

## Bayanihan to Recover as One Act Signed into Law

On 11 September 2020, President Rodrigo R. Duterte signed into law Republic Act No. 11494, entitled “An Act Providing for COVID-19 Response and Recovery Interventions and Providing Mechanisms to Accelerate the Recovery and Bolster the Resiliency of the Philippine Economy, Providing Funds Therefor, and for other Purposes” (“**Bayanihan Act 2**”). The Bayanihan Act 2 took effect on September 15, 2020 and will be enforced until December 19, 2020. The law aims to further mitigate the economics losses and enhance the financial stability of the country amidst the COVID-19 pandemic.

We summarize below the salient provisions of the Bayanihan Act 2:

1. COVID-19 Response and Recovery Interventions. – Pursuant to Article VI, Section 23(2) of the Constitution, the President was authorized to take certain measures, including:
  - (a) Provision of cash assistance in the forms of unemployment or involuntary separation assistance for displaced workers, emergency subsidies to low-income households, and additional allowances and compensation to health workers;
  - (b) Providing exemptions from the provisions on bidding process under the Government Procurement Reform Act and other relevant laws, subject to certain conditions;
  - (c) Liberalization of the grant of incentives for the manufacture or importation of critical or needed equipment, supplies, and essential goods;
  - (d) Ensuring the availability of essential goods, in particular, food and medicine, by adopting measures as may be reasonably necessary to facilitate and/or minimize disruption in the supply chain, where the Department of Trade and Industry may suspend export requirements of export enterprises that produce critical goods and require them to supply for local demand;
  - (e) Temporary suspension of requirements for securing permits and clearances for construction of telecommunications and internet infrastructure;
  - (f) Requiring all businesses to prioritize and accept contracts for materials and services necessary to promote the goals of this law;
  - (g) Conservation and regulation of the distribution and use of power, fuel, energy, and water to ensure adequate supply;
  - (h) Moving of statutory deadlines and timelines for the filing and submission of any document, the payment of taxes, fees, and other charges required by law, and the grant of any benefit;
  - (i) Directing all banks, quasi-banks, financing companies, lending companies, real estate developers, insurance companies, and other financial institutions to implement a one-time sixty (60)-day grace period to be granted for the payment

- of all existing, current and outstanding loans falling due on or before December 31, 2020, except for interbank loans and bank borrowings;
- (j) Directing all institutions providing electric, water, telecommunications, and other similar utilities to implement a minimum of thirty (30)-day grace period for the payment of utilities falling due within the period of enhanced community quarantine or modified enhanced community quarantine without incurring interests, penalties, and other charges;
  - (k) Provision of a minimum thirty (30)-day grace period on residential rents and commercial rents of lessees not permitted to work;
  - (l) Issuance of a directive that all government agencies and local government units shall act on all pending and new applications for permits, licenses, certificates, clearances, authorizations, and resolutions within a non-extendible period of seven (7) working days in order to support business continuity and encourage resumption of all economic activities;
  - (m) Directing the Securities and Exchange Commission and other regulatory agencies to desist from imposing fines and other monetary penalties for non-filing, late filing, and failure to comply with compulsory notification and other reportorial requirements relating to business activities and transactions;
  - (n) Exemption of all mergers and acquisitions with transaction values below fifty billion pesos (PhP 50,000,000,000.00) from compulsory notification if entered within two (2) years from the effectivity of this law and exemption from the Philippine Competition Commission's power of review for a period of one (1) year from the effectivity of this law; and
  - (o) Carrying over of the net operating loss of the business from taxable years 2020 and 2021 as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.
2. Any person who commits acts of discrimination against persons who are confirmed, suspected, or probable cases of COVID-19, returning overseas Filipino workers, health workers, frontliners, service workers, or indigents where such acts have caused harm to the victim, shall be punished with imprisonment of six (6) months and a fine of PhP 100,000.00.
  3. Retirement benefits received by officials and employees of private firms from June 5, 2020 until December 31, 2020 are excluded from gross income and are exempt from taxation.
  4. The Tax Code provision regarding the tax on sale, barter, or exchange of shares of stock listed and traded through initial public offering is repealed.

