

EIGHTEENTH CONGRESS  
First Regular Session

RESOLUTION OF BOTH HOUSES NO. 2

Introduced by HON. LORD ALLAN JAY Q. VELASCO

RESOLUTION OF BOTH HOUSES  
PROPOSING AMENDMENTS TO CERTAIN ECONOMIC PROVISIONS OF THE  
1987 CONSTITUTION OF THE REPUBLIC OF THE PHILIPPINES  
PARTICULARLY ON ARTICLES II, XIV & XVI

WHEREAS, the Constitution is the fundamental law of the land which defines, establishes and confers powers to the State and provides for the correlative obligation of the people to abide by it;

WHEREAS, the Constitution, as a covenant between the State and the people, vests on the government the duty to provide decent living conditions to its people;

WHEREAS, the mandate given to current leaders who advocate for change signifies renewed trust in the government and immense optimism in its ability and commitment to bring about improvement in the quality of life of Filipinos;

WHEREAS, the trust reposed by the people upon the country's leaders has encouraged more investments and it is helping the country maintain its pace as one of the fastest growing economies in Asia, with the World Bank giving it a future projection of 6.5 percent GDP growth this year and 6.6 percent in 2020 and 2021;

WHEREAS, in another 2019 economic outlook report of the Organization for Economic Cooperation and Development (OECD), the GDP percentage of the Philippines for the period of 2017 to 2019 constantly surpasses the GDP growth in other ASEAN countries such as Indonesia, Malaysia and Thailand;

WHEREAS, growing global interest in Asia provides an opportunity for the Philippines to compete for more investments but statistics show that Philippines need to maximize its economic momentum since in a 2017 Association of Southeast Asian Nations (ASEAN) report, around 90% of the 36 million people in Southeast Asia who are living below the international poverty line are Filipinos and Indonesians;

WHEREAS, in order to fully transform this economic growth into inclusive and solidary progress among Filipinos, the restrictive economic provisions in the Philippine Constitution which hamper the flow of foreign capital investments must be lifted: Now, therefore, be it



1       **RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES**, by a  
2 vote of three-fourths (3/4) of all its Members, each House voting separately, and pursuant to  
3 Article XVII of the Constitution, to propose amendments to Articles XII, XIV & XVI of the  
4 1987 Constitution of the Republic of the Philippines, with the following proposals:  
5

- 6       1.     On paragraph 1, Section 2 of Article XII (National Patrimony and Economy), insert  
7 the phrase *unless otherwise provided by law* after the fourth sentence and add a  
8 comma before the phrase, to read as follows:  
9

10           "Section 2. All lands of the public domain, waters, minerals,  
11 coal, petroleum, and other mineral oils, all forces of potential energy,  
12 fisheries, forests or timber, wildlife, flora and fauna, and other natural  
13 resources are owned by the State. With the exception of agricultural  
14 lands, all other natural resources shall not be alienated. The  
15 exploration, development, and utilization of natural resources shall be  
16 under the full control and supervision of the State. The State may  
17 directly undertake such activities, or it may enter into co-production,  
18 joint venture, or production-sharing agreements with Filipino citizens,  
19 or corporations or associations at least sixty per centum of whose  
20 capital is owned by such citizens, **UNLESS OTHERWISE**  
21 **PROVIDED BY LAW**. Such agreements may be for a period not  
22 exceeding twenty-five years, renewable for not more than twenty-five  
23 years, and under such terms and conditions as may be provided by  
24 law. In cases of water rights for irrigation, water supply, fisheries, or  
25 industrial uses other than the development of water power, beneficial  
26 use may be the measure and limit of the grant."  
27

- 28  
29       2.     On paragraph 1, Section 3 of Article XII (National Patrimony and Economy), insert  
30 the phrase *unless otherwise provided by law* after the fourth sentence and add a  
31 comma before the phrase, to read as follows:  
32

33           "Section 3. Lands of the public domain are classified into  
34 agricultural, forest or timber, mineral lands, and national parks.  
35 Agricultural lands of the public domain may be further classified by  
36 law according to the uses to which they may be devoted. Alienable  
37 lands of the public domain shall be limited to agricultural lands.  
38 Private corporations or associations may not hold such alienable lands  
39 of the public domain except by lease, for a period not exceeding  
40 twenty-five years, renewable for not more than twenty-five years, and  
41 not to exceed one thousand hectares in area, **UNLESS OTHERWISE**  
42 **PROVIDED BY LAW**. Citizens of the Philippines may lease not more  
43 than five hundred hectares, or acquire not more than twelve hectares  
44 thereof by purchase, homestead, or grant."  
45

- 46  
47       3.     On Section 7 of Article XII (National Patrimony and Economy), insert the phrase  
48 *unless otherwise provided by law* after the word "succession" and add a comma  
49 before the phrase, to read as follows:  
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51           "Section 7. Save in cases of hereditary succession, **UNLESS**  
52 **OTHERWISE PROVIDED BY LAW**, no private lands shall be  
53 transferred or conveyed except to individuals, corporations, or  
54 associations qualified to acquire or hold lands of the public domain."  
55



- 1 4. On paragraph 1, Section 10 of Article XII (National Patrimony and Economy),  
2 insert the phrase *unless otherwise provided by law* after the first sentence with a  
3 comma before the phrase, to read as follows:  
4

