TRUST OFFICERS ASSOCIATION OF THE PHILIPPINES (TOAP)

60TH ANNUAL SUMMIT 2023

"Trust: Forging a Better Tomorrow for the Next Gen"

BENJAMIN E. DIOKNO

SECRETARY OF FINANCE

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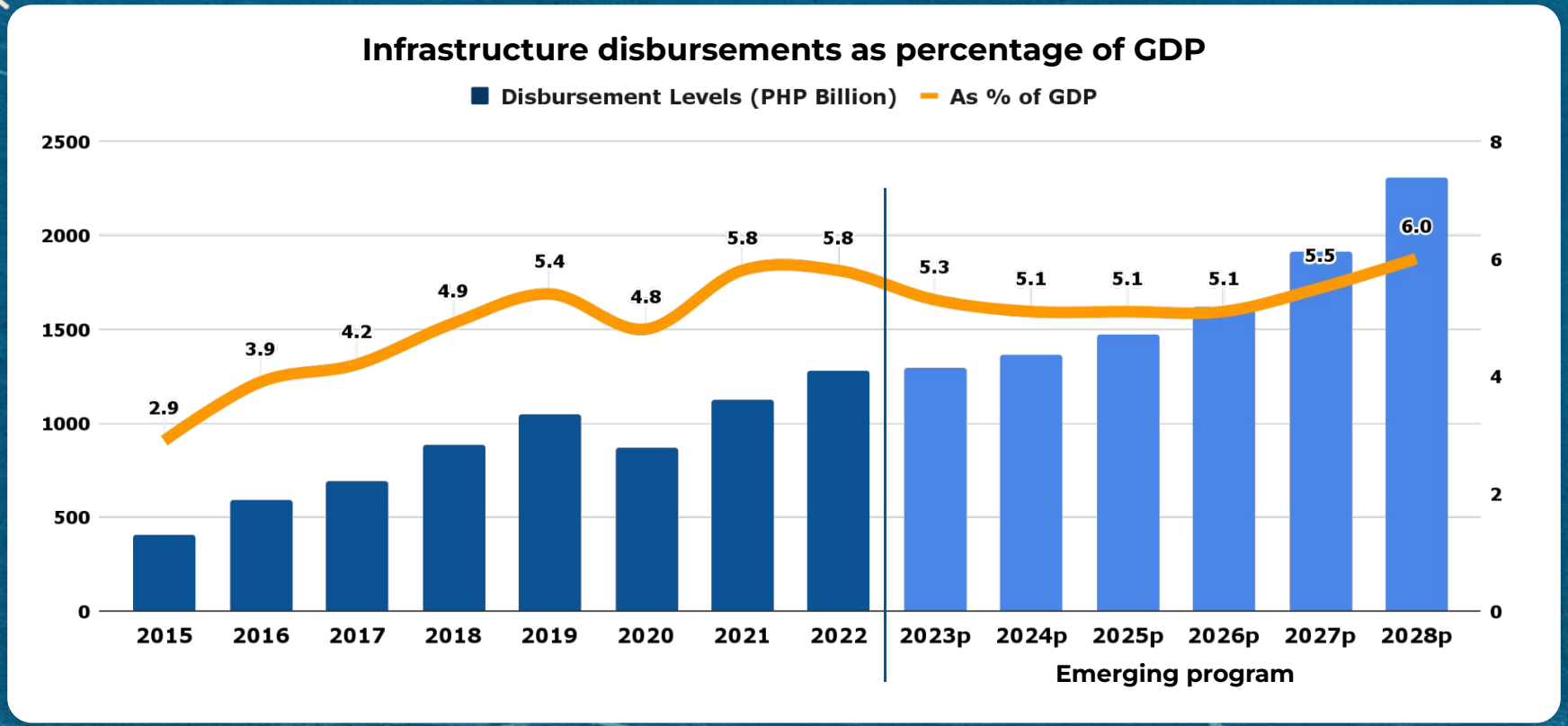
The **Trust Officers Association of the Philippines (TOAP)**, organized in 1964, is one of the oldest professional associations in the financial industry. TOAP is established primarily with the objectives of uniting, professionalizing and promoting the Philippine Trust and Investment Management Industry. All member-institutions are licensed by the Bangko Sentral ng Pilipinas ('BSP') to perform trust, investment management, and other fiduciary functions.