## Client Update: Philippines

2020 OCTOBER

---

### Contacts



**Ben Dominic R. Yap**  
Partner

T +632 8894 0377 to 79  
F +632 8552 1978  
[bdryap@cagatlaw.com](mailto:bdryap@cagatlaw.com)



**Jesus Paolo U. Protacio**  
Partner

T +632 8894 0377 to 79  
F +632 8552 1978  
[jpuprotacio@cagatlaw.com](mailto:jpuprotacio@cagatlaw.com)



**Jess Raymund M. Lopez**  
Partner

T +632 8894 0377 to 79  
F +632 8552 1977  
[jrmlopez@cagatlaw.com](mailto:jrmlopez@cagatlaw.com)



**Vladi Miguel S. Lazaro**  
Partner

T +632 8894 0377 to 79  
F +632 8552 1978  
[vmslazaro@cagatlaw.com](mailto:vmslazaro@cagatlaw.com)

---

## Our Regional Contacts

### RAJAH & TANN | *Singapore*

#### Rajah & Tann Singapore LLP

T +65 6535 3600  
sg.rajahtannasia.com

### R&T SOK & HENG | *Cambodia*

#### R&T Sok & Heng Law Office

T +855 23 963 112 / 113  
F +855 23 963 116  
kh.rajahtannasia.com

### RAJAH & TANN 立杰上海

#### SHANGHAI REPRESENTATIVE OFFICE | *China*

#### Rajah & Tann Singapore LLP

#### Shanghai Representative Office

T +86 21 6120 8818  
F +86 21 6120 8820  
cn.rajahtannasia.com

### ASSEGAF HAMZAH & PARTNERS | *Indonesia*

#### Assegaf Hamzah & Partners

#### Jakarta Office

T +62 21 2555 7800  
F +62 21 2555 7899

#### Surabaya Office

T +62 31 5116 4550  
F +62 31 5116 4560  
www.ahp.co.id

### RAJAH & TANN | *Lao PDR*

#### Rajah & Tann (Laos) Co., Ltd.

T +856 21 454 239  
F +856 21 285 261  
la.rajahtannasia.com

### CHRISTOPHER & LEE ONG | *Malaysia*

#### Christopher & Lee Ong

T +60 3 2273 1919  
F +60 3 2273 8310  
www.christopherleeong.com

### RAJAH & TANN | *Myanmar*

#### Rajah & Tann Myanmar Company Limited

T +95 1 9345 343 / +95 1 9345 346  
F +95 1 9345 348  
mm.rajahtannasia.com

### GATMAYTAN YAP PATACSIL

#### GUTIERREZ & PROTACIO (C&G LAW) | *Philippines*

#### Gatmaytan Yap Patacsil Gutierrez & Protacio (C&G Law)

T +632 8894 0377 to 79 / +632 8894 4931 to 32  
F +632 8552 1977 to 78  
www.cagatlaw.com

