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S. No. 1717

Republic of the Philippines
Congress of the Philippines
Metro Manila
Seventeenth Congress
Third Regular Session

Begun and held in Metro Manila, on Monday, the twenty-third day of July, two thousand eighteen.

[REPUBLIC ACT NO. 11054]

AN ACT PROVIDING FOR THE ORGANIC LAW FOR THE BANGSAMORO AUTONOMOUS REGION IN MUSLIM MINDANAO, REPEALING FOR THE PURPOSE REPUBLIC ACT NO. 6734, ENTITLED "AN ACT PROVIDING FOR AN ORGANIC ACT FOR THE AUTONOMOUS REGION IN MUSLIM MINDANAO," AS AMENDED BY REPUBLIC ACT NO. 9054, ENTITLED "AN ACT TO STRENGTHEN AND EXPAND THE ORGANIC ACT FOR THE AUTONOMOUS REGION IN MUSLIM MINDANAO"

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

PREAMBLE

Imploring the aid of Almighty God, in recognition of the aspirations of the Bangsamoro people and other inhabitants in the autonomous region in Muslim Mindanao to establish an enduring peace on the basis of justice, balanced society and asserting their right to conserve and develop their patrimony, reflective of their system of life as prescribed by their faith, in harmony with their customary laws, cultures and traditions, within the framework of the Constitution and the national sovereignty as well as territorial integrity of the Republic of the Philippines, and the accepted principles of human rights, liberty, justice, democracy, and the norms and standards of international law, and affirming their distinct historical identity and birthright to their ancestral homeland and their right to chart their political future through a democratic process that will secure their identity and posterity, and allow genuine and meaningful self-governance, the Filipino people, by the act of the Congress of the Philippines, do hereby ordain and promulgate this Organic Law for the Bangsamoro Autonomous Region in Muslim Mindanao.

ARTICLE I

NAME AND PURPOSE

SECTION 1. *Short Title.* – This law shall be known as the “*Organic Law for the Bangsamoro Autonomous Region in Muslim Mindanao.*”

SEC. 2. *Name.* – The political entity under this Organic Law shall be known as the Bangsamoro Autonomous Region in Muslim Mindanao, hereinafter referred to as the “*Bangsamoro Autonomous Region.*”

SEC. 3. *Purpose.* – The purpose of this Organic Law is to establish a political entity, provide for its basic structure of government in recognition of the justness and legitimacy of the cause of the Bangsamoro people and the aspirations of Muslim Filipinos and all indigenous cultural communities in the Bangsamoro Autonomous Region in Muslim Mindanao to secure their identity and posterity, allowing for meaningful

self-governance within the framework of the Constitution and the national sovereignty as well as territorial integrity of the Republic of the Philippines.

ARTICLE II

BANGSAMORO IDENTITY

SEC. 1. *Bangsamoro People.* – Those who, at the advent of the Spanish colonization, were considered natives or original inhabitants of Mindanao and the Sulu archipelago and its adjacent islands, whether of mixed or of full blood, shall have the right to identify themselves, their spouses and descendants, as Bangsamoro.

SEC. 2. *Bangsamoro Symbol.* – The Bangsamoro Parliament, hereinafter referred to as the “*Parliament,*” shall adopt the official flag, emblem, and hymn of the Bangsamoro Autonomous Region. The flag of the Republic of the Philippines shall always be displayed alongside the Bangsamoro flag. Whenever the Bangsamoro hymn is sung, it shall always be preceded by the singing of the Philippine National Anthem.

ARTICLE III

TERRITORIAL JURISDICTION

SEC. 1. *Territorial Jurisdiction.* – Territorial jurisdiction is the land mass as well as the waters over which the Bangsamoro Autonomous Region has jurisdiction, which shall always be an integral, indivisible, and inseparable part of the national territory of the Republic of the Philippines as defined by the Constitution and existing laws.

SEC. 2. *Composition.* – The territorial jurisdiction of the Bangsamoro Autonomous Region, subject to the plebiscite as provided in Section 3, Article XV of this Organic Law, shall be composed of:

(a) The present geographical area known as the Autonomous Region in Muslim Mindanao created under Republic Act No. 6734, as amended by Republic Act No. 9054, which shall

subsist as such until this Organic Law is ratified through a plebiscite;

(b) The municipalities of Baloi, Munai, Nunungan, Pantar, Tagoloan, and Tangkal in the Province of Lanao del Norte that voted for inclusion in the Autonomous Region in Muslim Mindanao during the 2001 plebiscite;

(c) The following thirty-nine (39) barangays in the municipalities of Aleosan, Carmen, Kabacan, Midsayap, Pigkawayan, and Pikit in the Province of North Cotabato that voted for inclusion in the Autonomous Region in Muslim Mindanao during the 2001 plebiscite:

(1) Dunguan, Lower Mingading, and Tapodoc in the Municipality of Aleosan (3);

(2) Manarapan and Nasapian in the Municipality of Carmen (2);

(3) Nanga-an, Simbuhay, and Sanggadong in the Municipality of Kabacan (3);

(4) Damatulan, Kadigasan, Kadingilan, Kapinpilan, Kudarangan, Central Labas, Malingao, Mudseng, Nabalawag, Olandang, Sambulawan, and Tugal in the Municipality of Midsayap (12);

(5) Lower Baguer, Balacayon, Buricain, Datu Binasing, Kadingilan, Matilac, Patot, and Lower Pangangkalan in the Municipality of Pigkawayan (8); and

(6) Bagoinged, Balatican, S. Balong, S. Balongis, Batulawan, Buliok, Gokotan, Kabasalan, Lagunde, Macabual, and Macasendeg in the Municipality of Pikit (11);

(d) The City of Cotabato;

(e) The City of Isabela in the Province of Basilan; and

(f) All other contiguous areas where a resolution of the local government unit or a petition of at least ten percent (10%) of the registered voters in the area seeks for their inclusion at least two (2) months prior to the conduct of the ratification of this Organic Law.

The establishment of the territorial jurisdiction of the Bangsamoro Autonomous Region shall take effect upon ratification of this Organic Law by majority of the votes cast in the abovementioned territorial jurisdiction in a plebiscite conducted for the purpose: *Provided*, That in all cases, the political units directly affected shall vote favorably in the plebiscite, as provided in Section 3, Article XV of this Organic Law.

SEC. 3. *Inland Waters.* – All inland waters such as lakes, rivers, river systems, and streams within its territorial jurisdiction shall form part of the Bangsamoro Autonomous Region inland waters. The preservation and management of the inland waters shall be under the Bangsamoro Government as provided for in Section 22, Article XIII of this Organic Law.

SEC. 4. *Bangsamoro Municipal and Regional Waters.* – The municipal and regional waters of the Bangsamoro Autonomous Region shall extend up to fifteen (15) kilometers and nineteen (19) kilometers, respectively, from the low-water mark of the coasts that are part of the Bangsamoro territorial jurisdiction.

Where a constituent local government unit of the Bangsamoro Autonomous Region and an adjoining local government unit are so situated on opposite shores such that there is thirty (30) kilometers of waters or less between them, a line equally distant from the opposite shores shall be drawn to demarcate the Bangsamoro waters and the municipal waters of the adjoining local government unit.

In case the constituent local government unit of the Bangsamoro Autonomous Region and an adjoining local government unit are so situated on opposite shores that there is more than thirty (30) kilometers but less than thirty-four (34) kilometers of waters between them, a line shall be drawn at the

edge of the fifteen-kilometer municipal waters of the adjoining local government unit to demarcate it from the Bangsamoro waters.

SEC. 5. *Constituent Units.* – The constituent units of the Bangsamoro Autonomous Region are the provinces, cities, municipalities, barangays, and geographical areas within its territorial jurisdiction.

ARTICLE IV

GENERAL PRINCIPLES AND POLICIES

SEC. 1. *Territorial Integrity and Allegiance.* – The Bangsamoro Autonomous Region is an integral, indivisible, and inseparable part of the territory of the Republic of the Philippines. The Bangsamoro people shall uphold the Constitution as the fundamental law of the land and unequivocally owe allegiance and fidelity to the Republic of the Philippines.

SEC. 2. *Self-Governance.* – In the exercise of its right to self-governance, the Bangsamoro Autonomous Region is free to pursue its political, economic, social, and cultural development as provided for in this Organic Law.

SEC. 3. *Democratic Political System.* – The Bangsamoro Autonomous Region shall have a democratic political system that allows its people to freely participate in the political processes within its territorial jurisdiction. The Bangsamoro Autonomous Region shall have a parliamentary form of government.

SEC. 4. *Electoral System.* – The Bangsamoro Government shall adopt an electoral system which shall be consistent with national election laws, allow democratic participation, encourage the formation of genuinely principled political parties, and ensure accountability.

SEC. 5. *Civilian Government.* – Governance in the Bangsamoro Autonomous Region shall be the responsibility of the duly elected civilian government. Civilian authority is, at all times, supreme over the military.

SEC. 6. *Promotion of Unity.* – The Bangsamoro Government shall promote unity, peace, justice, and goodwill among all peoples, as well as encourage a just and peaceful settlement of disputes.

SEC. 7. *Social Justice.* – The Bangsamoro Government shall ensure every Filipino citizen in its territorial jurisdiction the provision of the basic necessities and equal opportunities in life. Social justice shall be promoted in all aspects of life and phases of development in the Bangsamoro Autonomous Region.

SEC. 8. *International Treaties and Agreements.* – The Bangsamoro Government shall respect and adhere to all international treaties and agreements binding upon the National Government.

SEC. 9. *Rights of Non-Moro Indigenous Peoples.* – The Bangsamoro Government shall recognize and promote the rights of non-Moro indigenous peoples within the framework of the Constitution and national laws.

SEC. 10. *Freedom of Choice.* – The freedom of choice of all peoples within the Bangsamoro Autonomous Region shall be respected. Indigenous peoples shall have the freedom to retain their distinct indigenous and ethnic identity in addition to their Bangsamoro political identity. There shall be no discrimination on the basis of identity, religion, and ethnicity.

ARTICLE V

POWERS OF GOVERNMENT

SEC. 1. *Powers of the National Government.* – All powers, functions, and responsibilities not granted by the Constitution or by national law to the Bangsamoro Government shall be vested in the National Government.

SEC. 2. *Powers of the Bangsamoro Government.* – Subject to Section 20, Article X of the Constitution and this Organic Law, the Bangsamoro Government shall exercise its authority over the following matters without prejudice to the general supervision of the President of the Republic of the Philippines:

- (a) Administration of justice;
- (b) Administrative organization;
- (c) Agriculture, livestock, and food security;
- (d) Ancestral domain and natural resources;
- (e) Barter trade and countertrade;
- (f) Budgeting;
- (g) Business name registration;
- (h) Cadastral land survey;
- (i) Civil service;
- (j) Classification of public lands;
- (k) Cooperatives and social entrepreneurship;
- (l) Creation, division, merger, abolition or alteration of boundaries of municipalities and barangays;
- (m) Creation of government-owned or controlled corporations and pioneer firms;
- (n) Creation of sources of revenues;
- (o) Cultural exchange, and economic and technical cooperation;
- (p) Culture and language;
- (q) Customary laws;
- (r) Development programs and laws for women, labor, the youth, the elderly, the differently-abled, and indigenous peoples;

- (s) Disaster risk reduction and management;
- (t) Ecological solid waste management and pollution control;
- (u) Economic zones, industrial centers, and free ports;
- (v) Education and skills training;
- (w) Eminent domain;
- (x) Environment, parks, forest management, wildlife, and nature reserves conservation;
- (y) Fishery, marine, and aquatic resources;
- (z) Grants and donations;
- (aa) *Hajj and Umrah*;
- (bb) Health;
- (cc) Housing and human settlements;
- (dd) Humanitarian services and institutions;
- (ee) Human rights;
- (ff) Indigenous peoples' rights;
- (gg) Inland waters;
- (hh) Inland waterways for navigation;
- (ii) Islamic banking and finance;
- (jj) Labor, employment, and occupation;

- (kk) Libraries and museums, and historical, cultural, and archaeological sites;
- (ll) Loans, credits, and other forms of indebtedness;
- (mm) Mechanisms for consultations for women and marginalized sectors;
- (nn) People's organizations;
- (oo) Power sector investments;
- (pp) Public utilities' operations;
- (qq) Public works and infrastructure;
- (rr) Quarantine regulations;
- (ss) Registration of births, marriages, and deaths, copies to be furnished the Philippine Statistics Authority;
- (tt) Regulation of the manufacture and distribution of food, drinks, drugs, and tobacco;
- (uu) Science and technology, research councils and scholarship programs;
- (vv) Social services, social welfare, and charities;
- (ww) Sports and recreation;
- (xx) Technical cooperation for human resource development;
- (yy) Tourism development;
- (zz) Trade and industry;
- (aaa) Urban and rural planning development;

(bbb) Urban land reform and land use; and

(ccc) Water supply and services, flood control, and irrigation systems.

SEC. 3. *General Welfare.* – The Bangsamoro Government shall exercise the powers expressly granted, those necessarily implied therefrom, as well as powers necessary, appropriate, or incidental for its efficient and effective governance and those which are essential to the promotion of general welfare. Within its territorial jurisdiction, the Bangsamoro Government shall ensure and support, among other things, the preservation and enrichment of culture, promote health and safety, enhance the right of the people to a balanced ecology, encourage and support the development of appropriate and self-reliant scientific and technological capabilities, improve public morals, enhance economic prosperity and social justice, promote full employment among its residents, maintain peace and order, and preserve the comfort and convenience of its inhabitants.

ARTICLE VI

INTERGOVERNMENTAL RELATIONS

SEC. 1. *General Supervision.* – The President shall exercise general supervision over the Bangsamoro Government to ensure that laws are faithfully executed. The President may suspend the Chief Minister for a period not exceeding six (6) months for willful violation of the Constitution, national laws, or this Organic Law.

SEC. 2. *Intergovernmental Relations Mechanism.* – There is hereby created a National Government-Bangsamoro Government Intergovernmental Relations Body, hereinafter referred to as "*Intergovernmental Relations Body*," to coordinate and resolve issues on intergovernmental relations through regular consultation and continuing negotiation in a non-adversarial manner.

The Intergovernmental Relations Body shall exhaust all means to resolve issues brought before it. Unresolved issues shall be elevated to the President, through the Chief Minister.

The National Government and the Bangsamoro Government shall each appoint representatives to the Intergovernmental Relations Body. The Intergovernmental Relations Body shall be supported by a joint secretariat.

SEC. 3. Philippine Congress-Bangsamoro Parliament Forum. – There shall be created a Philippine Congress-Bangsamoro Parliament Forum for purposes of cooperation and coordination of legislative initiatives.

SEC. 4. Intergovernmental Fiscal Policy Board. – There is hereby created an Intergovernmental Fiscal Policy Board that shall address revenue imbalances and fluctuations in regional financial needs and revenue-raising capacity of the Bangsamoro Government, whose functions and composition are provided for in Sections 37 to 38, Article XII of this Organic Law.

SEC. 5. Joint Body for the Zones of Joint Cooperation. – There is hereby created a Joint Body for the Zones of Joint Cooperation, which shall be responsible for formulating policies relating to the Zones of Joint Cooperation in the Sulu Sea and Moro Gulf as provided for in Section 19, Article XIII of this Organic Law.

SEC. 6. Intergovernmental Infrastructure Development Board. – There is hereby created an Intergovernmental Infrastructure Development Board, which shall be responsible for coordinating and synchronizing national and Bangsamoro infrastructure development plans.

