, Republic Act No. 6734 and Republic Act No. 11054. The difference of the BOL from these organic acts is the provision of an avenue within which to determine the implementation mechanism.

Section 12, Article XII of the BOL states that corporations, partnerships, or firms directly engaged in business in the Bangsamoro Autonomous Region shall pay their corresponding taxes, fees and charges in the province or city where the corporation, partnership, or firms is doing the business including corporations, partnerships, or firms whose central, main or head offices are located outside the Bangsamoro Autonomous Region but are doing business within its territorial jurisdiction. Moreover, said BOL provision also provides that the IFPB shall promulgate rules to implement the said section, including the determination of covered entities and allocation of income for covered entities.

Also, Section 37(f), Article XII of the BOL states that the IFPB shall define the modalities for the filing of income tax returns for corporations or firms whose central, main, or head offices are located outside the Bangsamoro Autonomous Region but are doing business within its territorial jurisdiction, to determine the income realized from such operations in the Bangsamoro Autonomous Region, which shall be attributed as income derived therein and subject to the sharing scheme between the National Government and the Bangsamoro Government.

During the third IFPB meeting on 01 June 2022, the Bangsamoro Government presented its proposed guidelines to implement Sections 12 and 37(f), Article XII of the BOL. The guidelines categorizes the covered entities into (a) corporation, partnership or firm directly



engaged in business in the BARMM when its principal office is located within the BARMM; and (b) corporation, partnership or firm doing business in the BARMM when it has a branch office or business operations or activities in the BARMM even if its principal office is located outside the BARMM. It contains the taxes, fees, and charges covered; allocation of income and sharing of taxes; and procedure for filing and payment of corporate income tax returns per covered entity, among others.

The IFPB referred the proposed guidelines to the TSG for study and recommendation.

V. Other Matters

A. Outstanding Matters on Issues Resolved by the IFPB

1. Participation of the Bangsamoro Government in the Southern Philippines Development Authority

Section 33, Article XII of the BOL provides that within six months from the establishment of the Bangsamoro Transition Authority (BTA), the IFPB shall determine the participation of the Bangsamoro Government in the AAIBP and the SPDA.

The participation of the Bangsamoro Government in the SPDA was raised to the IGRB pre-meeting for the fourth IGRB meeting on 9 October 2020, where the Co-Chairs agreed to discuss the matter in an executive session. During the seventh meeting

of the IGRB on 26 March 2021, the IGRB Co-Chairs agreed to invite SPDA Administrator Abdulghani "Gerry" A. Salapuddin in an executive session, to discuss the participation of the BG in the SPDA.

Following the abovementioned provision, the matter was eventually referred to the IFPB. In its special meeting held on 14 June 2021, the IFPB resolved the matter as follows:

1. The Bangsamoro Government shall be given three seats as provisional participation in the SPDA Board of Directors;
2. The IFPB shall endorse to the Governance Commission for the GOCCs (GCG) three (3) nominees of the Bangsamoro Government for the remaining three (3) vacant seats of the SPDA Board of Directors; and
3. The Joint IFPB Secretariat will study the repurposing and reorganizing of the SPDA in order (1) to address the overlapping issues in functions and coverage of SPDA and the Mindanao Development Authority (MinDA), and (2) to reconstitute the Board of Directors of SPDA.

The Bangsamoro Government will submit the names of its nominees to the SPDA BOD under the new administration.

2. Participation of the Bangsamoro Government in the Al-Amanah Islamic Investment Bank of the Philippines (AAIIBP)

Sections 33 and 37(e), Article XII of the BOL mandate the IFPB to determine the participation of the Bangsamoro Government in the AAIIBP. Pending final determination of the BG's participation and for them to be familiar with the operations of the said Bank, the National Government requested the Bangsamoro Government to submit nominations to the AAIIBP Board of Directors, during the second meeting of the IGRB held on 29 May 2020. In response, the Bangsamoro Government submitted the names of its two nominees, Mr. Ali B. Sangki and Mr. Kadil B. Sulaik, to the DOF in its letter dated 18 September 2020. In a recent communication with the BG, the BG informed that Mr. Sangki will be replaced by Mr. Ansary Abdulrahman Damaoden as AAIIBP nominee.

Moreover, the Bangsamoro Government engaged the services of the PwC Philippines – Isla Lipana & Co. to conduct a financial due diligence on the AAIIBP. In a kick-off meeting held on 13 May 2022 and attended by representatives from AAIIBP, BG and DOF, Isla Lipana & Co. presented the activities and requirements for the conduct of audit. In this regard, the AAIIBP, Isla Lipana & Co. and the BG will sign the Non-Disclosure Agreement (NDA). The BG proposes its IFPB Co-Chair Minister Pacasem to sign the NDA.