### RAJAH & TANN | *Thailand*

#### R&T Asia (Thailand) Limited

T +66 2 656 1991  
F +66 2 656 0833  
th.rajahtannasia.com

### RAJAH & TANN LCT LAWYERS | *Vietnam*

#### Rajah & Tann LCT Lawyers

#### Ho Chi Minh City Office

T +84 28 3821 2382 / +84 28 3821 2673  
F +84 28 3520 8206

#### Hanoi Office

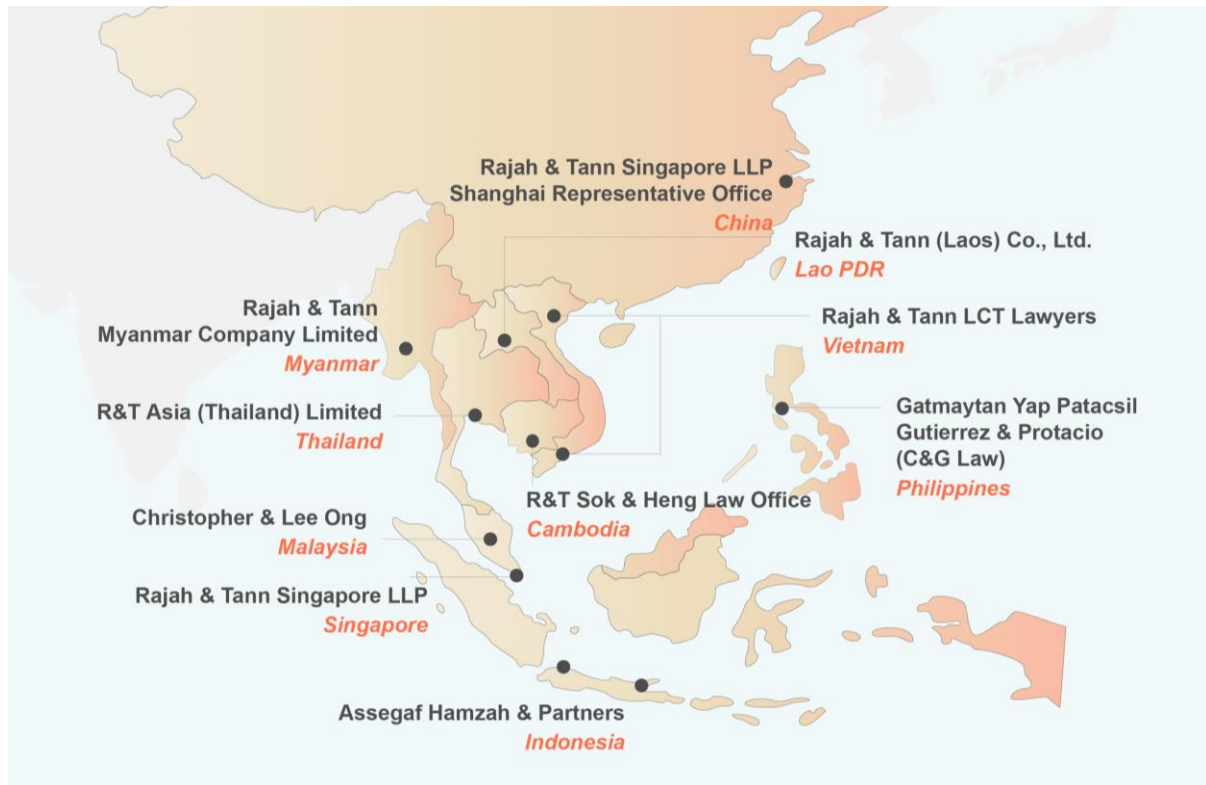
T +84 24 3267 6127  
F +84 24 3267 6128  
www.rajahtannlct.com

Rajah & Tann Asia is a network of legal practices based in Asia.

Member firms are independently constituted and regulated in accordance with relevant local legal requirements. Services provided by a member firm are governed by the terms of engagement between the member firm and the client.

This update is solely intended to provide general information and does not provide any advice or create any relationship, whether legally binding or otherwise. Rajah & Tann Asia and its member firms do not accept, and fully disclaim, responsibility for any loss or damage which may result from accessing or relying on this update.

## Our Regional Presence



C&G Law is one of the fastest growing, most dynamic and cutting edge firms in Manila today, and is the trusted partner and go-to firm of choice for many local conglomerates, multinational corporations, leading financial institutions, governmental agencies and fast growing organisations in the Philippines. It is also now the firm of choice for the leading lights in the top law schools who are looking to join a firm with pedigree, integrity, uncompromising quality and excellence in service standards.

C&G Law is part of Rajah & Tann Asia, a network of local law firms in Singapore, Cambodia, China, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Thailand and Vietnam. Our Asian network also includes regional desks focused on Brunei, Japan and South Asia.

The contents of this Update are owned by C&G Law and subject to copyright protection under the laws of the Philippines and, through international treaties, other countries. No part of this Update may be reproduced, licensed, sold, published, transmitted, modified, adapted, publicly displayed, broadcast (including storage in any medium by electronic means whether or not transiently for any purpose save as permitted herein) without the prior written permission of C&G Law.

Please note also that whilst the information in this Update is correct to the best of our knowledge and belief at the time of writing, it is only intended to provide a general guide to the subject matter and should not be treated as a substitute for specific professional advice for any particular course of action as such information may not suit your specific business and operational requirements. It is to your advantage to seek legal advice for your specific situation. In this regard, you may call the lawyer you normally deal with in C&G Law.