The Intergovernmental Infrastructure Development Board shall be composed of the heads or representatives of the appropriate ministries and offices in the Bangsamoro Government. The National Government shall likewise be represented in the Intergovernmental Infrastructure Development Board by the Secretary of Public Works and Highways and such other officials as may be necessary to be designated by the Secretary of Public Works and Highways.

SEC. 7. Intergovernmental Energy Board. – There is hereby created an Intergovernmental Energy Board. It shall resolve all matters specified in Section 36, Article XIII of this Organic Law and other energy issues referred to it by the Intergovernmental Relations Body. It shall be composed of the representatives of the National Government and the Bangsamoro Government from their respective energy regulatory commissions and electrification administrations.

SEC. 8. Bangsamoro Sustainable Development Board. – The Parliament shall create a Bangsamoro Sustainable Development Board composed of representatives from the National Government and the Bangsamoro Government. The Bangsamoro Sustainable Development Board shall ensure the integration and harmonization of economic, social, and environmental considerations as vital dimensions of sustainable development policy and practice in the Bangsamoro Autonomous Region.

The funding support for the Bangsamoro Sustainable Development Board shall be included in the annual budget of the Bangsamoro Government. However, if there are revenues collected from the exploration, development, and utilization of any natural resources within the Bangsamoro Autonomous Region, a certain percentage of the revenues shall be allocated for the operation of the Bangsamoro Sustainable Development Board, as may be provided in a law to be passed by the Parliament.

SEC. 9. Council of Leaders. – There shall be a Council of Leaders that shall advise the Chief Minister on matters of governance in the Bangsamoro Autonomous Region. It shall consist of the following members:

- (a) Chief Minister as head of the council;
- (b) Members of the Congress of the Philippines from the Bangsamoro Autonomous Region;
- (c) Provincial governors, and mayors of chartered cities in the Bangsamoro Autonomous Region;

(d) Representatives of traditional leaders, non-Moro indigenous communities, women, settler communities, the *Ulama*, youth, and Bangsamoro communities outside of the Bangsamoro Autonomous Region; and

(e) Representatives of other sectors.

The mechanism of representation and number of representatives in paragraphs (d) and (e) shall be determined by the Parliament. The representation of the non-Moro indigenous communities shall be pursuant to their customary laws and indigenous processes.

SEC. 10. *Bangsamoro Government and its Constituent Local Government Units.* – The authority of the Bangsamoro Government to regulate the affairs of its constituent local government units shall be guaranteed in accordance with this Organic Law and a Bangsamoro local government code to be enacted by the Parliament. The privileges already enjoyed by local government units under Republic Act No. 7160, otherwise known as the “*Local Government Code of 1991*,” as amended, and other existing laws shall not be diminished.

The Parliament may create, divide, merge, abolish, or substantially alter boundaries of municipalities or barangays in accordance with a law enacted by the Parliament. The municipalities or barangays created, divided, merged, or whose boundaries are substantially altered, shall be entitled to their appropriate share in the national taxes or Internal Revenue Allotment: *Provided, That* the criteria laid down in Republic Act No. 7160, as amended, and other national laws shall be satisfied: *Provided, further, That* it shall be approved by a majority of the votes cast in a plebiscite in the political units directly affected.

When such acts require the creation of a legislative district, the Bangsamoro Government shall cooperate and coordinate with the National Government through the Philippine Congress-Bangsamoro Parliament Forum to prioritize the deliberations on the creation of a legislative district.

Nothing in this Organic Law shall be construed to allow the Bangsamoro Government to create legislative districts.

SEC. 11. *Bangsamoro Participation in National Government.* – As far as practicable, the Bangsamoro Government shall be represented in the departments, offices, commissions, agencies and bureaus of the National Government that implement and enforce policies, programs, and projects of the National Government in the Bangsamoro Autonomous Region.

SEC. 12. *Assistance to Other Bangsamoro Communities.* – The National Government shall ensure the protection of the rights of the Bangsamoro people residing in communities outside the Bangsamoro Autonomous Region and undertake programs for their rehabilitation and development. The Bangsamoro Government, in coordination with the local government units where these communities are located and the appropriate national government agencies, shall provide assistance to enhance their economic, social, and cultural development.

SEC. 13. *National Programs and Projects.* – National programs and projects such as the *Pantawid Pamilyang Pilipino* Program, Health Facility Enhancement Program, School Building Program, retained hospitals of the Department of Health, PhilHealth, social pension for senior citizens, and the Task Force *Bangon Marawi* shall continue to be funded by the National Government, without prejudice to the power of the Bangsamoro Government to provide for supplemental funding for such programs and projects.

ARTICLE VII

BANGSAMORO GOVERNMENT

SEC. 1. *Seat of Government.* – The Parliament shall fix by law the permanent seat of the Bangsamoro Government anywhere within the territorial jurisdiction of the Bangsamoro Autonomous Region taking into consideration accessibility and efficiency in which its mandate may be carried out under this Organic Law.

SEC. 2. *Powers of Government.* – The powers of government shall be vested in the Parliament which shall exercise those powers and functions expressly granted to it in this Organic

Law, and those necessary for, or incidental to, the proper governance and development of the Bangsamoro Autonomous Region. It shall set policies, legislate on matters within its authority, and elect a Chief Minister who shall exercise executive authority on its behalf.

SEC. 3. *Legislative Authority.* – The Parliament shall have the authority to enact laws on matters that are within the powers and competencies of the Bangsamoro Government.

SEC. 4. *Executive Authority.* – The executive function and authority shall be exercised by the Cabinet which shall be headed by a Chief Minister. The Chief Minister shall be elected by a majority vote of all the members of the Parliament.

The Chief Minister shall nominate two (2) Deputy Chief Ministers who shall be elected by the Parliament, as provided for in Section 35 of this Article, and appoint the members of the Cabinet, majority of whom shall come from the Parliament.

Bangsamoro Parliament

SEC. 5. *Powers.* – The Parliament shall have the following powers:

- (a) Enact laws to promote, protect, and ensure the general welfare of the Bangsamoro people and other inhabitants in the Bangsamoro Autonomous Region;
- (b) Call for a referendum on important issues affecting the Bangsamoro Autonomous Region;
- (c) Enact a law on initiatives;
- (d) Conduct inquiries in aid of legislation in accordance with its rules. The rights of persons appearing in or affected by such inquiry shall be respected;

(e) Enact a law that allows the Chief Minister, Speaker of the Parliament, and the Presiding Justice of the *Shari'ah* High Court to augment any item in the general appropriations law for their respective offices from savings in other items of their respective appropriations;

(f) Enact a law within the competencies of the Bangsamoro Government to regulate the grant of regional franchises and concessions, and empower the Chief Minister to grant leases, permits, and licenses over agricultural lands and for forest management;

(g) Discipline its members as provided in Section 26, Article VII of this Organic Law;

(h) Enact laws declaring Bangsamoro holidays; and

(i) Be consulted on matters affecting the environment.

SEC. 6. *Composition.* – The Parliament shall be composed of eighty (80) members, unless otherwise increased by the Congress of the Philippines.

SEC. 7. *Classification and Allocation of Seats.* – The seats in the Parliament shall be classified and allocated as follows:

(a) Party Representatives. – One-half of the members of the Parliament shall be representatives of political parties who are elected through a system of proportional representation based on the Bangsamoro territorial jurisdiction.

Any organized group in the Bangsamoro Autonomous Region may register as a political party with the Bangsamoro Electoral Office, with qualifications to be prescribed by the Bangsamoro Electoral Code.

Each registered political party shall submit to the Bangsamoro Electoral Office before the election a manifestation of intent to participate in the parliamentary election of party representatives in the Bangsamoro Autonomous Region.

incorporating therein a list of nominees, ranked from one (1) to forty (40), from which party representatives shall be chosen in case they obtain the required number of votes. No person shall be nominated in more than one (1) list.

The number of seats allocated for each political party shall be based proportionately on the percentage of votes obtained by each political party as against the total votes cast in the Bangsamoro Autonomous Region for the election of party representatives.

Any elected party representative who changes political party affiliation during the representative's term of office shall forfeit the seat in the Parliament: *Provided*, That if the elected party representative changes political party affiliation within six (6) months before an election, the same person shall not be eligible for nomination as party representative under the new party or organization.

(b) **Parliamentary District Seats.** – Not more than forty percent (40%) of the members of the Parliament shall be elected from single member parliamentary districts apportioned for the areas and in the manner provided for by the Parliament. For the first parliamentary election following the ratification of this Organic Law, the allocation of the parliamentary district seats shall be determined by the Bangsamoro Transition Authority as provided for in Section 4, Article XVI of this Organic Law. In the allocation of district seats, the Bangsamoro Transition Authority shall adhere to the standards set in Section 10, Article VII of this Organic Law.

The Parliament may undertake by law new redistricting in order to ensure a more equitable representation of the constituencies in the Parliament.

The district representatives shall be elected through direct plurality vote by the registered voters in the parliamentary districts.

(c) **Reserved Seats and Sectoral Representatives.** – Reserved seats and sectoral representatives shall constitute at least ten percent (10%) of the members of the Parliament, which

shall include two (2) reserved seats each for non-Moro indigenous peoples and settler communities. Women, youth, traditional leaders, and the *Ulama* shall have one sectoral seat each: *Provided*, That the reserved seats and sectoral representatives shall in no case be less than eight (8) seats.

The Parliament shall determine the manner of election of the reserved seats and sectoral representatives.

For the first parliamentary election following the ratification of this Organic Law, the allocation of reserved and sectoral representative seats shall be determined by the Bangsamoro Transition Authority as provided for in Section 4, Article XVI of this Organic Law.

SEC. 8. *Election for Reserved Seats for Non-Moro Indigenous Peoples.* – Notwithstanding the immediately preceding sections, reserved seats for non-Moro indigenous peoples, such as Teduray, Lambangian, Dulangan Manobo, B'laan, and Higaonon, shall adhere to their customary laws and indigenous processes based on the following:

- (a) Primacy of customary laws and practices;
- (b) Primacy of consensus building;
- (c) Acceptability to the community;
- (d) Inclusivity and full participation;
- (e) Representation of the collective interests and aspirations of non-Moro indigenous peoples;
- (f) Sustainability and strengthening of indigenous political structures;
- (g) Track record and capability; and
- (h) Gender equality.

SEC. 9. *Regional Parties.* – A free and open regional party system shall be allowed to evolve according to the free choice of the people. Towards this end, only regional political parties duly accredited by the Bangsamoro Electoral Office, as approved by the Commission on Elections, shall participate in the parliamentary elections in the Bangsamoro Autonomous Region. The Bangsamoro Government shall ensure the inclusion of women's agenda and the involvement of women and the youth in the electoral nominating process of the political parties.

SEC. 10. *Redistricting for Parliamentary Membership.* – The Parliament shall have the power to reconstitute by law the parliamentary districts apportioned among the provinces, cities, municipalities, and geographical areas of the Bangsamoro Autonomous Region to ensure equitable representation in the Parliament. The redistricting, merging, or creation of parliamentary districts shall be based on the number of inhabitants and additional provinces, cities, municipalities, and geographical areas, which shall become part of the Bangsamoro territorial jurisdiction.

For the purpose of redistricting, parliamentary districts shall be apportioned based on population and geographical area: *Provided*, That each district shall comprise, as far as practicable, contiguous, compact, and adjacent territorial jurisdiction: *Provided, further*, That each district shall have a population of at least one hundred thousand (100,000).

SEC. 11. *Term of Office.* – The term of office of the members of the Parliament shall be three (3) years: *Provided*, That no member shall serve for more than three (3) consecutive terms. Voluntary renunciation of office for any length of time or the dissolution of the Parliament by the *Wali* shall not be considered as an interruption in the continuity of the service for the full term for which the member was elected.

SEC. 12. *Qualifications.* – No person shall be a member of the Parliament unless the person is a citizen of the Philippines, at least twenty-five (25) years of age on the day of the election, able to read and write, and a registered voter in the Bangsamoro Autonomous Region.

A candidate for youth representative shall not be less than eighteen (18) years and not more than thirty (30) years of age at the time of election.

A candidate for district representative must be a registered voter of the district in which the person is a candidate, and has resided in the district for at least one (1) year immediately preceding the day of the election.

SEC. 13. *Salaries of Members of the Parliament.* – The Parliament shall determine the salaries and emoluments of its members: *Provided*, That the salaries and emoluments of the members of the Parliament shall not be higher than those of a Provincial Governor: *Provided, further*, That the salaries and emoluments of the Deputy Chief Ministers and the Speaker of the Parliament shall be one salary grade higher than those of the members: *Provided, furthermore*, That the salaries and emoluments of the Chief Minister shall not be higher than those of the Members of the Congress of the Philippines.

The Parliament shall adopt the Revised Compensation and Position Classification System of the National Government as provided for in Republic Act No. 6758, as amended, and relevant executive issuances: *Provided, finally*, That no increase in the compensation shall take effect until after the expiration of the full term of all the members of the Parliament approving such increase.

For the first Parliament, the salaries and emoluments of its members shall be determined by a law to be passed by the Bangsamoro Transition Authority.

Members of the Parliament shall not receive during their tenure other salary and emoluments from the Bangsamoro Government or from the National Government.

SEC. 14. *Disclosure.* – Members of the Parliament shall, upon their assumption of office, make a full disclosure of their financial and business interests, including those of their spouses and children. They shall notify the Parliament of any potential conflict of interest that may arise from the filing of bills or resolutions of which they are authors.

SEC. 15. *Prohibition Against Conflict of Interest.* – The Chief Minister, Deputy Chief Ministers, members of the Cabinet, and members of the Parliament, during their term, shall not engage, directly or indirectly, in any business or commercial enterprise in the Bangsamoro Autonomous Region where there may be a conflict of interest in the exercise of their functions.

SEC. 16. *Prohibited Business and Pecuniary Interest.* –

(a) It shall be unlawful for the Chief Minister, Deputy Chief Ministers, members of the Cabinet, and members of the Parliament to directly or indirectly:

(1) Engage in any business transaction with the Bangsamoro Government or with any of its authorized boards, officials, agents, or attorneys, whereby money is to be paid, or property or any other thing of value is to be transferred, directly or indirectly, out of the resources of the Bangsamoro Government to such person or firm;

(2) Hold such interests in any cockpit or other games licensed by the Bangsamoro Government;

(3) Purchase any real estate or other property forfeited in favor of the Bangsamoro Government for unpaid taxes or assessment, or by virtue of a legal process at the instance of the Bangsamoro Government;

(4) Be a surety for any person contracting or doing business with the Bangsamoro Government for which a surety is required; and

(5) Possess or use any public property of the Bangsamoro Government for private purposes.

(b) All other prohibitions governing the conduct of national public officers relating to prohibited business and pecuniary interest as provided for under Republic Act No. 6713, otherwise known as the “Code of Conduct and Ethical Standards for Public Officials and Employees,” and other national laws shall also be applicable to the Chief Minister, Deputy Chief Ministers, members of the Cabinet, and members of the Parliament.

SEC. 17. *Practice of Profession.* –

(a) The Chief Minister, Deputy Chief Ministers, and members of the Cabinet are prohibited from practicing their profession or engaging in any occupation other than the exercise of their functions as officials of the Bangsamoro Government.