Thus, during the third IFPB meeting on 01 June 2022, the IFPB resolved the following:

1. In consideration of the new administration, the BG will submit the names of its new nominees to the AAIIBP Board of Directors. The National Government IFPB Secretariat shall assist in facilitating the application process; and
2. Noted the proposed conduct of financial due diligence on AAIIBP by Isla Lipana & Co. and agreed that the IFPB Co-Chairs shall sign the NDA on behalf of the National Government and Bangsamoro Government.

B. Other Matters Noted and Discussed in the IFPB

1. Mechanism of Downloading of the Block Grant

Section 18, Article XII of the BOL provides that the Block Grant shall be released without the need of any further action, directly and comprehensively to the Bangsamoro Government, and shall not be subject to any lien or holdback that may be imposed by the National Government for whatever purpose.

During the first IFPB Meeting on 29 May 2020, the Bangsamoro Government representatives discussed the actual process that took place when the block grant was released for the fiscal year 2020. They indicated that for the first two (2) months of 2020, there was a delay on the release of the block grant which was acknowledged and confirmed by the National Government (NG) representatives. The DBM and the

DOF explained that the delay on the release of block grant in January 2020 could be attributed to birthing pains, as it was the first time that the process was undertaken. The National Government committed to continue the regular release of the block grant for the succeeding months, simultaneous with the release of the internal revenue allotment (now national tax allotment) for the local government units. Nevertheless, BG also acknowledged the timely receipt of the subsequent releases which is much appreciated considering the challenging circumstances brought about by the pandemic.

The BG representatives expressed their preference for a more direct release of the block grant from the NG to the BG. As reported, the block grant is released by the DBM to the BTr, then to BTr Regional Office XII which issues the Notice of Advice to Debit Account to the BG. Following Section 18, Article XII of the BOL which states that the block grant shall be directly and comprehensively released by the NG to the BG, the latter manifested that the release should be from the DBM directly to the MFBM through the BTO.

With regard to the request for a one-time release of the full block grant amount, the National Government explained that such request is not feasible because the government should always consider its cash flow position. The Bangsamoro Government acknowledged and agreed on said NG position.

The DOF committed to continue discussing with DBM and the BTr the possibility of implementing a more efficient way of downloading the block grant to the BG starting 2021.

2. Crediting to Ministry of Public Works – District Engineering Offices' Accounts

During the first meeting of the IFPB on 29 May 2020, the BG representatives brought up the debiting of the accounts of the BG Ministry of Public Works (MPW) – District Engineering Offices for the NG's implementation of the *Bayanihan to Heal as One Act*.

The BG representatives explained that on 02 April 2020, amounts were debited without prior notice from the accounts of the BG MPW's district engineering offices in Lanao First District, Maguindanao First District, and Maguindanao Second District.

On 02 July 2020, the BG was informed through a letter of Landbank of the Philippines to the BTr confirming that the total amount of ₱246,431,285.56 has been credited back to the MPW bank accounts making the matter deemed resolved.

2. Tax Study Group Deliverables

a. Digitalization of the BARMM Revenue Office

During the first meeting of the IFPB, the NG suggested to include the topic of digitization of operations in the BG in the discussions of the TSG. Secretary Dominguez sent a letter to the Embassy of Estonia to initiate engagement on studying ways to apply technological solutions to digital governance in the BARMM.

The Embassy of Estonia responded positively, resulting in an initial meeting between the

officials of the BARMM and the Estonian delegation, led by the esteemed Estonia Amb. Vaino Reinart in August 2020.

Strengthening cyber resilience capabilities, consolidating finance sector cyber security management, rationalizing revenue administration functions, and enhancing the transparency of public sector transactions were identified as the priorities of the Bangsamoro Government in digitization & re-engineering.

The discussion on revenue administration in the TSG highlight the importance of taxpayer registration, filing and payment processing as well as tax audit to build the tax base of the BARMM, assess its resource

mobilization efforts, and properly account the revenues that accrue to the Bangsamoro Government and to the National Government.

The TSG met with the Honorary Consul General of Estonia to the Philippines on 26 May 2022 to explore ways of developing and implementing advanced and secure solutions in digitalizing the abovementioned aspects of revenue administration.



ANNEXES

**TERMS OF REFERENCE
OF THE INTERGOVERNMENTAL FISCAL POLICY BOARD (IFPB)**

ARTICLE I

COMPOSITION

Section 1. Intergovernmental Fiscal Policy Board. The Intergovernmental Fiscal Policy Board (IFPB) shall be composed of representatives from the National Government and the Bangsamoro Government.

Member-agencies shall designate alternate members to serve in the absence of their designated representatives. The concerned agencies and offices shall provide appropriate authority for the participation of their representatives in the IFPB.