5 "Section 10. The Congress shall, upon recommendation of the  
6 economic and planning agency, when the national interest dictates,  
7 reserve to citizens of the Philippines or to corporations or associations  
8 at least sixty per centum of whose capital is owned by such citizens,  
9 or such higher percentage as Congress may prescribe, certain areas of  
10 investments, **UNLESS OTHERWISE PROVIDED BY LAW**. The  
11 Congress shall enact measures that will encourage the formation and  
12 operation of enterprises whose capital is wholly owned by Filipinos."  
13

- 14 5. On Section 11 of Article XII (National Patrimony and Economy), insert the phrase  
15 *unless otherwise provided by law* between the word "citizens" and the symbol ";" in  
16 the first sentence and add a comma before the said phrase; also, insert the phrase  
17 *unless otherwise provided by law* before the last sentence thereof, to read as follows:  
18

19 "Section 11. No franchise, certificate, or any other form of  
20 authorization for the operation of a public utility shall be granted  
21 except to citizens of the Philippines or to corporations or associations  
22 organized under the laws of the Philippines, at least sixty per centum  
23 of whose capital is owned by such citizens, **UNLESS OTHERWISE**  
24 **PROVIDED BY LAW**; nor shall such franchise, certificate, or  
25 authorization be exclusive in character or for a longer period than fifty  
26 years. Neither shall any such franchise or right be granted except  
27 under the condition that it shall be subject to amendment, alteration,  
28 or repeal by the Congress when the common good so requires. The  
29 State shall encourage equity participation in public utilities by the  
30 general public. **UNLESS OTHERWISE PROVIDED BY LAW**, [T]he  
31 participation of foreign investors in the governing body of any public  
32 utility enterprise shall be limited to their proportionate share in its  
33 capital, and all the executive and managing officers of such  
34 corporation or association must be citizens of the Philippines."  
35  
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- 37 6. On paragraph 1, no. 2, Section 4 of Article XIV (Education, Science and  
38 Technology, Arts, Culture, and Sports), insert the phrase *unless otherwise provided*  
39 *by law* at the end of the first sentence and insert a comma before the phrase. On  
40 paragraph 2, no. 2, add the phrase *unless otherwise provided by law* at the end of the  
41 sentence thereof and insert a comma before the phrase, to read as follows:  
42

43 "Section 4.  
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45 x x x  
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47 (2) Educational institutions, other than those established by  
48 religious groups and mission boards, shall be owned solely by citizens  
49 of the Philippines or corporations or associations at least sixty per  
50 centum of the capital of which is owned by such citizens, **UNLESS**  
51 **OTHERWISE PROVIDED BY LAW**. The Congress may, however,  
52 require increased Filipino equity participation in all educational  
53 institutions.  
54



The control and administration of educational institutions shall be vested in citizens of the Philippines, **UNLESS OTHERWISE PROVIDED BY LAW.**"

7. On paragraph 1, no. 1, Section 11 of Article XVI (General Provisions), add the phrase *unless otherwise provided by law* after the sentence and insert a comma before the phrase. The same with paragraph 2 of no. 2, add the phrase *unless otherwise provided by law* after the sentence with a comma before the phrase. Thereafter, insert the phrase *unless otherwise provided by law* before the last sentence thereof. Section 11 shall read as follows:

**"Section 11.**

1. The ownership and management of mass media shall be limited to citizens of the Philippines, or to corporations, cooperatives or associations, wholly-owned and managed by such citizens, **UNLESS OTHERWISE PROVIDED BY LAW.**

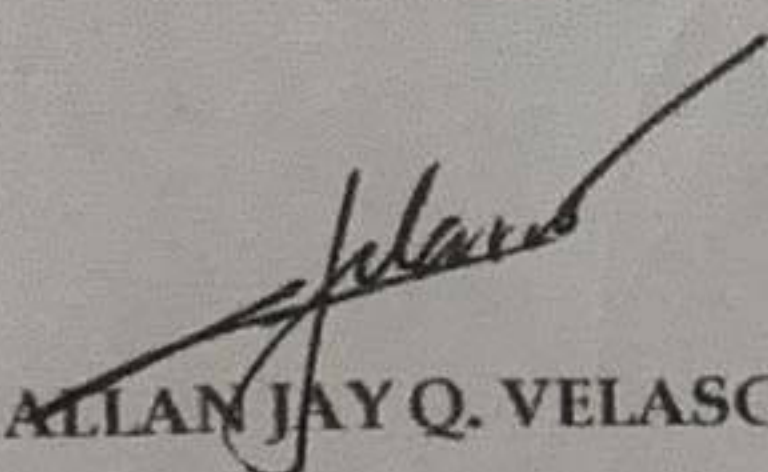
x x x

2. x x x

Only Filipino citizens or corporations or associations at least seventy per centum of the capital of which is owned by such citizens shall be allowed to engage in the advertising industry, **UNLESS OTHERWISE PROVIDED BY LAW.**

**UNLESS OTHERWISE PROVIDED BY LAW,** [T]he participation of foreign investors in the governing body of entities in such industry shall be limited to their proportionate share in the capital thereof, and all the executive and managing officers of such entities must be citizens of the Philippines."

Adopted,

  
LORD ALLAN JAY Q. VELASCO