(b) Members of the Parliament who are not holding Cabinet positions may practice their professions, engage in any occupation, or teach in schools except during session hours: *Provided*, That members of the Parliament who are also members of the Philippine Bar shall not:

(1) Appear as counsel before any court in any civil case wherein the Bangsamoro Government or any office, agency, or instrumentality of the government is the adverse party;

(2) Appear as counsel in any criminal case wherein an officer or employee of the National Government or the Bangsamoro Government is accused of an offense committed in relation to the office;

(3) Collect any fee for appearance in administrative proceedings involving the Bangsamoro Government; and

(4) Use property and personnel of the government except when the member concerned is defending the interest of the government.

(c) Doctors of medicine may practice their profession even during official hours of work only on occasions of emergency: *Provided*, That the members concerned do not derive monetary compensation therefrom.

SEC. 18. *Statement of Assets, Liabilities, and Net Worth.* – Officials and employees of the Bangsamoro Government shall file sworn statements of assets, liabilities, and net worth, lists of relatives within the fourth civil degree of consanguinity or affinity in government service, financial and business interests, and personal data sheets as required by national law.

SEC. 19. *Forfeiture of Seat.* – The seat of a member of the Parliament shall be forfeited under any of the following circumstances:

(a) Voluntary resignation in the form of either a written or oral declaration in the Parliament;

(b) Conviction of a grave offense by a regular court or a finding of guilt of a grave offense as defined by the rules of the Parliament for treason, high crimes, heinous crimes, crimes against morality, or other crimes punishable by more than six (6) years of imprisonment;

(c) Permanent physical or mental incapacity that makes the Member unable to discharge the duties of a member, or death;

(d) Substitution by the party to which the member belongs with another member of the same party, the member having been elected under the proportional representation system;

(e) Expulsion by the Parliament for disorderly behavior, with the concurrence of two-thirds of all its members; and

(f) Such other grounds as may be provided in the Bangsamoro Electoral Code.

SEC. 20. *Filling of Vacancy.* – In case of a vacancy of a proportional representation seat, the party to which that seat belongs shall fill the vacancy.

In case of a vacancy of a district seat by an affiliated member of the Parliament, the party to which the member belongs shall, within thirty (30) days from the occurrence of such vacancy, nominate a new member who shall be appointed by the Chief Minister subject to the Bangsamoro Electoral Code.

In case of a vacancy in the seat occupied by an unaffiliated member of the Parliament occurring at least one (1) year before the expiration of the term of office, a special election may be called to fill such vacancy in the manner prescribed by a law enacted by the Parliament.

The appointed or elected member of the Parliament, as the case may be, shall serve the unexpired term of the vacant office.

SEC. 21. *Privileges and Immunities.* – Any member of the Parliament who commits an offense within the Bangsamoro territorial jurisdiction that is punishable by not more than six (6) years imprisonment, shall be privileged from arrest while the Parliament is in session.

No member of the Parliament shall be questioned or be held liable in any other place for any speech or debate in the Parliament or in any of its committees.

SEC. 22. *Sessions of the Parliament.* – The Parliament shall conduct its regular session forty-five (45) days after the election of the Parliament up to thirty (30) days before the opening of its next regular session, unless earlier dissolved by a vote of no confidence. A special or emergency session may be called by the Speaker, upon the request of the Chief Minister or by a majority of all the members of the Parliament.

SEC. 23. *Officers of the Parliament.* – On the first day of session of the Parliament following their election, the members shall elect by a majority vote of all its members the Speaker, a Deputy Speaker, and the other officers of the Parliament, as the rules of the Parliament may provide.

In case of death, removal, resignation, or permanent disability or legal incapacity of the Speaker, the Deputy Speaker shall act as Speaker until a new Speaker shall have been elected by the Parliament.

SEC. 24. *Presiding Officer.* – The Speaker, Deputy Speaker, or any other person presiding over the Parliament shall:

(a) Secure the honor and dignity of the Parliament;

(b) Ensure the rights and privileges of all the members;

and

(c) Assure public access to the proceedings of the Parliament and its committees.

SEC. 25. *Rules of the Parliament.* – The Parliament shall adopt its own rules for the conduct of its business.

(a) Every bill passed by the Parliament shall embrace only one subject which shall be expressed in the title thereof.

(b) No bill shall become a law in the Bangsamoro Autonomous Region unless it has passed three (3) readings on separate days and printed copies thereof in its final form have been distributed to members of the Parliament three (3) days before its passage, except when the Chief Minister certifies to the necessity of its immediate enactment to meet a public calamity or emergency.

(c) Every bill passed by the Parliament shall, before it becomes a law, be presented to the Chief Minister. The Chief Minister shall sign the bill within thirty (30) days after the date of its receipt, otherwise, it shall become a law as if the Chief Minister had signed it.

(d) The Speaker of the Parliament shall, within ten (10) working days from their approval thereof, submit to the President and to the Congress of the Philippines a certified true copy of all laws and resolutions approved by the Parliament.

(e) The rules of the Parliament or any amendment thereto shall be effective fifteen (15) days following its complete publication in a regional newspaper of general circulation.

SEC. 26. *Proceedings.* – A majority of all the members of the Parliament shall constitute a quorum to do business, but a smaller number may adjourn from day to day and may compel the attendance of absent members in such manner, and under such penalties as the Parliament may provide.

The Parliament may punish its members for disorderly behavior, and with the concurrence of two-thirds of all its members, suspend or expel a member. A penalty of suspension, when imposed, shall not exceed sixty (60) days.

The Parliament shall keep a Journal of its proceedings, and from time to time publish the same, excepting such parts as may, in its judgment affect national and/or regional security; and the *yeas* and *nays* on any question shall, at the request of one-fifth of the members present be entered into the Journal. The Parliament shall also keep a record of its proceedings.

SEC. 27. *Appropriations.* – No public money, including the block grant and other national government subsidies and support funds given in lump sum, shall be spent without an appropriations law clearly defining the purpose for which it is intended. The Parliament shall pass an annual appropriations law.

SEC. 28. *Budget.* – The form, content, and manner of preparation of the Bangsamoro budget shall be prescribed by law enacted by the Parliament, consistent with existing laws, rules and regulations of the National Government. For this purpose, the Parliament shall create a Bangsamoro Budget Office.

SEC. 29. *Reenacted Budget.* – If, by the end of a fiscal year, the Parliament shall have failed to pass the Bangsamoro appropriations bill for the ensuing fiscal year, the Bangsamoro appropriations law for the preceding fiscal year shall be deemed reenacted and shall remain in force and effect until a new Bangsamoro appropriations bill is passed by the Parliament.

Only the annual appropriations for salaries and wages of existing positions, statutory and contractual obligations, and operating expenses authorized in the annual budget of the preceding year shall be deemed reenacted and the disbursement of funds shall be in accordance therewith.

Executive Officers

SEC. 30. *Qualifications of the Chief Minister.* – No person shall be elected as Chief Minister unless a member of the Parliament, a natural-born citizen of the Philippines, and at least twenty-five (25) years of age on the day of the election.

SEC. 31. *Election of the Chief Minister.* – On the first day of session following the election of the members of the Parliament, the Parliament shall elect the Chief Minister by a majority vote of all its members.

If no member of the Parliament obtains the majority vote necessary to be elected Chief Minister in the first round of voting, a runoff election shall be conducted: *Provided*, That the members of the Parliament shall elect the Chief Minister from the two (2) candidates who obtained the highest number of votes cast in the first round.

SEC. 32. *Powers, Duties, and Functions of the Chief Minister.* – The Chief Minister shall exercise the following powers, duties, and functions:

- (a) Head the Bangsamoro Government;
- (b) Appoint heads of ministries, agencies, bureaus, and offices of the Bangsamoro Government or other officers of Bangsamoro-owned or controlled corporations or entities with original charters;
- (c) Appoint other officers in the Bangsamoro Government, as may be provided by the Parliament;
- (d) Formulate a platform of government subject to the approval of the Parliament;
- (e) Issue executive orders and other policies of the Bangsamoro Government;
- (f) Represent the Bangsamoro Government in the affairs of the Bangsamoro Autonomous Region;

(g) Proclaim a state of calamity whenever typhoons, flash floods, earthquakes, tsunamis, or other natural or man-made calamities that cause widespread damage or destruction to life or property in the Bangsamoro Autonomous Region; and

(h) Exercise such other powers and functions inherent to the office.

SEC. 33. *Administration of the Oath of Office.* – The *Wali* shall administer the oath of office of the Chief Minister and all the members of the Parliament upon their election.

SEC. 34. *Membership in Other Offices.* – The Chief Minister shall be a member of the Mindanao Development Authority. The Chief Minister shall be an *ex officio* member of the National Security Council and the National Economic and Development Authority Board on matters concerning the Bangsamoro Autonomous Region.

SEC. 35. *Deputy Chief Ministers.* – There shall be two (2) Deputy Chief Ministers who shall be nominated by the Chief Minister and elected by members of the Parliament.

The Bangsamoro Autonomous Region shall have three (3) subregions, namely: south western Mindanao, north central Mindanao, and south central Mindanao, all within the Bangsamoro territorial jurisdiction. To ensure representation of all the subregions, the two (2) Deputy Chief Ministers shall come from the other two (2) subregions different from that of the Chief Minister.

For purposes of this provision, the coverage of each subregion shall be determined by the Parliament.

The Deputy Chief Ministers may each hold a cabinet position.

In case of death, permanent physical or mental incapacity, removal from office, or resignation of the Chief Minister, the Deputy Chief Minister, more senior in age, shall act as the Chief

Minister until the Parliament shall have elected a new Chief Minister. The election shall be held within thirty (30) days from the occurrence of the vacancy.

SEC. 36. *Dissolution of Parliament Upon a Vote of No Confidence.* – Within seventy-two (72) hours upon a vote of no confidence of at least two-thirds of all the members of the Parliament against the government of the day, the Chief Minister shall advise the *Wali* to dissolve the Parliament and call for a new parliamentary election. The election for a new Parliament shall be held not later than one hundred twenty (120) days from the date of dissolution.

The incumbent Chief Minister and the Cabinet shall continue to conduct the affairs of the Bangsamoro Government until a new Parliament is convened and a new Chief Minister is elected and qualified.

In no case shall the *Wali* countermand the advice of the Chief Minister.

SEC. 37. *Prohibitions During Holdover.* – After a vote of no confidence against the government of the day shall have been obtained, and before a new government is formed, the Chief Minister and the Cabinet shall continue to perform their duties and functions: *Provided*, That they shall not contract loans, approve new contracts, or disburse public funds except those for payment of salaries and wages and expenses for the regular operations of the government.

The Chief Minister and the Cabinet, during the holdover period, shall not make appointments, except temporary appointments to positions when continued vacancies therein will prejudice public service or endanger public safety.

Administrative Organization

SEC. 38. *Organization of the Bureaucracy.* – The Bangsamoro Government shall have the power to create offices and organize its own bureaucracy. It may establish other offices and institutions necessary for the exercise of its functions and delivery of social services in the Bangsamoro Autonomous Region.

SEC 39. *Civil Service.* – The Civil Service Commission shall establish a regional Civil Service field office and other field offices as may be needed in the Bangsamoro Autonomous Region for the efficient performance of its powers and duties.

The Bangsamoro Government shall enact a civil service law: *Provided*, That it shall be in accordance with existing national laws. In case of conflict with the national laws, the Constitution and existing national civil service laws, rules, and regulations shall prevail.

This law shall govern the conduct of civil servants, the qualifications for nonelective positions, adopt the merit and fitness system, and protect civil service eligibles in various government positions, including government-owned or controlled corporations with original charters in the Bangsamoro Autonomous Region. The Bangsamoro Government shall have disciplinary authority over its own officials and employees.

SEC. 40. *Bangsamoro Electoral Office.* – The Commission on Elections shall establish a Bangsamoro Electoral Office under its supervision and control which shall implement and enforce its orders, rulings, and decisions. The budget of the Bangsamoro Electoral Office shall be part of the yearly budget of the Commission on Elections.

SEC. 41. *Accountability of Public Officers.* – Public office is a public trust. Public officers and employees shall at all times be accountable to the people, serve them with utmost responsibility, integrity, loyalty, and efficiency, act with patriotism and justice, and lead modest lives.

SEC. 42. *Other Offices.* – The Parliament may create other offices such as for the youth, women, settler communities, disaster risk reduction and management, and planning and development, including a Bangsamoro Pilgrimage Authority which shall exercise jurisdiction over *Hajj* and *Umrah* matters affecting pilgrims from within the Bangsamoro Autonomous Region.

ARTICLE VIII

WALI

SEC. 1. *Appointment of Wali.* – Consistent with a parliamentary form of government, there shall be a *Wali* who shall serve as the ceremonial head of the Bangsamoro Government.

The Parliament shall issue a resolution reflecting its consensus on the selection of the *Wali* from a list of names of eminent residents of the Bangsamoro Autonomous Region submitted by the Council of Leaders.

SEC. 2. *Qualifications of the Wali.* – The *Wali* shall possess the following qualifications at the time of his nomination:

- (a) Natural-born citizen of the Philippines;
- (b) Able to read and write in Filipino, English, or Arabic;
- (c) At least forty (40) years of age;
- (d) A resident of the Bangsamoro Autonomous Region for at least fifteen (15) years; and
- (e) No prior conviction for any criminal or administrative offense by any court or quasi-judicial body.

SEC. 3. *Ceremonial and Ministerial Duties of the Wali.* – The *Wali* shall only perform ceremonial duties such as opening the session of the Parliament, administering the oath of office, dissolving the Parliament upon the advice of the Chief Minister after a vote of no confidence against the government of the day, calling for election of a new Parliament, and attending to public ceremonies.

SEC. 4. *Oath and Term of Office of the Wali.* – The first *Wali*, who shall hold office for three (3) years, shall be appointed by the Bangsamoro Transition Authority through a resolution

reflecting its consensus. The *Wali* shall take his oath of office before a duly authorized officer. Each succeeding *Wali* shall hold office for a term of six (6) years.

SEC. 5. *Per Diem of the Wali.* – The *Wali* shall receive *per diem*, subject to existing rules and regulations on the grant of *per diems*.

The *per diem* shall be sourced from the funds of the Bangsamoro Government and shall be provided for in its annual appropriations law.

SEC. 6. *Grounds for Removal of the Wali.* – The *Wali* may be removed from office by the Parliament on any of the following grounds:

- (a) Failure to dissolve the Parliament after a vote of no confidence;
- (b) Conviction of a crime involving moral turpitude;
- (c) Failure to perform the functions of a *Wali*; and
- (d) Such other grounds as the Parliament may provide.

ARTICLE IX

BASIC RIGHTS

SEC. 1. *Transitional Justice.* – The Bangsamoro Parliament, taking into account the report of the Transitional Justice and Reconciliation Commission, shall enact a transitional justice mechanism to address the legitimate grievances of the Bangsamoro people and the indigenous peoples, such as historical injustices, human rights violations, and marginalization through unjust dispossession of territorial and proprietary rights and customary land tenure.

SEC. 2. *Reparation for Unjust Dispossession.* – The Parliament shall enact laws providing for adequate reparation to the Bangsamoro people affected by unjust dispossession of

territorial and proprietary rights or customary land tenure, which may include payment of just compensation to and relocation of such people. No land title issued by the National Government under the Torrens System shall be invalidated.