Section 2. Composition. Based on Section 38, Article XII of Republic Act (RA) No. 11054 otherwise known as the "Organic Law for the Bangsamoro Autonomous Region in Muslim Mindanao" (BOL), the National Government Secretary of Finance and the Bangsamoro Government Minister of Finance, and Budget and Management shall serve as co-chairs of the IFPB, and with the following as members:

- a. From the National Government:
 - i. Secretary of Budget and Management
 - ii. Secretary of Trade and Industry
 - iii. Secretary of Socioeconomic Planning, National Economic and Development Authority

- b. From the Bangsamoro Government:
 - i. Minister of Trade, Investments, and Tourism
 - ii. Deputy Minister of Finance, and Budget and Management
 - iii. Director General, Bangsamoro Planning and Development Authority

Changes to the composition of the IFPB members, except those stated in Section 38, Article XII of the BOL, shall be decided by and made upon approval of the IFPB.

Section 3. Technical-level Working Group. The IFPB may create technical working group composed of technical staff of member-agencies, to review and discuss issues that may need complete staff work before these are elevated to the IFPB.

ARTICLE II

GUIDING PRINCIPLES AND MANDATE

Section 1. Guiding Principles. Intergovernmental relations shall govern the relationship between the National Government and the Bangsamoro Government. The members of the IFPB commit to establish and maintain positive and constructive relations, based on mutual respect for the status, powers and functions of the National Government and the Bangsamoro Government. They shall promote cooperation and collaboration, and resolve issues through regular consultation and continuing negotiation in a non-adversarial manner.

Section 2. Mandate. The IFPB is mandated to address revenue imbalances and fluctuations in regional financial needs and revenue-raising capacity of the Bangsamoro Government. The IFPB shall have the following functions:

- a. Recommend the necessary fiscal policy adjustments by undertaking periodic reviews of taxing powers, tax base, rates, wealth sharing arrangements, and sources of revenues of the Bangsamoro Government vis-à-vis its development needs;
- b. Address disputes between the National Government and the Bangsamoro Government involving the collection of capital gains tax, documentary stamp tax, donor's tax, and estate tax;
- c. Determine the extent of the participation of the Bangsamoro Government in the board of directors or the policy-making bodies and in the operations of government-owned or -controlled corporations (GOCCs) that operate a substantial portion of their businesses directly or through their subsidiaries in the Bangsamoro Autonomous Region or where the Bangsamoro Government has substantial interest ;
- d. Determine the participation of the Bangsamoro Government in the operations of GOCCs and their subsidiaries operating in the Bangsamoro Autonomous Region, and its shares from the results of said operations;
- e. Determine the participation of the Bangsamoro Government in the *Al-Amanah* Islamic Investment Bank of the Philippines and the Southern Philippines Development Authority (SPDA) subject to the provisions of Section 33 of Art. XII of the BOL;
- f. Define the modalities for the filing of income tax returns for corporations or firms whose central, main, or head offices are located outside the Bangsamoro Autonomous Region but are doing business within its territorial jurisdiction to determine the income realized from such operations in the Bangsamoro Autonomous Region, which shall be attributed as income derived therein and subject to the sharing scheme between the National Government and the Bangsamoro Government;
- g. May recommend to the Philippine Congress or the appropriate National Government agency the grant of additional fiscal powers to the Bangsamoro Government.
- h. Review the formula of the block grant five (5) years after its effectivity, and every five (5) years thereafter to consider, among others, the fiscal needs of the Bangsamoro Government and the actual revenues it shall be able to generate

- and to ensure that all block grant expenditures are transparent and performance-based, provided, that if the National Government shall no longer have any representative in the Intergovernmental Fiscal Policy Board, the review shall be undertaken by the Intergovernmental Relations Body. (Sec. 22, Art. XII)
- i. Determine the shares from the dividends of national government-owned or controlled corporations and their subsidiaries due to the Bangsamoro Autonomous Region as among the sources of revenues of the Bangsamoro Government. (Sec. 6, Art. XII)
 - j. Promulgate rules on the determination of taxable elements in relation to capital gains tax, documentary stamp tax, donor's tax and estate tax, and the sharing of revenues from the collection of such taxes where the taxable elements are both situated within and outside of the Bangsamoro territorial jurisdiction. [Sec. 9(l)(4), Art. XII]
 - k. Resolve any dispute between the National Government and the Bangsamoro Government arising from the imposition of the above taxes. [Sec. 9(k)(4), Art. XII]
 - l. Promulgate rules to implement Art. XII Sec.12 of the BOL, including the determination of covered entities and the allocation of income for covered entities. (Sec. 12, Art. XII)
 - m. Promulgate rules for the implementation of Art. XII Sec. 26 of the BOL on grants and donations;
 - n. Submit an annual report, made available to the public, to the National Government and the Bangsamoro Government (Sec 39, Art. XII).

ARTICLE III

MEETINGS

Section 1. Agenda for the Meetings. The agenda for the meetings of the IFPB shall be prepared by the Joint Secretariat and shall be agreed upon by the IFPB. The Co-Chairs shall exchange working papers on the agenda of the meetings within a reasonable time, as mutually agreed by the Co-Chairs, before such agenda shall be discussed.

