

# Committee Daily Bulletin



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## TECHNICAL WORKING GROUP MEETING

COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/ DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Trade and Industry (Technical Working Group)	Substitute Bill to HBs 2882, 3057, 6609 & 7803	Reps. Villafuerte, Yap (V.), Nieto, and Garcia (J.E.)	Providing benefits and programs to strengthen, promote, and develop the Philippine Startup Ecosystem	<p>The technical working group (TWG), chaired by Rep. Manuel Zubiri (3<sup>rd</sup> District, Bukidnon), terminated its deliberation on the substitute bill. The bill will be presented to the mother Committee for its consideration and approval.</p> <p>Representatives from the Departments of Finance (DOF), Information and Communications Technology (DICT), and Budget and Management (DBM), National Tax Research Center (NTRC), National Economic and Development Authority (NEDA), and the private sector expressed their support for the bill with some of them presenting their respective recommendations toward addressing the challenges faced by the startup sector.</p> <p>Several resource persons stated that certain laws could become a hindrance to the success of startup companies as they fail to recognize the high-risk nature of the business. One of the laws cited was RA 9184 (Government Procurement Reform Act), which they said imposes very stringent requirements. The resource persons recommended that startup companies should not be blacklisted outright when they fail to meet certain obligations. Instead, they added, startup companies should be given financial support, tax incentives or exemptions from the payment of government fees and charges to help them thrive.</p> <p>Both DOF Chief Tax Specialist Miriam Tasarra and NTRC OIC-Deputy Executive Director Donaldo Boo objected to the proposal to grant tax incentives to startup companies. Boo reminded the body that corporate income taxes will already be reduced once HB 8083 or the proposed Tax Reform for Attracting Better and High-quality Opportunities (TRABAHO) Law is enacted. (HB 8083 was approved on Third Reading by the House of Representatives on September 10, 2018.)</p> <p>Narra Venture Capital (NarraVC) Managing Partner Paco Sandejas suggested that safety nets should be put in place to protect the intellectual property rights of startup companies, which are vulnerable to copyright infringements by bigger companies.</p> <p>The resource persons were requested to submit their respective position papers for consideration by the TWG during the finalization of the substitute bill.</p>