SEC. 3. *Indigenous Peoples' Rights.* – The Bangsamoro Government recognizes the rights of the indigenous peoples and shall adopt measures for the promotion and protection of the following rights:

- (a) Native titles or *fusaka inged*;
- (b) Indigenous customs and traditions;
- (c) Justice systems and indigenous political structures;
- (d) Equitable share in revenues from the utilization of resources in their ancestral lands;
- (e) Free, prior and informed consent;
- (f) Political participation in the Bangsamoro Government including reserved seats for the non-Moro indigenous peoples in the Parliament;
- (g) Basic services; and
- (h) Freedom of choice as to their identity.

The Bangsamoro Government shall create a ministry for indigenous peoples and shall have the primary responsibility to formulate and implement policies, plans, and programs to promote the well-being of all indigenous peoples in the Bangsamoro Autonomous Region in recognition of their ancestral domain as well as their rights thereto.

Any measure enacted by the Parliament shall in no way diminish the rights and privileges granted to indigenous peoples by virtue of the United Nations Declaration of the Rights of

Indigenous Peoples and the United Nations Declaration on Human Rights, and other laws pertaining to indigenous peoples in the Bangsamoro Autonomous Region.

This Organic Law shall not in any manner diminish the rights and benefits of the non-Moro indigenous peoples in the Bangsamoro Autonomous Region under the Constitution, national laws, particularly Republic Act No. 8371, otherwise known as the "*Indigenous Peoples' Rights Act of 1997.*"

SEC. 4. *Customary Rights and Traditions.* – The customs, beliefs, and traditions of the Bangsamoro people are hereby recognized, protected, and guaranteed.

The Parliament shall adopt measures to ensure mutual respect and protection of the distinct beliefs, customs, and traditions of the Bangsamoro people and the other inhabitants in the Bangsamoro Autonomous Region.

No person in the Bangsamoro Autonomous Region shall be subjected to any form of discrimination on account of creed, religion, ethnic origin, parentage, or gender.

SEC. 5. *Religious Freedom.* – The Bangsamoro Government shall guarantee religious freedom and the free exercise thereof pursuant to the Constitution, national laws, and principles of international law. The Bangsamoro Government shall protect all persons from harassment or any undue pressure, coercion, and violence on account of religion. Any establishment and institution shall be free to implement policies and undertake activities pursuant to their respective religious beliefs and values.

SEC. 6. *Human Rights.* – The Bangsamoro Government shall fully respect human rights.

SEC. 7. *Bangsamoro Human Rights Commission.* – There is hereby created a Bangsamoro Human Rights Commission. The chairperson and two (2) commissioners of the Commission shall be appointed by the President upon recommendation of the Chief Minister. The composition of the Commission shall reflect the ethnic distribution of the population of the Bangsamoro

Autonomous Region. The chairperson shall be a member of the Philippine Bar and a resident of the Bangsamoro Autonomous Region. A commissioner shall preferably be a member of the Philippine Bar or holder of bachelor's degree from colleges or universities recognized by the National Government, and a resident of the Bangsamoro Autonomous Region.

The functions, duties, and responsibilities of the Commission shall be provided by law to be enacted by the Parliament. It shall cooperate and closely coordinate with the national Commission on Human Rights.

The Parliament shall fix the salaries and perquisites of the chairperson and the commissioners of the Commission in consonance with Republic Act No. 6758, as amended.

Social Justice

SEC. 8. *Right of Access to Basic Services.* – The Bangsamoro Government shall provide, maintain, and ensure the delivery of basic and responsive health programs, quality education, appropriate services, livelihood opportunities, affordable and progressive housing projects, power and electricity, and water supply, among others, to the Bangsamoro people and other inhabitants of the Bangsamoro Autonomous Region. It shall maintain appropriate disaster-preparedness units for immediate and effective relief services to victims of natural and man-made calamities. It shall also ensure the rehabilitation of calamity-affected areas and victims of calamities.

SEC. 9. *Housing and Human Settlements.* – The Parliament shall pass a law creating a housing and human settlements agency to address the lack of shelters, settlements, and livelihood for the disadvantaged and homeless, especially those victims of conflicts and atrocities. The agency may directly solicit and receive assistance, donations, aids, and grants from donors for its housing, settlements, and livelihood programs and development.

The Bangsamoro Government, in cooperation with the private sector, shall develop its own housing and human settlement programs.

SEC. 10. *Rights of Labor.* – The Bangsamoro Government shall guarantee the fundamental rights of all workers to self-organization, collective bargaining and negotiations, and peaceful concerted activities, including the right to strike, in accordance with the Constitution and the Labor Code of the Philippines. In this regard, the rights of workers, whether publicly or privately employed, to form unions, associations, or federations shall not be abridged.

The workers shall participate in policy and decision-making processes affecting their rights and benefits, as may be provided by a law that shall be enacted by the Parliament. The rights of workers to security of tenure, humane conditions of work, and a living wage shall be guaranteed. No trafficking of persons and engagement of minors in any hazardous or deleterious forms of employment shall be tolerated.

The Parliament may pass labor laws that expand or enhance the rights stated herein.

SEC. 11. *Participation of Women in the Bangsamoro Government.* – Aside from the reserved seat for women in the Parliament, there shall be at least one (1) woman to be appointed to the Bangsamoro Cabinet. The Parliament shall enact a law that gives recognition to the important role of women in nation-building and regional development, ensuring the representation of women in other decision-making and policy-determining bodies of the Bangsamoro Government.

The Parliament shall create by law a commission on women and shall define its powers, functions, and composition.

SEC. 12. *Protection of Women.* – The Bangsamoro Government shall uphold and protect the fundamental rights of women, including the right to engage in lawful employment, and to be protected from exploitation, abuse, or discrimination, as embodied in the Convention on the Elimination of all Forms of Discrimination Against Women.

The Parliament shall enact the necessary laws for the implementation of this section.

SEC. 13. *Rights of the Youth.* – The Bangsamoro Government shall recognize the vital role of the youth in nation-building, promote and protect their physical, moral, spiritual, intellectual, and social well-being. It shall inculcate patriotism and nationalism, encourage involvement in public and civic affairs, and promote mental and physical fitness through sports.

The Parliament shall create by law a commission on youth affairs and shall define its powers, functions, and composition.

SEC. 14. *Rights of Children.* – The Bangsamoro Government shall respect, protect, and promote the rights of children, especially orphans of tender age. They shall be protected from exploitation, abuse, or discrimination. Their education and development, both physical and mental, shall be fully addressed.

Bangsamoro policies and programs shall take into utmost consideration the best interest of children, and promote and protect the rights of children, youth, and adolescents, including their survival and development.

The Bangsamoro Government and its constituent local government units shall provide for adequate funding and effective mechanisms for the implementation of this policy.

SEC. 15. *Settler Communities.* – The Bangsamoro Government shall ensure that settlers enjoy the rights guaranteed in this Organic Law. For this purpose, the Parliament shall create an office for settler communities to promote the welfare and address issues and concerns of settlers in the Bangsamoro Autonomous Region.

Education

SEC. 16. *Integrated System of Quality Education.* – It shall be a top priority of the Bangsamoro Government to establish, maintain, and support a complete and integrated system of quality education, which shall be a subsystem of the national education system. The Bangsamoro Government shall develop an educational framework relevant and responsive to the needs, ideals, and aspirations of the Bangsamoro people. For this

purpose, the Bangsamoro Government shall conform to the minimum standards set by the National Government.

The Bangsamoro Government shall institutionalize peace education in all levels of education.

Any school, college or university existing in the Bangsamoro Autonomous Region as of the effectivity of this Organic Law, and such other schools and institutions that may be established hereinafter, shall be deemed integral components of the educational system of the Bangsamoro Autonomous Region, and shall be governed by their respective charters. The National Government shall continue to support, enhance, and strengthen the Mindanao State University System.

The Chairperson of the appropriate committee in the Parliament shall be a member in the boards of the state universities and colleges in the Bangsamoro Autonomous Region.

The Bangsamoro Government shall supervise and regulate private schools, including sectarian and nonsectarian institutions of learning in any level. Three (3) representatives of private schools shall have the right to participate in the deliberations of the appropriate Bangsamoro Government ministry, and Bangsamoro offices of the Commission on Higher Education, Technical Education and Skills Development Authority, and other government agencies on matters dealing with private schools.

The right of sectarian and educational institutions to propagate their religious beliefs shall not be curtailed. The regional educational system shall not discriminate against the sectarian educational institutions in any manner or form.

SEC. 17. *Vocational, Technical, Nonformal, and Special Education.* – The thrusts and programs of vocational, technical, nonformal, and special education of the Bangsamoro Autonomous Region educational system for the poor, illiterate, out-of-school youth, persons with special needs, disadvantaged, and senior citizens shall be supportive and relevant to the human resource requirements of the Bangsamoro Autonomous Region, which shall conform to the minimum standards set by the National Government.

SEC. 18. *Madaris Educational System, Islamic and Arabic Studies.* – In coordination with the Department of Education, Commission on Higher Education, and Technical Education and Skills Development Authority, the Bangsamoro Government shall establish, maintain, and supervise *Madaris* education in the Bangsamoro Autonomous Region. In the case of *Madaris* teachers, the Civil Service Commission shall promulgate rules and regulations to set the standards for their qualifications, appointments, and promotions.

The Bangsamoro Government shall ensure the integration in the elementary and high school education curricula the teaching of Islamic and Arabic studies for Muslim pupils and students in public schools.

The Parliament shall enact legislation to develop and strengthen the *Madaris* educational system in the Bangsamoro Autonomous Region.

SEC. 19. *Tribal University System.* – The Parliament shall create a tribal university system in the Bangsamoro Autonomous Region to address the higher educational needs of the non-Moro indigenous peoples.

The Parliament shall pass a law to recognize and support the indigenous peoples' educational system for its integration in the Bangsamoro educational system.

SEC. 20. *Physical Education, Sports Development, and Bangsamoro Sports Commission.* – The Bangsamoro educational system shall develop and maintain an integrated and comprehensive physical education program. It shall develop healthy, disciplined, innovative, and productive individuals, and promote sportsmanship, cooperation, and teamwork.

The Bangsamoro educational system shall encourage and support sports programs, league competitions, indigenous games, martial arts, and amateur sports including training for regional, national, and international competitions.

The Parliament shall pass a law creating a Bangsamoro sports commission.

Science and Technology

SEC. 21. *Science and Technology.* – The Bangsamoro Government recognizes science and technology as essential to national and regional progress. The Bangsamoro Government shall give priority to science, research, inventions, technology education, and their development. It shall ensure the full and effective participation of all sectors in the planning, programming, coordination, and implementation of scientific and technological researches. The Bangsamoro Government shall prioritize the acquisition, adoption, innovation, and application of science and technology for development.

Health

SEC. 22. *Comprehensive and Integrated Health Service Delivery.* – The Bangsamoro Government shall adopt a policy on health that provides for a comprehensive and integrated health service delivery for its constituents. It shall establish by law a general hospital system to serve the health requirements of its people and ensure that the individual basic right to life shall be attainable through the prompt intervention of excellent and affordable medical services.

The Bangsamoro Government shall protect and promote the right to health of the people and instill health consciousness among them. It shall also uphold the people's right to have access to essential goods, health, and other social services that promote their well-being. The Parliament shall enact appropriate legislation towards this end, including the regulation of the manufacture and distribution of food, drinks, drugs, and tobacco in accordance with the policies, rules and regulations of the concerned national government agencies.

The Bangsamoro Government shall assist and cooperate with the National Government in the provision of quarantine services for the prevention and control of epidemic and other communicable diseases.

SEC. 23. *Support for Persons with Special Needs, Senior Citizens, and Disadvantaged Groups.* – The Bangsamoro Government shall establish a special agency, support facilities

and livelihood or skills training for persons with special needs, and other disadvantaged persons for their rehabilitation and productive integration into mainstream society.

The Bangsamoro Government shall coordinate all existing governmental and nongovernmental agencies concerned with the rehabilitation and education of these persons.

The Bangsamoro Government shall ensure the welfare of senior citizens by upholding their rights and providing the benefits and privileges they presently enjoy.

Arts and Culture

SEC. 24. *Preservation of the Cultural Heritage of the Bangsamoro People.* – The Bangsamoro Government shall preserve the history, culture, arts, traditions, and the rich cultural heritage of the Bangsamoro people and their Sultanates, such as those of Sulu, Maguindanao, Kabuntalan, Buayan, the Royal Houses of Ranao and of the Iranun, and the non-Moro indigenous peoples of the Bangsamoro Autonomous Region. For this purpose, it shall create the Bangsamoro Commission for the Preservation of Cultural Heritage in coordination with the appropriate and relevant national government agencies.

SEC. 25. *Primary Responsibility of the Bangsamoro Commission for the Preservation of Cultural Heritage.* – The Bangsamoro Commission for the Preservation of Cultural Heritage shall have the primary responsibility to write the history of the Bangsamoro people and to establish and sustain the cultural institutions, programs, and projects in the Bangsamoro Autonomous Region. The Commission shall coordinate and work closely with the National Commission for Culture and the Arts, National Historical Commission of the Philippines, National Museum of the Philippines, and other concerned cultural agencies for the preservation of cultural heritage, shall establish libraries and museums, declare and restore historical shrines and cultural sites to preserve the Bangsamoro heritage for posterity. The Commission shall ensure the inclusion of Philippine history, culture, and heritage in the establishment of museums and similar institutions, programs and projects to foster unity among the Filipinos.

SEC. 26. *Management of Bangsamoro Historical and Cultural Sites.* – The National Government shall transfer the management of Bangsamoro historical and cultural sites currently under the jurisdiction of the National Museum of the Philippines, National Historical Commission of the Philippines, or other agencies of the National Government to the Bangsamoro Commission for the Preservation of Cultural Heritage through the intergovernmental relations mechanisms. The Bangsamoro Commission for the Preservation of Cultural Heritage shall coordinate with relevant agencies of the National Government on the regulation, excavation, and preservation of cultural artifacts and on the recovery of lost historical and cultural heritage.

ARTICLE X

BANGSAMORO JUSTICE SYSTEM

SEC. 1. *Justice System in the Bangsamoro.* – The Bangsamoro justice system shall be administered in accordance with the unique cultural and historical heritage of the Bangsamoro.

The dispensation of justice in the Bangsamoro Autonomous Region shall be in consonance with the Constitution, *Shari'ah*, traditional or tribal laws, and other relevant laws.

Shari'ah or Islamic law forms part of the Islamic tradition derived from religious precepts of Islam, particularly the *Qur'an* and *Sunnah*.

Shari'ah shall apply exclusively to cases involving Muslims. Where a case involves a non-Muslim, *Shari'ah* law may apply only if the non-Muslim voluntarily submits to the jurisdiction of the *Shari'ah* court.

The traditional or tribal laws shall be applicable to disputes of indigenous peoples within the Bangsamoro Autonomous Region.

The provisions of this Article shall not prejudice the rights of non-Muslims and nonindigenous peoples.

SEC. 2. *Shari'ah Courts.* – *Shari'ah* courts within the Bangsamoro territorial jurisdiction shall form part of the Philippine judicial system subject to the supervision of the Supreme Court. The regular courts within the Bangsamoro Autonomous Region shall continue to function under the supervision of the Supreme Court.

The Congress of the Philippines may create additional *Shari'ah* courts in the Bangsamoro Autonomous Region upon the recommendation of the Supreme Court. It may also create *Shari'ah* courts outside the Bangsamoro Autonomous Region in areas where a considerable number of Muslims reside.