Section 2. Venue and Schedule of the Meetings. The IFPB shall henceforth regularly hold its meetings, once every ninety (90) days, in Metro Manila and Cotabato City, alternately, or in any other location in the Philippines as agreed by the IFPB.

In case there are actions and issues that require immediate attention and discussion of the IFPB, special meetings may be conducted.

In both cases, the members of the IFPB shall mutually agree on the schedule and venue of meetings.




Section 3. Attendance. The officially designated members of the National Government and Bangsamoro Government IFPB shall be the regular attendees during meetings.

In the event that the officially designated member will not be able to attend the meeting, the officially designated alternate member may attend on his/her behalf, provided that prior official notice of such designation shall be given to the IFPB Joint Secretariat.

Section 4. Quorum. A majority of the members or the officially designated alternate of each of the National Government IFPB and the Bangsamoro Government IFPB is required to be present at every meeting in order to constitute a quorum.

In case the quorum is not constituted for the meeting, the Co-Chairs shall decide whether the meeting will push through as scheduled or will be postponed to a later date. In the event that the meeting pushes through, no resolution, action, or decision that requires the vote of the members of the IFPB shall be made.

Section 5. Presiding Officers. The Co-Chairs from the National Government and the Bangsamoro Government shall act as co-presiding officers in the meetings of the IFPB.

Section 6. Presence of Other Agencies and Individuals at Meetings. Other than the members of the IFPB, only the Joint Secretariat shall be allowed in the meeting room. Resource persons may be invited as necessary, and as mutually agreed upon by the Co-Chairs.

Only persons on the list of attendees provided by the Joint Secretariat three (3) days prior to the meeting may be allowed in the meeting room. Changes may later be done as long as mutually agreed upon by the Co-Chairs.

Section 7. Procedure of Meetings:

- a. The Co-Chairs shall agree on the allocation of time for each agenda item, including presentations thereof, as recommended by the Joint Secretariat.
- b. The National Government and the Bangsamoro Government shall have equal opportunity to fully present each of their side in meetings, orally and/or in writing, to propound questions, and to respond to each other regarding any agreed agenda item.
- c. When no agreement has been reached on an agenda item within a reasonable time, such item may be deferred for further deliberation or referred to the Joint Secretariat or TWG for further study. Thereafter, the IFPB shall proceed to the next agenda item.



Section 8. Resolution of Issues. The IFPB shall exhaust all means to resolve any matter involving fiscal issues brought before it. In case there are unresolved matters/issues concerning intergovernmental relations, the same shall be referred to the Intergovernmental Relations Body (IGRB).

Section 9. Conduct of Meetings. The Co-Chairs shall speak on behalf of the National Government and the Bangsamoro Government, respectively, while other members of the IFPB may speak when recognized by either Co-Chair, encouraging a constructive dialogue with due courtesy to each other. Resource persons may be invited to speak with the concurrence of both Co-Chairs.

Section 10. Meeting Flow. The flow of the meeting shall be as follows:

- a. Determination of quorum from the members of the IFPB from the National Government and the Bangsamoro Government reported by the Joint Secretariat;
- b. Approval of agenda for the meeting;
- c. Adoption of minutes of the previous meeting;
- d. Discussion of unfinished business;
- e. Discussion of agenda items;
- f. Adoption of consensus points;
- g. Adoption of proposed agenda, schedule, and venue of the next meeting; and
- h. Adoption of statement or press release, if necessary.

ARTICLE IV

GENERAL PROVISIONS

Section 1. Confidentiality.

- a. All discussions, proceedings and documents shall be treated as confidential unless otherwise mutually agreed by the Co-Chairs.
- b. Limitations on access to or release of official records of the deliberations and minutes of the meetings shall be mutually agreed upon by the IFPB.

Section 2. Funding. All expenses for the conduct of meetings and other activities of the IFPB shall be shouldered by the Office of the Presidential Adviser on the Peace Process (OPAPP).

Section 3. Amendments. The IFPB may mutually agree to amend, modify, or supplement the provisions of this Terms of Reference as necessary.

Section 4. Effectivity. This Terms of Reference shall take effect upon the signing of the Co-Chairs.

Done this 29th day of May 2020 in Manila, Philippines.

For the National Government

For the Bangsamoro Government
for



SEC. CARLOS G. DOMINGUEZ

CHIEF MINISTER AHOD B. EBRAHIM

Co-Chair, Secretary of Finance

Co-Chair, Concurrent Minister of
Finance, and Budget and Management

JUN 03 2020



TERMS OF REFERENCE
OF THE INTERGOVERNMENTAL FISCAL POLICY BOARD (IFPB)
JOINT SECRETARIAT

ARTICLE I

COMPOSITION AND FUNCTIONS

Section 1. Intergovernmental Fiscal Policy Board Joint Secretariat. The Intergovernmental Fiscal Policy Board (IFPB) Joint Secretariat, hereinafter referred to as the Joint Secretariat, shall be composed of representatives from the member-agencies of the National Government and the Bangsamoro Government.

