

Office of Sen. Manny Villar

Rm. 503, Senate of the Philippines , GSIS Financial Center, Pasay City
☎552-6601 to 80 loc. 6507, 6508 and 6511 • 7 552-6734 • www.mannyvillar.com.ph

NEWS RELEASE

16 March 2011

Villar sponsors committee report making CSR mandatory for large corporations

Sen. Manny Villar, chairman of the Senate Committee on Trade and Commerce, reported today the committee's recommendation on the bill institutionalizing corporate social responsibility (CSR) among wealthy corporations.

Senate Bill No.2747 under Committee Report No. 22 makes it mandatory for "large taxpayers" as defined by the National Internal Revenue Code and as identified by the Bureau of Internal Revenue (BIR), to allocate a reasonable percentage of their net income to CSR or projects that complement government's goals.

Under the bill, a corporation may be given the chance to deduct reasonable CSR related expense from its taxable income. The nature of CSR work should be activities which are parallel to the goals of the government. These activities are as follows:

1. Charitable;
2. Scientific;
3. Youth and sports development;
4. Cultural or educational purpose;
5. Services to veterans and senior citizens;
6. Social welfare;
7. Environmental sustainability;
8. Health; and
9. Disaster relief and assistance

"The CSR bill aims to institutionalize CSR among the identified large taxpayers. Based on the assumption that these corporations are partners of the government in nation-building—the CSR activities are expected to complement the government's goals or policies whether short-term or long-term," Villar said.

At present, there are 1,376 identified large taxpayers. From these, the BIR collects over 60 percent of its taxes each year, reportedly worth P439 billion in taxes.

The bill also provides for a reporting requirement where the taxpayers will be required to submit, as part of their annual report to the Securities and Exchange Commission the list of activities relative to their CSR. The SEC shall be the principal repository of all public records related to CSR.