SEC. 3. *Sources of Shari'ah.* – The following are the sources of *Shari'ah*:

Principal Sources:

- (a) *Al-Qur'an* or the Koran;
- (b) *Al-Sunnah* or traditions of Prophet Muhammad SAW;

Secondary Sources:

- (a) *Al-Ijma* or Consensus; and
- (b) *Al-Qiyas* or Analogy.

SEC. 4. *Power of the Parliament to Enact Laws Pertaining to Shari'ah.* – The Parliament shall have the power to enact laws on personal, family, and property law jurisdiction.

The Parliament has the power to enact laws governing commercial and other civil actions not provided for under Presidential Decree No. 1083, as amended, otherwise known as the "*Code of Muslim Personal Laws of the Philippines*," and criminal jurisdiction on minor offenses punishable by *arresto menor* or *ta'zir* which must be equivalent to *arresto menor* or fines commensurate to the offense.

SEC. 5. *Jurisdiction of the Shari'ah Circuit Courts.* – The *Shari'ah* Circuit Courts in the Bangsamoro Autonomous Region shall exercise exclusive original jurisdiction over the following cases where either or both parties are Muslims: *Provided*, That the non-Muslim party voluntarily submits to its jurisdiction:

(a) All cases involving offenses defined and punished under Presidential Decree No. 1083, where the act or omission has been committed in the Bangsamoro Autonomous Region;

(b) All civil actions and proceedings between parties residing in the Bangsamoro Autonomous Region who are Muslims or have been married in accordance with Article 13 of Presidential Decree No. 1083, involving disputes relating to:

- (1) Marriage;
- (2) Divorce;
- (3) Betrothal or breach of contract to marry;
- (4) Customary dower or *mahr*;
- (5) Disposition and distribution of property upon divorce;
- (6) Maintenance and support, and consolatory gifts; and
- (7) Restitution of marital rights;

(c) All cases involving disputes relative to communal properties;

(d) All cases involving *ta'zir* offenses defined and punishable under *Shari'ah* law enacted by the Parliament punishable by *arresto menor* or the corresponding fine, or both;

(e) All civil actions under *Shari'ah* law enacted by the Parliament involving real property in the Bangsamoro Autonomous Region where the assessed value of the property does not exceed Four hundred thousand pesos (P400,000.00); and

(f) All civil actions, if they have not specified in an agreement which law shall govern their relations, where the demand or claim does not exceed Two hundred thousand pesos (P200,000.00).

SEC. 6. *Jurisdiction of the Shari'ah District Courts.* – The *Shari'ah* District Courts in the Bangsamoro Autonomous Region shall exercise exclusive original jurisdiction over the following cases where either or both are Muslims: *Provided*, That the non-Muslim party voluntarily submits to its jurisdiction:

(a) All cases involving custody, guardianship, legitimacy, and paternity and filiation arising under Presidential Decree No. 1083;

(b) All cases involving disposition, distribution, and settlement of the estate of deceased Muslims, probate of wills, issuance of letters of administration, or appointment of administrators or executors regardless of the nature or the aggregate value of the property;

(c) Petitions for the declaration of absence and death, and for the cancellation or correction of entries in the Muslim Registries mentioned in Title VI of Book Two of Presidential Decree No. 1083;

(d) All actions arising from customary and *Shari'ah* compliant contracts in which the parties are Muslims, if they failed to specify the law governing their relations;

(e) All petitions for *mandamus*, prohibition, injunction, *certiorari*, *habeas corpus*, and all other auxiliary writs and processes, in aid of its appellate jurisdiction;

(f) Petitions for the constitution of a family home, change of name, and commitment of an insane person to an asylum;

(g) All other personal and real actions not falling under the jurisdiction of the *Shari'ah* Circuit Courts wherein the parties involved are Muslims, except those for forcible entry and unlawful detainer, which shall fall under the exclusive original jurisdiction of the Municipal Trial Court;

(h) All special civil actions for interpleader or declaratory relief wherein the parties are Muslims residing in the Bangsamoro Autonomous Region or the property involved belongs exclusively to Muslims and is located in the Bangsamoro Autonomous Region;

(i) All civil actions under *Shari'ah* law enacted by the Parliament involving real property in the Bangsamoro Autonomous Region where the assessed value of the property exceeds Four hundred thousand pesos (P400,000.00); and

(j) All civil actions, if they have not specified in an agreement which law shall govern their relations where the demand or claim exceeds Two hundred thousand pesos (P200,000.00).

The *Shari'ah* District Court in the Bangsamoro Autonomous Region shall exercise appellate jurisdiction over all cases decided upon by the *Shari'ah* Circuit Courts in the Bangsamoro Autonomous Region within its territorial jurisdiction, as provided under Article 144 of Presidential Decree No. 1083, as amended.

SEC. 7. *Shari'ah High Court.* – There is hereby created within the Bangsamoro territorial jurisdiction, as part of the Philippine judicial system, a *Shari'ah* High Court. It shall exercise exclusive original jurisdiction over the following cases where either or both parties are Muslims: *Provided*, That the non-Muslim party voluntarily submits to its jurisdiction:

(a) All petitions for *mandamus*, prohibition, injunction, *certiorari*, *habeas corpus*, and all other auxiliary writs and processes, in aid of its appellate jurisdiction; and

(b) All actions for annulment of judgments of *Shari'ah* District Courts.

The *Shari'ah* High Court shall exercise exclusive appellate jurisdiction over cases under the jurisdiction of the *Shari'ah* District Courts within or outside the Bangsamoro Autonomous Region.

The decisions of the *Shari'ah* High Court shall be final and executory except on questions of law which may be raised before the Supreme Court following the procedure for appeals from the Court of Appeals to the Supreme Court.

Nothing contained herein shall affect the original and appellate jurisdiction of the Supreme Court as provided in the Constitution.

Pending the complete organization of the *Shari'ah* High Court, the decisions of the *Shari'ah* District Courts shall be appealable to the Court of Appeals.

SEC. 8. *Qualifications of Shari'ah Judges.* -

(a) *Shari'ah* Circuit Court. - No person shall be appointed judge of the *Shari'ah* Circuit Court unless a citizen of the Philippines who is a Muslim, a regular member of the Philippine Bar, at least thirty (30) years of age, must have been engaged in the practice of law for five (5) years or more, and has completed at least two (2) years of *Shari'ah* or Islamic Jurisprudence.

(b) *Shari'ah* District Court. - No person shall be appointed judge of the *Shari'ah* District Court unless a citizen of the Philippines who is a Muslim, a regular member of the Philippine Bar, at least thirty-five (35) years of age, must have been engaged in the practice of law for ten (10) years or more, and has completed at least two (2) years of *Shari'ah* or Islamic Jurisprudence.

(c) *Shari'ah* High Court. - No person shall be appointed justice of the *Shari'ah* High Court unless a natural-born citizen of the Philippines who is a Muslim, a regular member of the Philippine Bar, at least forty (40) years of age, must have been engaged in the practice of law for fifteen (15) years or more, and has completed at least two (2) years of *Shari'ah* or Islamic Jurisprudence.

A *Shari'ah* Justice or Judge must be a person of competence, integrity, probity, and independence.

The Supreme Court may grant the incumbent *Shari'ah* District and Circuit Court judges who are not regular members of the Philippine Bar a reasonable period within which to qualify, pending which they shall be allowed to continue discharging their duties.

SEC. 9. *Composition of the Shari'ah High Court.* - The *Shari'ah* High Court shall be composed of five (5) Justices, including the Presiding Justice.

SEC. 10. *Compensation, Benefits, Tenure, and Privileges.* - Justices of the *Shari'ah* High Court shall have the same rank, prerogatives, salaries, allowances, benefits, tenure, and privileges as the Justices of the Court of Appeals.

Judges of the *Shari'ah* District Courts shall have the same rank, prerogatives, salaries, allowances, benefits, tenure, and privileges as judges of the Regional Trial Court.

Judges of the *Shari'ah* Circuit Courts shall have the same rank, prerogatives, salaries, allowances, benefits, tenure, and privileges as judges of the Municipal Trial Court.

SEC. 11. *Shari'ah Rules of Court.* - The existing Special Rules of Procedure in *Shari'ah* courts shall continue to be in force and effect until the Supreme Court promulgates a new *Shari'ah* Rules of Court.

SEC. 12. *Special Bar Examinations for Shari'ah.* - The Supreme Court shall administer *Shari'ah* Special Bar Examinations for admission of applicants to the Philippine Bar as special members thereof to practice law in the *Shari'ah* courts. A successful examinee who has qualified for special membership in the Philippine Bar shall be duly conferred the title of counselor-at-law.

SEC. 13. *Practice of Law Before Shari'ah Courts.* - The following are eligible to practice before *Shari'ah* courts:

- (a) A *Shari'ah* counselor-at-law; and

(b) A regular member of the Philippine Bar: *Provided*, That a Muslim, or a non-Muslim who submits to the jurisdiction of the *Shari'ah* court, who acts on one's behalf as counsel, shall be allowed to appear as such before any *Shari'ah* court.

SEC. 14. *Appointment and Discipline of Shari'ah Court Personnel.* – The Supreme Court shall appoint the *Shari'ah* court personnel and shall have the power to discipline them.

SEC. 15. *Bangsamoro Shari'ah Integrated Bar.* – The Supreme Court may adopt the rules for the integration of the *Shari'ah* Bar under such conditions as it shall see fit in order to raise the standards of the profession and improve the administration of justice in the Bangsamoro Autonomous Region.

SEC. 16. *Creation of New Offices.* – The Parliament may create a *Shari'ah* public assistance office, a *Shari'ah* special prosecution service, a *Shari'ah* academy, and the Office of the Jurisconsult of Islamic Law. Pending the creation of the *Shari'ah* special prosecution service, the existing national prosecution service of the Department of Justice shall prosecute criminal cases before the *Shari'ah* courts.

SEC. 17. *Traditional or Tribal Justice Systems.* – The Parliament shall enact laws to promote and support the traditional or tribal justice systems that are appropriate for the indigenous peoples.

The indigenous peoples shall have the right to use their own commonly accepted justice systems, conflict resolution institutions, peace building processes or mechanisms, and other customary laws and practices within their respective communities and as may be compatible with the national legal system and with internationally recognized human rights.

The traditional justice systems are the mechanisms to determine, settle, and decide controversies and enforce decisions involving disputes between members of the indigenous peoples concerned in accordance with the customary laws of these communities.

SEC. 18. *Office for Traditional or Tribal Justice System.* – There is hereby created an Office for Tribal Justice System that shall be responsible for overseeing the study, preservation, and development of the tribal justice system within the Bangsamoro Autonomous Region. The powers and functions of the Office for Tribal Justice System shall be defined by the Parliament.

The Office for Tribal Justice System shall ensure the full participation of indigenous peoples in the formulation, implementation, and evaluation of policies related to the strengthening of tribal justice systems: *Provided*, That such systems shall maintain their indigenous character in accordance with the respective practices of each tribe.

SEC. 19. *Regular Courts.* – Regular courts in the Bangsamoro Autonomous Region shall continue to exercise their judicial functions, as provided by national law.

SEC. 20. *Alternative Dispute Resolution.* – The Bangsamoro Government shall adopt the principles of conciliation and mediation in settling disputes, with the Parliament enacting the necessary legislation to institute the mechanism for alternative dispute resolution. The *Shari'ah* courts and traditional or tribal adjudicatory tribunals may utilize this mode of settlement and resolution of cases.

ARTICLE XI

NATIONAL DEFENSE AND SECURITY, PUBLIC ORDER AND SAFETY, AND COAST GUARD SERVICES

SEC. 1. *National Defense and Security.* – The defense and security of the Bangsamoro Autonomous Region shall be the responsibility of the National Government.

SEC. 2. *Public Order and Safety.* – The Philippine National Police shall create a Police Regional Office in the Bangsamoro Autonomous Region which shall be organized, maintained, supervised, and utilized for the primary purpose of law enforcement and maintenance of peace and order in

the Bangsamoro in accordance with Republic Act No. 6975, otherwise known as the "*Department of the Interior and Local Government Act of 1990*," as amended by Republic Act No. 8551, otherwise known as the "*Philippine National Police Reform and Reorganization Act of 1998*." The Police Regional Office in the Bangsamoro Autonomous Region shall be under the direct operational control and supervision of the Philippine National Police.

The Police Regional Office in the Bangsamoro Autonomous Region shall be headed by a Regional Director who shall, upon consultation with the Chief Minister, be appointed in accordance with Republic Act No. 6975, as amended.

To facilitate entry into the Philippine National Police of Moro Islamic Liberation Front and Moro National Liberation Front members from the Bangsamoro Autonomous Region, the age, height, and educational attainment requirements may be waived by the National Police Commission, subject to existing rules and regulations: *Provided*, That such shall be availed of within a period of five (5) years from the ratification of this Organic Law: *Provided, further*, That the requirement of educational attainment shall be complied within fifteen (15) years from their entry: *Provided, finally*, That their ranks and grades shall be subject to existing laws, rules and regulations governing the Philippine National Police.

SEC. 3. *Regional Office of the National Police Commission.* – The National Police Commission shall establish the National Police Commission Bangsamoro Regional Office under its direct control, supervision, and administration, in accordance with Republic Act No. 6975, as amended. The Secretary of the Interior and Local Government shall appoint the Regional Director who shall head the National Police Commission Bangsamoro Regional Office.

The National Police Commission Bangsamoro Regional Office shall have the power to investigate complaints against members of the Police Regional Office in the Bangsamoro Autonomous Region. Appeals from the decisions of the National Police Commission Bangsamoro Regional Office shall be filed with the National Police Commission. Pending resolution of the appeal,

the decision of the National Police Commission Bangsamoro Regional Office may be executed.

SEC. 4. *Consultation with the Chief Minister on Police Matters Affecting the Police Regional Office in the Bangsamoro Autonomous Region.* – The National Police Commission shall consult the Chief Minister on police matters affecting the Police Regional Office in the Bangsamoro Autonomous Region.

SEC. 5. *Jail Management and Penology.* – The Bureau of Jail Management and Penology shall establish a regional office in the Bangsamoro Autonomous Region under its direct operational and administrative control and supervision, in accordance with Republic Act No. 6975, as amended, and Republic Act No. 9263, otherwise known as the "*Bureau of Fire Protection and Bureau of Jail Management and Penology Professionalization Act of 2004*." The Bureau of Jail Management and Penology shall support the regional office in the establishment, maintenance, and improvement and procurement of jail facilities, the appropriation for the subsistence of detainees and prisoners, the establishment, maintenance, operation, and management of separate detention homes, and the designation of jail wardens.

SEC. 6. *Fire Protection.* – The Bureau of Fire Protection shall establish a regional office in the Bangsamoro Autonomous Region under its direct operational and administrative control and supervision, in accordance with Republic Act No. 6975, as amended, and Republic Act No. 9263. The Bureau of Fire Protection shall support the regional office in the establishment, maintenance, and improvement and procurement of fire protection and prevention facilities, the enforcement of Republic Act No. 9514, otherwise known as the "*Fire Code of the Philippines of 2008*," and other existing laws on fire safety enforcement, protection, and prevention.

SEC. 7. *Coast Guard Services.* – The Philippine Coast Guard shall establish a regional office in the Bangsamoro Autonomous Region which shall be organized, maintained, supervised, and utilized for the primary purpose of law enforcement over coast guard matters. It shall be under the direct operational and administrative control and supervision of the Philippine Coast Guard.