Section 2. Composition. The Joint Secretariat shall be composed of the following:

- a. From the National Government:
 - i. Representative, Department of Finance
- b. From the Bangsamoro Government:
 - i. Representative, Office of the Chief Minister
 - ii. Representative, Bangsamoro Attorney General's Office
 - iii. Representative, Ministry of Finance, Budget and Management
 - iv. Representative, Ministry of Trade, Investments and Tourism
 - v. Representative, Bangsamoro Planning and Development Authority

Changes to the composition of the Joint Secretariat may be made as agreed by the IFPB.

Section 3. Functions. The Joint Secretariat shall support the IFPB, and shall have the following tasks and functions:

- a. To prepare and submit the agenda of the meetings of the IFPB;
- b. To document the proceedings of the meetings of the IFPB;
- c. To prepare the highlights of consensus points of the IFPB after every meeting;
- d. To prepare the reports of the IFPB, as needed; and
- e. To handle all administrative requirements relative to the conduct of the meeting.

ARTICLE II

AGENDA FOR THE MEETINGS

Section 1. Agenda Preparation. The Joint Secretariat shall prepare the agenda for the meetings of the IFPB. The National Government IFPB Secretariat and the Bangsamoro Government IFPB Secretariat shall each facilitate the vetting and finalization of the proposed agenda from their respective sides.

If any agenda item on a previous meeting has been deferred by the IFPB Co-Chairs, the Joint Secretariat shall include such item in the agenda for the succeeding meeting only if it is deemed ready for discussion, upon meeting the requirements set by the IFPB. Such items deemed unfinished business from the previous meeting shall be prioritized in the agenda prior to the items set by the IFPB for the meeting.

Matters/issues must be raised to the IFPB in written form addressed to the Co-Chairs, through the Joint Secretariat.

The IFPB shall instruct the Joint Secretariat to conduct complete staff work on such matter/issue within fifteen (15) working days after receipt.

Section 2. Agenda Submission. The Joint Secretariat shall submit the final agenda and the corresponding presentation materials and the complete staff work on issues submitted, to the Co-Chairs of the IFPB for approval, at least ten (10) days prior to the conduct of the meeting.

ARTICLE III

CONDUCT OF MEETINGS

Section 1. Venue and Schedule of the Meetings. The Joint Secretariat shall be in charge for the preparation of the venue of the meetings of the IFPB.

In line with its responsibility to assist the IFPB, the Joint Secretariat shall meet once every sixty (60) days, in Metro Manila and Cotabato City, alternately, or in any other location in the Philippines as agreed by the Joint Secretariat.

In case there are actions and issues that require immediate attention and discussion of the IFPB, special meetings may be conducted by the Joint Secretariat.

In both cases, the Joint Secretariat shall mutually agree on the schedule and venue of meetings.



Section 2. Attendance. Member-agencies of the IFPB shall inform the Joint Secretariat on the attendance of their officially designated members or alternate members, at least five (5) days prior to the conduct of the meeting.

Section 3. Quorum. A majority of the composition of each of the National Government IFPB and the Bangsamoro Government IFPB is required to be present at every meeting in order to constitute a quorum. The Joint Secretariat shall inform the Co-Chairs on whether a quorum is constituted.

In case the quorum is not constituted, the Joint Secretariat shall be informed by the Co-Chairs on whether the meeting shall push through or shall be postponed to a later date. If the meeting is postponed, the Joint Secretariat shall inform the members of the IFPB from their respective sides on the date and venue of the rescheduled meeting.

Section 4. Presence of Other Agencies and Individuals at Meetings. Agencies of the National Government and the Bangsamoro Government may request the IFPB Co-Chairs through their respective IFPB Secretariat for the authorized attendance of their representatives to the meetings of the IFPB. Upon approval of the IFPB Co-Chairs at least three (3) days prior to the meeting, the Joint Secretariat shall include the representatives to the list of attendees.

The Co-Chairs through the Joint Secretariat may also invite resource persons as necessary.

Section 5. Procedure of Meetings:

- a. The Joint Secretariat shall remind the presenters on the time limit agreed by the IFPB Co-Chairs for each agenda item and presentations therefor.
- b. When no agreement has been reached on an agenda item within the reasonable time limit approved by the IFPB Co-Chairs and when such item is deferred for further deliberation or for further study, the Joint Secretariat shall note such action in the documentation for the meeting. After the meeting, the Joint Secretariat shall keep track of the status of the deliberation or study and shall report the same to the IFPB.
- c. The Joint Secretariat shall note the agenda, schedule, and venue of the next meeting.

ARTICLE IV

DOCUMENTATION

Section 1. Documentation. Minutes shall be prepared by the Joint Secretariat after the meeting and shall be submitted to the IFPB Co-Chairs for approval. Upon approval



of the IFPB Co-Chairs, the Joint Secretariat shall circulate to the members of the IFPB the documentation of, including the consensus points arising from, the previous meeting.