KEY INITIATIVES OF THE DEPARTMENT OF FINANCE

Adequate public investment in infrastructure is required to boost productivity and growth



Source: Medium-Term Fiscal Program FY 2023-2028, approved by the DBCC in July 2023 through ad referendum

MEDIUM-TERM FISCAL FRAMEWORK

Bring down the debt-to-GDP ratio to less than 60% by 2025

As of S1 2023:
61.0% from 62.1% in S1 2022

2023 FY target:
61.4%

Reduce deficit-to-GDP ratio to 3.0% by 2028

As of S1 2023:
4.8% from 6.5% in S1 2022

2023 FY target:
6.1 %

Maintain high investment in infrastructure at 5% to 6% of GDP annually

As of S1 2023:
5.3% from 5.7% in S1 2022

2023 FY target:
5.3%

DOF PRIORITY MEASURES

MEASURE	DESCRIPTION	HOUSE OF REPRESENTATIVES	SENATE
Real Property Valuation and Assessment Reform (Package 3)	Aims to promote the development of a just, equitable, and efficient real property valuation system. This will have a positive impact on revenue generation and resource mobilization performance of LGUs	Approved on third reading on December 12, 2022	Pending in the Committee on Ways and Means (for submission of Committee Report)
Passive Income and Financial Intermediaries Taxation (Package 4)	Aims to harmonize the taxation of passive income and financial intermediaries by reducing and simplifying tax rates on financial transactions	Approved on third reading on November 14, 2022	Pending in the Committee on Ways and Means since August 31, 2022
VAT on Digital Services	Seeks to level the playing field between and among traditional and digital enterprises	Approved on third reading on November 14, 2022	Pending in the Committee on Ways and Means since August 3, 2022

MEASURE	DESCRIPTION	HOUSE OF REPRESENTATIVES	SENATE
Tax on Sweetened Beverages and Junk Foods	Imposes a new tax on junk foods, raises the levy and expands the tax base on sweetened beverages. These measures aim to curb excess consumption of unhealthy food items while generating revenues.	Tax on sweetened beverages: Pending in the Committee on Ways and Means since March 13, 2023 Tax on Junk Foods: No filed bill	No filed bill
Excise Tax on Single-Use Plastics	Proposes an excise tax of Php100/kg of plastics to discourage and reduce single-use plastic consumption	Approved on third reading on November 14, 2022	Pending in the Committee on Ways and Means since November 22, 2022
Motor Vehicle User's Charge	Proposes a unitary rate of Php1.40/kg of gross vehicle weight. This will generate significant revenues to fund investments in road quality enhancement and road safety	Pending in the Committee on Ways and Means since July 26, 2022	No filed bill
Rationalization of the mining fiscal regime	Aims to simplify the current mining fiscal regime and ensure that the government is able to collect its fair share of mining revenues.	Pending in the Committee on Ways and Means (3rd committee hearing on May 30, 2023)	No filed bill

Improving pension systems to boost capital market development and economic growth

Military and Uniformed Personnel Pension Reform

Capital Market Development Act

MAHARLIKA INVESTMENT FUND

The Philippines' first-ever sovereign investment fund designed to serve as a vehicle for driving long-term economic development through increased investments in high-impact sectors

The MIF opens the corridor for the Philippines to access the world's sovereign wealth fund community and gain equity exposure to megatrends

- Public Road Networks
- Water
- Tollways
- Agro-industrial ventures
- Telecommunications
- ESG investing
- Green and blue projects
- Clean Energy
- Vaccine development

We have taken bold strides and will continue to do so to deliver results and bring the Philippine economy back to its high-growth trajectory