ARTICLE XII

FISCAL AUTONOMY

SEC. 1. *Fiscal Autonomy.* – The Bangsamoro Government shall enjoy fiscal autonomy with the end in view of attaining economic self-sufficiency and genuine development. The Bangsamoro Government is entitled to all fund sources enumerated herein, and shall have the power to create its sources of revenues as provided in this Organic Law, which shall be spent in a programmatic, transparent, performance-based, and phased manner. It shall prepare its budget and allocate funds in accordance with an annual appropriations law passed by the Parliament.

SEC. 2. *Auditing.* – Pursuant to the Constitution, the Commission on Audit shall be the exclusive auditor of the Bangsamoro Government and its constituent local government units. The Bangsamoro Government shall establish an auditing body which shall have internal auditing responsibility in accordance with Republic Act No. 3456, otherwise known as the "Internal Auditing Act of 1962," as amended. The Bangsamoro Government shall implement transparency and accountability mechanisms consistent with open government practices and generally accepted financial management principles.

SEC. 3. *Local Government Finance.* – There is hereby created a Bangsamoro Regional Office of the Bureau of Local Government Finance under the Department of Finance which shall have the authority to coordinate, assist, and monitor the treasury and assessment operations of constituent local government units within the Bangsamoro Autonomous Region in pursuance of good governance and local autonomy. The regional office shall be guided by the standards set by the Department of Finance-Bureau of Local Government Finance including the requirements set for the appointment of local treasurers.

SEC. 4. *Bangsamoro Treasury Office.* – There is hereby created a Bangsamoro Treasury Office whose primary function is to receive and safeguard all the revenues generated and collected by the Bangsamoro Government. The Office shall be headed by a

Regional Treasurer who shall be appointed by the Chief Minister and whose term shall be determined by a law to be passed by the Parliament.

SEC. 5. *National Government Assistance.* – The National Government shall extend assistance to the Bangsamoro Government on tax administration and fiscal management, including capacity building and training programs, in accordance with the plans to be developed by the Bangsamoro Government in consultation with the National Government.

Sources of Revenues

SEC. 6. *Sources of Revenues.* – The Bangsamoro Government shall have the power to create its own sources of revenues and to levy taxes, fees, and charges, subject to the provisions of this Organic Law and consistent with the principles of equalization, equity, accountability, administrative simplicity, harmonization and economic efficiency, and fiscal autonomy. Such taxes, fees, and charges shall accrue exclusively to the Bangsamoro Government.

The sources of revenues of the Bangsamoro Government include, among others, the following:

- (a) Taxes, in accordance with the provisions of this Organic Law;
- (b) Fees and charges;
- (c) Annual block grant from the National Government;
- (d) Revenues or shares in revenues from the exploration, development, and utilization of natural resources derived from land or water areas or territories within the Bangsamoro territorial jurisdiction;
- (e) Share in the National Government's taxes, fees, and charges collected in the Bangsamoro territorial jurisdiction;

(f) Dividends from Bangsamoro government-owned or controlled corporations and other corporations, and shares from the dividends of national government-owned or controlled corporations and their subsidiaries in the Bangsamoro Autonomous Region as may be determined by the Intergovernmental Fiscal Policy Board;

(g) Grants from economic agreements or conventions entered into by the Bangsamoro Government to which the National Government is a party;

(h) Grants, endowments, donations, foreign assistance, and other forms of aid;

(i) Loans and official development assistance;

(j) Shares and revenues generated from the operations of public utilities within the Bangsamoro territorial jurisdiction;

(k) Appropriations and other budgetary allocations from the National Government; and

(l) Tax of not more than ten percent (10%) of fair market value in the locality per cubic meter of ordinary stones, sand, gravel, earth, and other quarry resources, as defined in the National Internal Revenue Code, as amended, extracted from public lands or from the beds of seas, lakes, rivers, streams, creeks, and other public waters within its territorial jurisdiction, the proceeds of which shall be distributed as follows:

(1) Thirty percent (30%) to the Bangsamoro Government; and

(2) Seventy percent (70%) to the local government units where the sand, gravel, and other quarry resources are extracted, as follows:

(i) Thirty percent (30%) to the province;

(ii) Thirty percent (30%) to the component city or municipality; and

(iii) Forty percent (40%) to the barangay.

The constituent local government units in the Bangsamoro Autonomous Region shall continue to exercise the taxing powers granted under Republic Act No. 7160, as amended.

SEC. 7. *Uniform and Equitable Taxation; Prohibition Against Confiscatory Taxes, Fees, and Charges.* – The Parliament shall exercise, subject to the provisions of the Constitution, the power to levy taxes, fees, and charges, which shall inure solely to the benefit of the Bangsamoro Autonomous Region: *Provided, That* the principles of uniformity and equity in taxation shall be observed: *Provided, further, That* such shall not be unjust, excessive, oppressive, confiscatory, or contrary to public policy: *Provided, furthermore, That* their collection shall not be delegated to any private person.

The power to impose any tax under this Organic Law shall be exercised by the Parliament, through an appropriate legislation, which shall not be enacted without any prior public hearing conducted for the purpose. The Bangsamoro Government shall evolve a progressive, responsive, and culture sensitive system of taxation which shall, among other things, provide for incentives for the prompt payment of taxes and penalize tax evasion and delinquency.

Nothing in this provision shall preclude any future legislation on national taxes nor allow both National Government and Bangsamoro Government to impose similar taxes on the same entity.

SEC. 8. *Tax Incentives.* – The Parliament may grant tax exemptions and incentives under this Organic Law upon a vote of majority of all its members: *Provided, That* these tax exemptions and incentives shall not diminish national revenues: *Provided, further, That* the grant of tax exemptions and incentives administered by the Regional Board of Investments of the Autonomous Region in Muslim Mindanao as provided for in Executive Order No. 458, Series of 1991, in relation to Executive Order No. 226, Series of 1987, otherwise known as the "Omnibus Investments Code," shall continue to apply.

Nothing in this Organic Law shall be construed to alter, diminish, or repeal the incentives already granted and administered by investment promotion agencies of the National Government to existing locators or registered business entities.

SEC. 9. *Limitations on the Taxing Powers; Exceptions.* – Unless otherwise provided herein, the taxing power of the Bangsamoro Government shall not extend to the following:

(a) Income tax, except when levied on banks and other financial institutions;

(b) Customs duties, registration fees of vessels and wharfage on wharves, tonnage dues, and all other kinds of customs fees, charges, and dues except vessels which are registered by their owners with the Bangsamoro Government and wharfage on wharves constructed and maintained by the Bangsamoro Government or its constituent local government units;

(c) Taxes, fees, or charges and other impositions upon goods carried into or out of, or passing through the territorial jurisdictions of the provinces, cities, municipalities, or barangays in the Bangsamoro Autonomous Region in the guise of charges for wharfage, tolls for bridges or otherwise, or other taxes, fees, or charges in any form whatsoever upon such goods or merchandise, except tolls on bridges or roads constructed and maintained by the Bangsamoro Government or its constituent provinces, cities, municipalities, or barangays concerned;

(d) Taxes, fees, or charges on agricultural and aquatic products when sold by marginal farmers or fisherfolk;

(e) Taxes on business enterprises certified by the Board of Investments or by the Parliament as pioneer or non-pioneer for a period of six (6) and four (4) years, respectively, from the date of registration;

(f) Excise taxes on articles enumerated under the National Internal Revenue Code of 1997, as amended, and taxes, fees, or charges on petroleum products;

(g) Percentage or value-added tax on sales, barter, or exchanges or similar transactions on goods or services except as otherwise provided by national law;

(h) Taxes on the gross receipts of transportation contractors and persons engaged in the transportation of passengers or freight by hire and common carriers by air, land, or water except as provided in this Organic Law;

(i) Taxes on premiums paid by way of reinsurance or retrocession;

(j) Taxes, fees, or other charges on Philippine products actually exported, except as otherwise provided by law enacted by the Congress of the Philippines;

(k) Taxes, fees, or charges on countryside and barangay business enterprises and cooperatives duly registered under Republic Act No. 6810, otherwise known as the "*Magna Carta for Countryside and Barangay Business Enterprises*," and Republic Act No. 6938, otherwise known as the "*Cooperative Code of the Philippines*," as amended; and

(l) Taxes, fees, or charges of any kind on the National Government, its agencies and instrumentalities, and local government units except on government-owned or controlled corporations or entities that are primarily organized to do business.

However, where all taxable elements are within the Bangsamoro territorial jurisdiction, the Parliament may impose the following taxes to the exclusion of the Bureau of Internal Revenue of the National Government:

(1) Capital Gains Tax. – Tax imposed on the gains presumed to have been realized by the seller from the sale, exchange, or other disposition of real properties, classified as capital assets, including *pacto de retro* sales and other forms of conditional sale;

(2) **Documentary Stamp Tax.** – Tax on documents, instruments, loan agreements, and papers evidencing the acceptance, assignment, sale, or transfer of the obligation, right or property incident thereto;

(3) **Donor's Tax.** – Tax on a donation or gift that is imposed on the gratuitous transfer of property between two (2) or more persons who are living at the time of the transfer. It shall apply whether the transfer is in trust or otherwise, whether the gift is direct or indirect, and whether the property is real or personal, tangible or intangible; and

(4) **Estate Tax.** – Tax on the right of the deceased person to transmit to the lawful heirs and beneficiaries of the deceased person at the time of death and on certain transfers, which are made by law as equivalent to testamentary disposition.

In case the Parliament does not impose the abovementioned taxes, the Bureau of Internal Revenue of the National Government shall continue to levy and collect said taxes: *Provided*, That if the Bangsamoro Government shall impose them, the tax rates shall be pursuant to the National Internal Revenue Code of 1997, as amended: *Provided, further*, That in no case shall the abovementioned taxes be imposed and collected by both the Bureau of Internal Revenue and the Bangsamoro Government.

The Intergovernmental Fiscal Policy Board shall promulgate rules on the determination of taxable elements in relation to taxes (1) to (4) above, and the sharing of revenues from the collection of such taxes where the taxable elements are both situated within and outside of the Bangsamoro territorial jurisdiction. Any dispute between the National Government and the Bangsamoro Government arising from the imposition of the above taxes shall be resolved by the Intergovernmental Fiscal Policy Board.

SEC. 10. Sharing of Taxes Collected by the National Government. – National Government taxes, fees, and charges collected in the Bangsamoro Autonomous Region, other than tariff and customs duties, shall be shared as follows:

(a) Twenty-five percent (25%) to the National Government: *Provided*, That for the first ten (10) years following the effectivity of this Organic Law, this share shall accrue to the Bangsamoro Government: *Provided, further*, That after this first ten (10)-year period, upon petition of the Bangsamoro Government, the National Government may extend the period as it shall deem necessary; and

(b) Seventy-five percent (75%) to the Bangsamoro Government, inclusive of the shares of the constituent local government units.

The shares in taxes, fees, and charges provided under this section shall be separate and distinct from the annual block grant appropriated to the Bangsamoro Government under Section 15 of this Article.

SEC. 11. Assessment and Collection of Taxes; Bangsamoro Revenue Office. – The Parliament shall establish by law the Bangsamoro Revenue Office for the assessment and collection of Bangsamoro taxes, as well as all other collectible taxes in the Bangsamoro Autonomous Region.

Until such time that the Bangsamoro Revenue Office is established, tax collection shall be undertaken by the Bureau of Internal Revenue. The share of the Bangsamoro Government shall be retained by the National Government collecting agencies and remitted to the Bangsamoro Government in lump sum without need of an appropriations law.

Upon its establishment, the Bangsamoro Revenue Office shall start collecting such taxes regularly: *Provided*, That it shall report promptly all its collections to, and remit the share of, the National Government through a duly accredited government depository bank: *Provided, further*, That the National Government and the Bangsamoro Government shall share the costs of administering the tax collection as provided herein.

SEC. 12. Payment of Taxes by Corporations, Partnerships, or Firms. – Corporations, partnerships, or firms directly engaged in business in the Bangsamoro Autonomous Region shall pay

their corresponding taxes, fees, and charges in the province or city where the corporation, partnership, or firm is doing business.

Corporations, partnerships, or firms whose central, main, or head offices are located outside the Bangsamoro Autonomous Region but are doing business within its territorial jurisdiction, shall pay the income taxes for income derived from their business operations in the Bangsamoro Autonomous Region to the city or municipality where their branch offices or business operations or activities are located. The Bureau of Internal Revenue and the Bangsamoro Revenue Office shall agree on modalities for the filing of income tax returns through the Intergovernmental Fiscal Policy Board.

The Intergovernmental Fiscal Policy Board shall promulgate rules to implement this provision, including the determination of covered entities and the allocation of income for covered entities.

SEC. 13. Share of the Constituent Local Government Units in Taxes Within the Bangsamoro Autonomous Region. – The Parliament shall enact a law detailing the shares of constituent local government units in the seventy-five percent (75%) share of the Bangsamoro Government in the national taxes, fees, and charges collected in the Bangsamoro territorial jurisdiction.

SEC. 14. Bangsamoro Tax and Revenue Code. – The Parliament shall enact a Bangsamoro tax and revenue code, which shall cover the taxing powers of the Bangsamoro Government, in accordance with the Constitution and this Organic Law.

Block Grant

SEC. 15. Annual Block Grant. – The National Government shall provide an annual block grant which shall be the share of the Bangsamoro Government in the national internal revenue tax collections of the Bureau of Internal Revenue and collections of the Bureau of Customs. The amount shall be sufficient for the exercise of the powers and functions of the Bangsamoro Government under this Organic Law and in no case shall be less

than the last budget received by the Autonomous Region in Muslim Mindanao immediately before the establishment of the Bangsamoro Autonomous Region.

SEC. 16. Block Grant Amount. – For the budget year immediately following the year of the effectivity of this Organic Law, the amount of the block grant shall be equivalent to five percent (5%) of the net national internal revenue tax collection of the Bureau of Internal Revenue and the net collection of the Bureau of Customs from the third fiscal year immediately preceding the current fiscal year.

For purposes of this section, the net national internal revenue tax collections of the Bureau of Internal Revenue is the sum of all internal revenue tax collections of the Bureau of Internal Revenue during the base year less the internal revenue allotment of local government units, the amount released during the same year for tax refunds, payments for informers' reward, and any portion of internal revenue tax collections which are presently set aside, or hereafter earmarked under special laws for payment to third persons.

SEC. 17. Automatic Appropriation. – The annual block grant shall be automatically appropriated in the General Appropriations Act of the Congress of the Philippines to the Bangsamoro Government.

SEC. 18. Regular Release. – The block grant shall be released without need of any further action, directly and comprehensively to the Bangsamoro Government, and shall not be subject to any lien or holdback that may be imposed by the National Government for whatever purpose.

SEC. 19. Allocation of the Block Grant. – The Parliament shall pass an annual appropriations law allocating the block grant to various agencies and programs according to the powers and functions of the Bangsamoro Government. The Parliament shall assign the highest budgetary priority to education, health, and social services as may be provided in its appropriations law. The Parliament shall not include the procurement of firearms, ammunition, armaments, and explosives in its annual

appropriations law from the block grant. Copies of the development plans of the Bangsamoro Government shall be furnished the Department of the Interior and Local Government. In the allocation of the block grant, the national laws and the budgeting rules and regulations implemented by the Department of Budget and Management and Department of the Interior and Local Government applicable to local government units shall apply.