ARTICLE V

GENERAL PROVISIONS

Section 1. Confidentiality.

- a. The Joint Secretariat shall uphold the confidentiality of all discussions, proceedings and documents shall be treated as confidential unless otherwise mutually agreed by the IFPB Co-Chairs.
- b. The Joint Secretariat shall observe the limitations on access to or release of official records of the deliberations and minutes of the meetings, as mutually agreed upon by the IFPB.

Section 2. Funding. All expenses for the conduct of meetings and other activities of the Joint Secretariat shall be shouldered by the Office of the Presidential Adviser on the Peace Process (OPAPP).

Section 3. Amendments. The Joint Secretariat may mutually agree to amend, modify, or supplement the provisions of this Terms of Reference as necessary with the concurrence of the IFPB.

Section 4. Effectivity. This Terms of Reference shall take effect upon the signing by the respective heads of the Joint Secretariat from the National Government and the Bangsamoro Government, and confirmed by the Co-Chairs.

Done this 29th day of May 2020 in Manila, Philippines.

For the National Government IFPB
Secretariat

For the Bangsamoro Government IFPB
Secretariat


USEC. BAYANI H. AGABIN


ATTY. SITIE MIRAH PENDATUN


Department of Finance

Office of the Chief Minister (Main Bldg.)

Confirmed by:



[Handwritten signature]
SEC. CARLOS G. DOMINGUEZ
Secretary of Finance
Co-Chair, NG-IFPB
JUN 11 2020

for
[Handwritten signature]

CHIEF MINISTER AHOD B. EBRAHIM
Concurrent Minister of Finance and
Budget and Management
Co-Chair, BARMM-IFPB

**INTERGOVERNMENTAL FISCAL POLICY BOARD (IFPB)
GUIDELINES ON FOREIGN GRANTS TO THE BANGSAMORO AUTONOMOUS
REGION IN MUSLIM MINDANAO (BARMM)**

Section 1. *Legal Basis.* –

- (a) Section 1, Chapter 1, Title II E.O. 292, otherwise known as the Administrative Code provides that, the Department of Finance (DOF) shall be primarily responsible for the sound and efficient management of the financial resources of the Government, its subdivisions, agencies and instrumentalities;
- (b) Section 1, Republic Act No. 4860, which states that the President may enter into and conclude bilateral agreements involving other forms of official assistance such as grants;
- (c) Article V, Section 1 of Republic Act No. 11054, otherwise known as the Bangsamoro Organic Law (BOL), which provides that all powers, functions, and responsibilities not granted by the Constitution or law to the Bangsamoro Government shall be vested in the National Government;
- (d) Article V, Section 2 (v) of BOL, which provides that the Bangsamoro Government shall exercise authority over grants and loans, without prejudice to the general supervision of the President of the Philippines;
- (e) Article V, Section 26 of BOL, which provides that in case of such grants or donations from governments of foreign countries, their agencies and instrumentalities or multilateral institutions or organizations, acceptance thereof shall be subject to the prior clearance and approval by the President or his authorized representative;
- (f) Article XII, Section 1 of the BOL, which provides that the Bangsamoro Government shall enjoy fiscal autonomy , and that it is entitled to all fund sources as and shall have the power to create its sources of revenues as provided for in the BOL;
- (g) Article XII, Section 6 of the BOL, which provides that the Bangsamoro Government shall have the power to create its own sources of revenue which include grants from economic agreements or conventions entered into by the Bangsamoro Government to which the National Government is a party; and grants, endowments, donations, foreign assistance and other forms of aid;
- (h) Memorandum Circular 16, s. 2017, requiring Special Authority from the President for agreements covering borrowings, guarantees, and foreign grants;
- (i) Section 5, General Provisions, 2020 General Appropriations Act, grants, in cash or in kind, from governments of foreign countries, their agencies and instrumentalities or multilateral institutions or organizations, acceptance thereof shall be subject to the prior



clearance and approval by the President or his authorized representative based on the recommendation of the Secretary of Finance.

Section 2. Scope. – The following guidelines will apply exclusively to grants, in cash or in kind, from governments of foreign countries, their agencies and instrumentalities or multilateral institutions or organizations to the Bangsamoro Government and its subdivisions, ministries, subsidiaries, and instrumentalities.