The Bangsamoro Government's annual appropriations law shall set performance standards and targets for each sector. Any unspent amount in the current year's block grant shall revert to the Bangsamoro Treasury under a Special Fund for reappropriation: *Provided, however*, That any subsequent appropriation thereof shall follow the same conditions as provided in this section.

SEC. 20. *General Limitations.* – The use of funds shall be subject to the following limitations:

(a) The total appropriations, whether annual or supplemental, for Personal Services of the Bangsamoro Government for one (1) fiscal year shall not exceed forty-five percent (45%) of the total revenue sources of the Bangsamoro Government as provided under Section 6 of this Article. The appropriations for salaries, wages, representation and transportation allowances of officials and employees of the public utilities and economic enterprises owned, operated, and maintained by the Bangsamoro Government shall not be included in the annual budget or in the computation of the maximum amount for Personal Services. The appropriations for Personal Services of such economic enterprises shall be charged against their respective budgets;

(b) No official or employee shall be entitled to a salary rate higher than the maximum fixed for the position or other positions of equivalent rank by applicable laws or rules and regulations issued thereunder;

(c) The Bangsamoro Government shall not appropriate funds to provide any salaries, wages or any form of emoluments to officials and employees of the National Government;

(d) In cases of abolition of positions and the creation of new ones resulting from the abolition of existing positions in the Bangsamoro Government, such abolition or creation shall be made in accordance with Section 10, Article XVI of this Organic Law. The provisions of civil service laws, rules, and regulations shall apply suppletorily;

(e) Positions in the official plantilla for career positions that are occupied by incumbents holding permanent appointments shall be covered by adequate appropriations;

(f) No changes in designation or nomenclature of positions resulting in a promotion or demotion in rank or increase or decrease in compensation shall be allowed except when the position is actually vacant, and the filling of such positions shall be strictly made in accordance with civil service laws, rules, and regulations; and

(g) The creation of new positions and salary increases or adjustments shall not be made retroactive.

SEC. 21. *Deductions from the Block Grant; Exceptions.* – Twenty (20) years from the operationalization of the Bangsamoro Government, the following shall be deducted from the block grant:

(a) Revenues from the following taxes imposed and collected in the Bangsamoro territorial jurisdiction by the Bangsamoro Government three (3) years prior:

- (1) Capital Gains Tax;
- (2) Documentary Stamp Tax;
- (3) Donor's Tax; and
- (4) Estate Tax; and

(b) Share of the Bangsamoro Government in the income derived from the exploration, development, and utilization of natural resources, as provided under Section 34, Article XII of this Organic Law, collected three (3) years prior.

The amount allocated for the operation of the Bangsamoro Sustainable Development Board, as provided in Section 8, Article VI of this Organic Law, shall not be included in the amount herein to be deducted from the block grant. The abovementioned deduction shall not include the shares of constituent local government units and of indigenous communities in government income derived from the exploration, development, and utilization of natural resources under Sections 35 and 36 of this Article, respectively.

SEC. 22. *Review of the Block Grant Formula.* – The formula of the block grant, as provided above, shall be reviewed by the Intergovernmental Fiscal Policy Board five (5) years after its effectivity, and every five (5) years thereafter to consider, among others, the fiscal needs of the Bangsamoro Government and the actual revenues it shall be able to generate and to ensure that all block grant expenditures are transparent and performance-based: *Provided*, That if the National Government shall no longer have any representative in the Intergovernmental Fiscal Policy Board, the review shall be undertaken by the Intergovernmental Relations Body.

SEC. 23. *Development Programs and Projects.* – Immediately after the ratification of this Organic Law, and for another five (5) years thereafter, the National Government shall provide for additional funds that will subsidize expenditures for development projects and infrastructure in the Bangsamoro Autonomous Region, including provincial and municipal roads, in accordance with a development plan formulated by the Bangsamoro Government. The National Government and the Bangsamoro Government, through the Intergovernmental Relations Body, shall agree on the amount and manner of the release of said amount to the Bangsamoro Government.

Loans

SEC. 24. *Foreign and Domestic Loans; Bonds, Notes, and Obligations.* –

(a) *Loans, Credits, and Other Forms of Indebtedness.* – The Bangsamoro Government may contract loans, credits, and other forms of indebtedness to finance the construction,

installation, improvement, expansion, operation or maintenance of public utilities, infrastructure facilities, housing projects, acquisition of real property, implementation of other capital investment projects, and for the development and welfare of the people of the Bangsamoro.

Subject to acceptable credit worthiness, and in compliance with the Constitution, relevant laws and regulations, such loans may be secured from domestic and foreign lending institutions, except foreign and domestic loans requiring sovereign guaranty, whether explicit or implicit, which would require the approval of the National Government.

The Parliament by a vote of the majority of all its members may authorize the Chief Minister to contract such domestic or foreign loans.

The National Government shall assist the Bangsamoro Government in complying with the requirements for a speedy issuance of the sovereign guaranty to finance local infrastructure and other socioeconomic development projects in accordance with the Bangsamoro Development Plan. Within thirty (30) days from the submission by the Bangsamoro Government of its application for sovereign guaranty, the National Government shall inform the Bangsamoro Government of the actions taken on the application.

(b) *Bonds, Notes, Debentures, and Obligations.* – The Bangsamoro Government shall have the authority to issue bonds, debentures, securities, collaterals, notes, obligations, and other debt papers or documents, as well as redeem or retire the same, pursuant to a law enacted by the Parliament, to finance self-liquidating and income-producing development or livelihood projects pursuant to the priorities established in its development plan.

(c) *Payment of Loans and Indebtedness.* – The Bangsamoro Government shall appropriate in its annual budget the amounts sufficient to pay its incurred loans and indebtedness: *Provided*, That the amount of appropriations for debt servicing shall not exceed twenty percent (20%) of the regular sources of revenue,

excluding those coming from grants, endowments, donations, loans, foreign assistance and official development assistance of the Bangsamoro: *Provided, further*, That not more than twenty percent (20%) of the block grant shall be utilized for loan payments.

(d) Publication. – Any domestic or foreign-assisted loan and the purpose thereof shall be published once a week for two (2) consecutive weeks in at least one (1) newspaper of general circulation in the Bangsamoro Autonomous Region.

SEC. 25. *Official Development Assistance.* – The Bangsamoro Government may avail of official development assistance, upon review and approval of the National Government in accordance with Republic Act No. 8182, otherwise known as the “*Official Development Assistance Act of 1996*,” as amended, to achieve inclusive growth and poverty reduction through the implementation of priority development projects.

Grants and Donations

SEC. 26. *Grants and Donations.* – Departments, bureaus, offices, and state universities and colleges of the Bangsamoro Government may accept donations, contributions, grants, bequests, or gifts, in cash or in kind, from domestic or foreign sources for purposes relevant to their functions.

In case of such grants or donations from governments of foreign countries, their agencies and instrumentalities or multilateral institutions or organizations, acceptance thereof shall be subject to the prior clearance and approval by the President or his authorized representative.

The Intergovernmental Fiscal Policy Board shall promulgate rules for the implementation of this section.

Economic Agreements and Conventions

SEC. 27. *Economic Agreements.* – Subject to the provisions of the Constitution, the Bangsamoro Government shall evolve a system of economic agreements and trade compacts to generate block grants for regional investments and improvements of

regional economic structures which shall be authorized by a law enacted by the Parliament. Pursuant to specific recommendations of a regional economic and development planning body which shall be created by the Parliament, the Bangsamoro Government may assist its constituent local government units in their requirements for counterpart funds for foreign-assisted projects.

SEC. 28. *Cultural Exchange, and Economic and Technical Cooperation.* – The Bangsamoro Government may establish linkages for cultural exchange, economic and technical cooperation with countries having diplomatic relations with the Philippines upon review and approval of the National Government. The Bangsamoro Government may recommend to the National Government the assignment of qualified persons in Philippine embassies and consulates, and their participation in international delegations.

SEC. 29. *Benefits from Conventions.* – The Bangsamoro Government shall be entitled to benefits resulting from conventions to which the National Government is a party. Such benefits shall be equitable, considering the available human and material resources and comparative advantage of the Bangsamoro Autonomous Region, as well as its socioeconomic conditions and needs.

Government-Owned or Controlled Corporations

SEC. 30. *Government-Owned or Controlled Corporations.* – Upon coordination with the National Government, the Parliament shall have the power to create government-owned or controlled corporations in compliance with the provisions of Republic Act No. 10149, otherwise known as the “*GOCC Governance Act of 2011*,” by a grant of legislative charter, or under *Batas Pambansa Blg. 68*, otherwise known as “*The Corporation Code of the Philippines*.” *Provided*, That those duly registered with the Securities and Exchange Commission may likewise operate outside the Bangsamoro Autonomous Region.

The Parliament may create pioneering firms and other business entities to boost economic development in the Bangsamoro Autonomous Region.

SEC. 31. *Existing Government-Owned or Controlled Corporations Operating Exclusively in the Bangsamoro Autonomous Region.* – The Bangsamoro Government shall have the authority and control over existing government-owned or controlled corporations operating exclusively in the Bangsamoro Autonomous Region after determination by the Intergovernmental Fiscal Policy Board of their feasibility: *Provided*, That they shall have the option to transfer their operations outside of the Bangsamoro Autonomous Region, which shall be effected through the necessary changes in their governing boards.

SEC. 32. *Existing Government-Owned or Controlled Corporations in the Bangsamoro Autonomous Region.* – The Bangsamoro Government shall be represented in the board of directors or in the policy-making bodies of government-owned or controlled corporations that operate a substantial portion of their businesses directly or through their subsidiaries in the Bangsamoro Autonomous Region or where the Bangsamoro Government has a substantial interest.

The Intergovernmental Fiscal Policy Board shall determine the extent of the participation of the Bangsamoro Government as well as its shares from the results of the operations of these corporations and their subsidiaries based on a formula that it shall determine: *Provided*, That the Bangsamoro Government shall have at least one (1) seat in the governing boards of the said corporations.

SEC. 33. *Southern Philippines Development Authority and Al-Amanah Islamic Investment Bank.* – Within six (6) months from the establishment of the Bangsamoro Transition Authority, the Intergovernmental Fiscal Policy Board shall determine the participation of the Bangsamoro Government in the *Al-Amanah* Islamic Investment Bank of the Philippines and the Southern Philippines Development Authority as provided in Presidential Decree No. 690, as amended. In the event of the transfer of ownership or disposal of any property of the Southern Philippines Development Authority, the local government unit where the property is located shall have the preferential right to acquire the property.

Sharing in the Exploration, Development,
and Utilization of Natural Resources

SEC. 34. *Sharing in Exploration, Development, and Utilization of Natural Resources.* – Government revenues generated from the exploration, development, and utilization of all natural resources in the Bangsamoro Autonomous Region, including mines and minerals, shall pertain fully to the Bangsamoro Government. In the case of uranium and fossil fuels such as petroleum, natural gas, and coal, the same may be co-managed and the revenues shared equally between the National Government and Bangsamoro Government, subject to the limitations provided in the Constitution.

SEC. 35. *Share of the Constituent Local Government Units.* – The share of the Bangsamoro Government in the revenues referred to in the immediately preceding section shall be inclusive of those for its constituent local government units.

The share of the Bangsamoro Government is hereby apportioned as follows: thirty percent (30%) to the Bangsamoro Government; and to all its constituent local government units, twenty percent (20%) to the provinces; fifteen percent (15%) to the cities; twenty percent (20%) to the municipalities; and fifteen percent (15%) to the barangays.

SEC. 36. *Share of Indigenous Communities.* – Indigenous peoples and communities shall have an equitable share of the revenues generated from the exploration, development, and utilization of natural resources that are found within the territories covered by a native, traditional, or customary title in their favor, which shall be provided by a law to be passed by the Parliament detailing the sharing mechanism and percentages: *Provided*, That the rights and privileges granted to indigenous peoples by Republic Act No. 8371 and other laws pertaining to indigenous peoples shall not be diminished.

Intergovernmental Fiscal Policy Board

SEC. 37. *Functions.* – The Intergovernmental Fiscal Policy Board created under Section 4, Article VI of this Organic Law shall have the following functions:

(a) Recommend the necessary fiscal policy adjustments by undertaking periodic reviews of the taxing powers, tax base, rates, wealth sharing arrangements, and sources of revenues of the Bangsamoro Government *vis-à-vis* its development needs;

(b) Address disputes between the National Government and the Bangsamoro Government involving the collection of capital gains tax, documentary stamp tax, donor's tax, and estate tax;

(c) Determine the extent of the participation of the Bangsamoro Government in the board of directors or the policy-making bodies of government-owned or controlled corporations that operate a substantial portion of their businesses directly or through their subsidiaries in the Bangsamoro Autonomous Region or where the Bangsamoro Government has substantial interest;

(d) Determine the participation of the Bangsamoro Government in the operations of government-owned or controlled corporations and their subsidiaries operating in the Bangsamoro Autonomous Region, and its shares from the results of said operations;

(e) Determine the participation of the Bangsamoro Government in the *Al-Amanah* Islamic Investment Bank of the Philippines, and the Southern Philippines Development Authority, subject to the provisions of Section 33 of this Article; and

(f) Define the modalities for the filing of income tax returns for corporations or firms whose central, main, or head offices are located outside the Bangsamoro Autonomous Region but are doing business within its territorial jurisdiction to determine the income realized from such operations in the Bangsamoro Autonomous Region, which shall be attributed as income derived therein and subject to the sharing scheme between the National Government and the Bangsamoro Government.

SEC. 38. *Composition of the Intergovernmental Fiscal Policy Board.* - The Intergovernmental Fiscal Policy Board shall be composed of the heads or representatives of the appropriate departments and agencies of the National Government and heads

or representatives of the ministries and offices in the Bangsamoro Government: *Provided*, That the Secretary of Finance and the Minister of the appropriate ministry from the Bangsamoro Government shall be its co-chairpersons: *Provided, further*, That the Secretary of Budget and Management, Secretary of Trade and Industry, and the Director-General of the National Economic and Development Authority shall be members thereof.

SEC. 39. *Meetings and Annual Report.* - The Intergovernmental Fiscal Policy Board shall meet at least once every six (6) months or as often as necessary, and shall adopt its own rules of procedure for the conduct of its meetings.

An annual report shall be submitted by the Intergovernmental Fiscal Policy Board to the National Government and the Bangsamoro Government, and shall be made available to the public.

SEC. 40. *Full Disclosure Policy.* - The Bangsamoro Government adopts a policy of full disclosure of its budget, finances, bids and public offerings, and shall provide protocols for the guidance of local authorities in the implementation of said policy which shall include, among others, the posting of the Summary of Income and Expenditures, and the participation of representatives from civil society in the budget process. The same policy shall apply to its constituent local government units as may be provided in a Bangsamoro local government code to be enacted by the Parliament.

SEC. 41. *Additional Fiscal Powers.* - The Intergovernmental Fiscal Policy Board may recommend to the Congress of the Philippines or the appropriate agency of the National Government the grant of additional fiscal powers to the Bangsamoro Government.

ARTICLE XIII

REGIONAL ECONOMY AND PATRIMONY

SEC. 1. *Social Justice and Economic System.* - The Bangsamoro Government shall establish an economic system based on the principles and state policies declared in the

Constitution. Pursuant to these principles, the Parliament shall enact laws pertaining to the Bangsamoro Autonomous Region economy and patrimony that are responsive to the needs of its people.