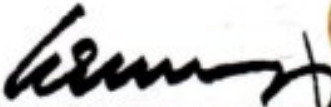

Section 3. Procedure for Approval of Grants. –

- (a) The Bangsamoro Government shall coordinate closely with the Department of Foreign Affairs prior to the negotiation and signing of an **international agreement**. An international agreement is defined as a contract or understanding, regardless of nomenclature, entered into between the Philippines and another government in written form and governed by international law, whether embodied in a single instrument or in two or more related instruments. The issuance of a Note Verbale/Signing of Exchange of notes may be required by the Department of Finance for foreign grants;
- (b) Prior to the negotiation and signing of **foreign grants**, the Bangsamoro Government shall, coordinate closely with the Department of Finance and shall send a letter from the head of the Bangsamoro Government to the Secretary of Finance endorsing the project and requesting for assistance to facilitate issuance of request for Office of the President (OP) Approval or Special Authority with the following enclosed:
 - a. Certification/confirmation by the Bangsamoro Government including the following but not limited to (i) pay/assume required government counterpart for the project including payment/assumption of customs duties and taxes and (ii) secure the necessary budget to cover the said government counterpart for the project;
 - b. Draft financing/grant/implementation agreement, document, or similar instrument;
 - c. Letter from grantor (if available);
 - d. Project brief; and
 - e. Other additional documents that may be required by the DOF or OP.
- (c) Authorizations for the negotiation and signing of foreign grants shall be granted in writing through Full Powers, Special Authority, Letter or Memorandum signed by the President, or the Executive Secretary “by authority of the President”.
- (d) The requirement of complete staff work as provided in MC No. 68 shall be strictly observed before requesting the abovementioned authorizations.
- (e) These guidelines shall cover foreign grants without prejudice to the requirement that a recommendation from the National Economic and Development Authority be obtained for particular projects covered under the Philippine Development Plan.



Section 4. Effectivity. – These guidelines shall take effect fifteen (15) days following the filing of three (3) copies hereof with the Office of the National Administrative Register (ONAR) University of the Philippines (UP) Law Center, Diliman, Quezon City, pursuant to Presidential Memorandum Circular No. 11 dated 09 October 1992.

Approved on 05 February 2021


SEC. CARLOS G. DOMINGUEZ
Secretary of Finance
Co-Chair, IFPB 




CHIEF MIN. ANOD B. EBRAHIM
Concurrent Minister of Finance and Budget
and Management
Co-Chair, IFPB 

**JOINT CIRCULAR**

SUBJECT : ESTABLISHMENT OF THE SHARI'AH SUPERVISORY BOARD IN THE BANGSAMORO AUTONOMOUS REGION IN MUSLIM MINDANAO (BARMM)

DATE : 26 April 2022

WHEREAS, Article XIII, Section 32 of Republic Act (R.A.) No.11054, otherwise known as the "Bangsamoro Organic Law" (BOL) mandates the Bangsamoro Government (BG), the Bangko Sentral ng Pilipinas (BSP), the Department of Finance (DOF), and the National Commission on Muslim Filipinos (NCMF) to jointly promote the development of an Islamic banking and finance system, to include, among others, the establishment of Shari'ah Supervisory Board and the promotion and development of Shari'ah-compliant financial institutions.

WHEREAS, pursuant to Article XIII, Section 31, of the BOL, the BG shall encourage the establishment of banks and financial institutions and their branches including an Islamic window in domestic and foreign conventional banks and offshore banking units of foreign banks within the principles of the Islamic banking system.

WHEREAS, the BSP, as the monetary authority and financial system supervisor having regulatory powers and supervision over the operations of Islamic banks and Islamic banking units (IB/IBU) pursuant to R.A. No. 6848; R.A. No. 7653, as amended by R.A. No. 11211; R.A. No. 8791; R.A. No. 11054, and R.A. No. 11439, aims to promote Islamic banking and finance in the country, a strong economy, and a high quality of life for all Filipinos.

WHEREAS, the DOF, as the government agency mandated to formulate sound fiscal policy on revenue generation, resource mobilization, fiscal management, and financial market development, and promote the welfare of Filipinos and accelerate economic growth and stability, supports a strong and vibrant Islamic banking system in the country.

WHEREAS, the NCMF, as the government agency mandated to promote the rights and well-being of Muslim Filipinos with due regard to their beliefs, customs, traditions and institutions pursuant to R.A. No. 9997, aims to ensure that the

principles of Islamic finance is used for the benefit and is central to the welfare of Muslim Filipinos.

WHEREAS, the BG, the BSP, the DOF and the NCMF have agreed to issue this Joint Circular for the establishment of the SSB to implement Article XIII, Sections 32 and 34 of the BOL.

NOW, THEREFORE, BE IT RESOLVED, for and in consideration of the foregoing, the Shari'ah Supervisory Board (SSB) is hereby established, and the guidelines for the functions of the SSB, its composition, and minimum qualifications of its members, among others, are provided for in this Joint Circular.

I. PURPOSE

This Joint Circular, establishing the SSB, is issued to implement Article XIII, Sections 32 and 34 of the BOL. It also prescribes the guidelines for the functions of the SSB, its composition, and the minimum qualifications of its members, among others, to ensure the effective and efficient fulfilment of the SSB's mandate.

II. FUNCTIONS OF THE SSB

1. The SSB shall issue Shari'ah opinions on Islamic banking transactions and Shari'ah products in the BARMM, and when requested by BSP, financial Institutions and other stakeholders.
2. The SSB may advise the BSP on Shari'ah matters related to Islamic banking and finance. It may also conduct Shari'ah compliance assessment, if BSP deems it necessary.

III. MEMBERSHIP OF THE SSB

3. The SSB shall be composed of nine (9) members, as follows:
 - a. Five (5) members, preferably Filipino citizens, who shall come from the private sector; and
 - b. One (1) member from the Bangsamoro Government (BG);
 - c. One (1) member from the Bangko Sentral ng Pilipinas (BSP);
 - d. One (1) member from the Department of Finance (DOF); and
 - e. One (1) member from the National Commission on Muslim Filipinos (NCMF).

The members from the private sector shall be appointed by the BG. Their appointments are subject to the confirmation of the BSP. They shall serve for a term of three (3) years and may be reappointed for a maximum period of two (2) consecutive terms. A Chairman and a Deputy Chairman of the SSB

shall be appointed by the BG from among the members from the private sector.

The respective heads of the BG, BSP, DOF and NCMF shall designate their principal and alternate members to the SSB.

IV. QUALIFICATION OF THE MEMBERS OF THE SSB

4. The members of the SSB must possess integrity and the competencies relevant to their function, such as education, experience, and independence of mind. The SSB shall collectively have knowledge of Islamic jurisprudence and conventional banking and finance.
5. The members from the private sector shall, at a minimum, possess the following qualifications: (a) a bachelor's degree in the sciences of Shari'ah from a recognized institution; and (b) experience in the areas of Islamic finance, economics, banking, business, or other related fields.
6. The members from the BG, BSP, DOF and NCMF shall be experts in the field relevant to the work of the SSB, such as banking, finance, economics, law, or accounting; and have suitable academic and/or professional qualifications as appropriate to such area of expertise. Said members must have a background, training or knowledge in Islamic finance.
7. The BG shall issue a contract to each member of the SSB from the private sector, setting out, at a minimum, the term of appointment and the remuneration.

V. SECRETARIAT

8. The BSP shall serve as the Secretariat of the SSB. The Secretariat shall include one (1) member each from the NCMF and BG, who has competency to translate Arabic into English language.

VI. ESCALATION PROCESS


9. In case the opinions issued by the SSB and the Shari'ah Advisory Council (SAC) of the IB/IBU are conflicting, the SSB and the SAC of the IB/IBU shall discuss their opinions to arrive at an appropriate solution on the matter.
10. If the SSB and SAC of the IB/IBU are unable to resolve their conflicting opinions, the BSP shall convene the SSB and the SAC of IB/IBU for bilateral talks, without prejudice to the power of the BSP to deploy appropriate supervisory actions, if warranted, in accordance with laws and regulations.

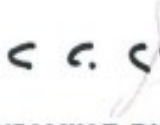

VII. EFFECTIVITY

This Joint Circular shall take effect immediately upon publication thereof.

Approved and signed on APR 26 2022, City of MANILA, the Philippines.


AHOD E. EBRAHIM
Chief Minister
Bangsamoro Autonomous Region in
Muslim Mindanao
Date _____


GUILING A. MAMONDIONG
Secretary
National Commission on Muslim
Filipinos
Date _____


Digitally signed by Benjamin E. Diokno
Date: 2022.04.26
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BENJAMIN E. DIOKNO
Governor
Bangko Sentral ng Pilipinas
Date _____ 

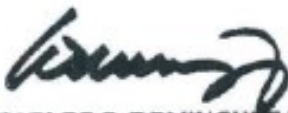


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CARLOS G. DOMINGUEZ III
Secretary
Department of Finance
Date April 21, 2022 

PHOTO GALLERY



Actual Signing of the Memorandum of Agreement on the Establishment of the SSB in the BARMM



Representatives from the Bangko Sentral ng Pilipinas, Department of Finance, National Commission on Muslim Filipinos and Bangsamoro Government during the Ceremonial Signing of the Establishment of the SSB



Third Intergovernmental Fiscal Policy Board Meeting on 01 June 2022



Tax Study Group Meeting with Representatives from the Estonian Government on the Digitalization of the BARMM Revenue Office



Workshop of the Intergovernmental Fiscal Policy Board Joint Secretariat



The National Government Joint Secretariat of the Intergovernmental Fiscal Policy Board



Undersecretary Bayani H. Agabin delivering the Department of Finance's Message during the Ceremonial Signing of the Memorandum of Agreement on the Establishment of SSB in the BARMM

**Intergovernmental Fiscal Policy Board
Joint Secretariat**

National Government

Undersecretary Bayani H. Agabin
National Government Joint Secretariat Head

Director Jesus Nathaniel Martin B. Gonzales
Atty. Ma. Ricca Pearl S. Sulit
Ms. May Rose M. Faner
Mr. Justin G. Simon

Bangsamoro Government

Director Sittie Amirah K. Pendatun
Bangsamoro Government Joint Secretariat Head

Director Rahma D. Sanglitan
Director Roy T. Ladiasan
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INTERGOVERNMENTAL FISCAL POLICY BOARD

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2022