Sustainable Development

SEC. 2. *Equitable and Sustainable Development.* – In order to protect and improve the quality of life of its inhabitants, the development in the Bangsamoro Autonomous Region shall be carefully planned taking into consideration the ecological balance and the natural resources that are available for its use and for the use of future generations.

The Bangsamoro Government shall promote the effective use of economic resources and endeavor to attain economic development that facilitates growth and full employment, human development, and social justice.

The Bangsamoro Government shall likewise provide equitable opportunities for the development of constituent local government units and shall strengthen governance systems to ensure people's participation.

SEC. 3. *Comprehensive Framework for Sustainable Development.* – The Bangsamoro Government shall develop a comprehensive framework for sustainable development through the proper conservation, utilization, and development of natural resources, which shall guide it in adopting program and policy mechanisms that focus on the environment dimensions of social and economic interventions. It shall include measures for environmental justice and governance, as well as for the reduction of the vulnerability of women and marginalized groups to climate change and variability.

SEC. 4. *Bangsamoro Economic and Development Council.* – The Parliament shall establish the Bangsamoro Economic and Development Council which shall serve as the planning, monitoring, and coordinating agency for all development plans, programs, and projects of the Bangsamoro Government. It shall

evaluate and recommend short, medium, and long-term comprehensive development plans, programs, and projects for the Bangsamoro Autonomous Region for approval by the Parliament. The development plans, programs, and projects shall take into account the development plans of the provinces, cities, municipalities, and barangays as approved by their respective local development councils.

SEC. 5. *Gender and Development.* – The Bangsamoro Government shall recognize the role of women in governance and ensure their fundamental equality before the law. It shall guarantee full and direct participation of women in governance and development process, ensuring that women shall benefit equally in the implementation of development programs and projects.

In the utilization of public funds, the Bangsamoro Government shall ensure that the needs of the Bangsamoro people, regardless of gender, are adequately addressed. For this purpose, at least five percent (5%) of the total budget appropriation of each ministry, office, and constituent local government unit of the Bangsamoro Autonomous Region shall be set aside for gender-responsive programs, in accordance with a gender and development plan. In the same manner, five percent (5%) to thirty percent (30%) of the official development assistance received by the Bangsamoro Government shall be set aside to complement the gender and development budget allocation.

The Bangsamoro Government shall establish a mechanism for consultation with women and local communities to further ensure the allocation and proper utilization of development funds. It shall identify and implement special development programs and laws for women.

SEC. 6. *Participation in National Development Planning.* – To ensure that the Bangsamoro development plans are reflected in the national development plans, a representative of the Bangsamoro Government shall sit as member of a national development plan steering committee or its equivalent and shall participate in relevant planning activities of the National Economic and Development Authority.

SEC. 7. Disaster Risk Reduction and Management and Climate Change Adaptation. – The Bangsamoro Government recognizes the importance of disaster risk reduction and management and climate change adaptation.

There is hereby created a Bangsamoro Disaster Risk Reduction and Management Council headed by the Chief Minister, with powers and functions that shall be defined by the Parliament in a law providing for disaster preparedness and response: *Provided*, That it shall formulate the Bangsamoro Disaster Risk Reduction and Management Plan, which shall complement that of the National Government: *Provided, further*, That through the Chief Minister, it shall recommend to the President the mobilization of resources of national defense in times of disaster in the Bangsamoro Autonomous Region.

The relevant agencies of the National Government and Bangsamoro Government shall cooperate and coordinate on disaster risk reduction and management.

The Bangsamoro Government, consistent with Republic Act No. 9729, otherwise known as the “*Climate Change Act of 2009*,” shall ensure that its constituent local government units formulate their respective local climate change action plans and for the proper and effective implementation thereof.

Natural Resources

SEC. 8. Natural Resources, Nature Reserves, and Protected Areas. – Subject to the provisions of the Constitution, the Bangsamoro Government shall have the power, authority, and right to explore, develop, and utilize the natural resources, including surface and subsurface rights, inland waters, coastal waters, and renewable and nonrenewable resources in the Bangsamoro Autonomous Region.

The protection, conservation, rehabilitation, and development of forests, coastal, and marine resources, including the adoption of programs and projects, to ensure the maintenance of ecological balance and biodiversity shall be given priority.

The Bangsamoro Government shall also have the power to declare nature reserves and aquatic parks, forests, watershed reservations, and other protected areas in the Bangsamoro Autonomous Region.

The Parliament shall pass a law to establish protected areas, the procedure for the declaration and the management thereof, and the role of the Bangsamoro Government and other stakeholders in the process: *Provided*, That protected areas to be declared within the ancestral domains shall be subject to the free, prior and informed consent of the non-Moro indigenous peoples.

Pending the enactment of such law, the declaration and management of protected areas shall be governed by existing laws, rules and regulations. Existing nature reserves and protected areas shall remain as such. These, including those to be declared, shall be managed in accordance with sustainable development and biodiversity conservation policies and principles as contained in international conventions and treaties to which the Philippines is a party.

SEC. 9. Transfer of Management of Existing Nature Reserves and Protected Areas. – The management and protection of nature reserves and aquatic parks, forests, watershed reservations, and other protected areas in the territorial jurisdiction of the Bangsamoro that have already been defined by and under the authority of the National Government shall be transferred to the Bangsamoro Government.

Within three (3) months from the establishment of the Bangsamoro Transition Authority, the Bangsamoro Government and the Department of Environment and Natural Resources, as well as other relevant government agencies, shall start the process of transferring the management of these areas to the Bangsamoro Government, including the conduct of surveys of all affected areas and the planning and transition for each and every protected area. The transfer shall be completed within a period not exceeding two (2) years.

SEC. 10. *Exploration, Development, and Utilization of Fossil Fuels and Uranium.* – Subject to the provisions of the Constitution and national laws, the Bangsamoro Government and the National Government shall jointly exercise the power to grant rights, privileges, and concessions over the exploration, development, and utilization of uranium and fossil fuels such as petroleum, natural gas, and coal in the territorial jurisdiction of the Bangsamoro. The use of renewable energy shall be promoted for power generation to achieve the sustainable development goals and promote low carbon energy generation policies as provided in Section 2 of this Article.

The National Government, through the Department of Energy, and the Bangsamoro Government shall adopt a competitive and transparent process for the grant of rights, privileges, and concessions in the exploration, development, and utilization of fossil fuels and uranium.

The Department of Energy and the Bangsamoro Government shall identify and select prospective contract areas to be offered for exploration and development. Qualified Filipino citizens who are *bona fide* residents of the Bangsamoro Autonomous Region shall be given a rating higher than other proponents during the evaluation process. The award of the service contract shall be made jointly by the Department of Energy and the Bangsamoro Government.

SEC. 11. *Preferential Rights of Bona Fide Residents of the Bangsamoro Autonomous Region.* – Qualified citizens who are *bona fide* residents of the Bangsamoro Autonomous Region, all other conditions being equal, shall have preferential rights over the exploration, development, and utilization of natural resources, including uranium and fossil fuels such as petroleum, natural gas, and coal within the territorial jurisdiction of the Bangsamoro. Existing rights over the exploration, development, and utilization of natural resources shall be respected until the expiration of the corresponding leases, permits, franchises, or concessions, unless legally terminated.

SEC. 12. *Rights of Indigenous Peoples to Natural Resources.* – The Parliament shall enact a law recognizing the rights of indigenous peoples in the Bangsamoro Autonomous

Region in relation to natural resources within the areas covered by a native title, including their share in revenues as provided in this Organic Law, and priority rights in the exploration, development, and utilization of such natural resources within their area.

The right of indigenous peoples to free, prior and informed consent in relation to development initiatives and the exploration, development, and utilization of the natural resources within ancestral domains covered by Certificate of Ancestral Domain Title shall be respected.

SEC. 13. *Mines and Mineral Resources.* – Subject to the provisions of the Constitution and national laws, the Bangsamoro Government shall have the authority and jurisdiction over the exploration, development, and utilization of mines and minerals in its territorial jurisdiction, taking into consideration environmental protection and ecological balance. The Bangsamoro Government shall have the power to grant permits, licenses, and contracts for this purpose.

SEC. 14. *Financial and Technical Assistance Agreements.* – The Bangsamoro Government may endorse to the President financial and technical agreements covering mineral resources in the Bangsamoro Autonomous Region, in accordance with the mining policy that shall be adopted by the Parliament.

SEC. 15. *Regulation of Small-Scale Mining.* – Small-scale mining shall be regulated by the Bangsamoro Government to the end that the ecological balance, safety and health, and the interests of the affected communities, the miners, the indigenous peoples, and the local government units of the place where such operations are conducted are duly protected and safeguarded. All gold produced by small-scale miners in any mineral area shall be sold to the Bangko Sentral ng Pilipinas, or its duly authorized representatives, which shall buy the same at prices competitive with those prevailing in the world market, regardless of volume or weight.

SEC. 16. *Bangsamoro Mining Policy.* – Policies on mining and other extractive industries shall be established by the Parliament in accordance with a comprehensive sustainable

development plan and overall medium-term and long-term Bangsamoro Development Plan.

SEC. 17. *Cadastral Land Surveys; Land Classification and Urban Land Reform and Land Use Program.* – The classification of public lands in the Bangsamoro into alienable and disposable lands shall be recommended by the Bangsamoro Government to the President for the timely implementation of Bangsamoro development plans and targets.

The Bangsamoro Government may, upon authority of the President, conduct cadastral surveys, lot surveys, and isolated and special surveys in the Bangsamoro: *Provided*, That it shall furnish the results of these surveys to, and coordinate with, the relevant national government agencies to effect inclusion into the National Cadastral Survey.

Subject to the provisions of the Constitution, the Parliament may enact an urban land reform and land use program for the region.

SEC. 18. *Zones of Joint Cooperation.* – Zones of Joint Cooperation in the Sulu Sea and the Moro Gulf are hereby created, the coordinates of which shall be defined by an *ad hoc* Joint Body composed of representatives from the Department of Environment and Natural Resources and the National Mapping and Resource Information Authority, and a corresponding number of representatives from appropriate agencies of the Bangsamoro Government.

The Joint Body shall be convened within thirty (30) days after the ratification of this Organic Law and shall cease to exist after it has established the coordinates of the Bangsamoro territorial jurisdiction, including the Bangsamoro Waters and the Zones of Joint Cooperation.

SEC. 19. *Joint Body for the Zones of Joint Cooperation.* – The Joint Body created for the Zones of Joint Cooperation provided in Section 5, Article VI of this Organic Law, shall establish the policies therein and shall be composed of the following:

(a) Secretary of Agriculture and a Bangsamoro Minister as co-Chairpersons;

(b) Secretary of Environment and Natural Resources and a counterpart Minister of the Bangsamoro Government;

(c) Secretary of Transportation and a counterpart Minister of the Bangsamoro Government;

(d) At least one (1) representative of a constituent local government unit of the Bangsamoro Autonomous Region adjacent to the Sulu Sea;

(e) At least one (1) representative of a constituent local government unit of the Bangsamoro Autonomous Region adjacent to the Moro Gulf;

(f) At least one (1) representative from an adjoining non-Bangsamoro local government unit adjacent to the Sulu Sea; and

(g) At least one (1) representative from an adjoining non-Bangsamoro local government unit adjacent to the Moro Gulf.

The Bangsamoro Government and the National Government shall ensure the free movement of vessels, goods, and people in these Zones of Joint Cooperation, working together to regulate the waters therein and formulating policies jointly for the following purposes:

(a) Protection of the traditional fishing grounds;

(b) Equitable sharing of the benefits from the resources therein; and

(c) Ensuring the interconnectivity of the islands and mainland areas comprising the Bangsamoro Autonomous Region towards a cohesive Bangsamoro political entity.

SEC. 20. *Exploration, Development, and Utilization of Nonliving Resources in the Zones of Joint Cooperation.* – Subject to the limitations provided in the Constitution, the Joint

Body for the Zones of Joint Cooperation shall ensure cooperation and coordination between the National Government and the Bangsamoro Government on the exploration, development, and utilization of nonliving resources in the Zones of Joint Cooperation and determine the sharing of income and revenues derived therefrom.

SEC. 21. *Transportation Routes in the Zones of Joint Cooperation.* - Direct transportation routes connecting the islands in Sulu, Basilan, Tawi-Tawi, or the mainland parts of the Bangsamoro Autonomous Region and passing through the Zones of Joint Cooperation shall be considered intra-regional routes.

SEC. 22. *Management of Inland Waters.* - The Bangsamoro Government shall have exclusive powers over inland waters, including lakes, marshes, rivers, and tributaries within its territorial jurisdiction, except those that provide energy to power generating plants. The Parliament shall enact laws on the regulation, conservation, management, and protection of these resources, and may classify inland waters in the Bangsamoro Autonomous Region. It shall create a Bangsamoro Authority and offices for specific inland bodies of water that shall exercise management and regulatory powers over these bodies of water.

If any inland water is a source of energy for areas outside of the Bangsamoro Autonomous Region, the principle of co-management of fossil fuels under Section 10 of this Article and Section 34 of Article XII of this Organic Law shall apply.

The Bangsamoro Government shall ensure that the utilization of these waters shall be for the primary benefit of the people in the Bangsamoro Autonomous Region and shall give host communities their share from the revenues generated from such utilization.

The Bangsamoro Government shall coordinate and cooperate with the Philippine Coast Guard concerning inland waterways for navigation.

SEC. 23. *Agriculture, Fisheries, and Aquatic Resources.* - Consistent with the provisions of Republic Act No. 8550, otherwise known as "The Philippine Fisheries Code of 1998," as amended, and other relevant national laws, the policies and laws of the Bangsamoro Government on agriculture, fisheries, and aquatic resources shall advance agriculture as a key development strategy, promote productivity measures, and provide support for small farmers, landholders, and marginal fisherfolk. The Bangsamoro people, indigenous peoples, and resident marginal fisherfolk shall enjoy preferential fishing rights in the Bangsamoro regional waters, without prejudice to the fishing rights of other citizens of the Philippines, whether residents or nonresidents of the Bangsamoro Autonomous Region.

Trade and Industry and Tourism *

SEC. 24. *Trade and Industry in the Bangsamoro Autonomous Region.* - The Bangsamoro Government recognizes the private sector as a mover of trade, commerce, and industry. To achieve equity, social justice, and economic development, it shall encourage and support the building up of entrepreneurial capability in the Bangsamoro Autonomous Region and shall recognize, promote, protect, and support the development of cooperatives and other medium, small, and micro enterprises. It shall adopt and implement cooperative development policies and programs through the enactment of a Bangsamoro cooperative code.

The Bangsamoro Government shall promote trade and industry in the Bangsamoro Autonomous Region by providing avenues through which other countries may learn about its unique industries, economic opportunities, and culture through participation in trade missions, trade fairs, and other promotional activities. It may also organize trade missions to other countries observing the necessary coordination with the relevant government agencies.

The Bangsamoro Government shall also promote domestic trade preference for goods produced and materials sourced from within the Bangsamoro Autonomous Region and adopt measures to increase their competitiveness. The Bangsamoro Government shall also ensure that Bangsamoro products and services gain

considerable access to the markets of its trading partners. Particular attention shall also be given to the markets of its trading partners who have historic and cultural ties to the Bangsamoro people.

SEC. 25. Registration of Business Names. – The Bangsamoro Government shall have the power to register business names which shall be listed in the Philippine Business Registry.

SEC. 26. Barter Trade and Countertrade. – The Bangsamoro Government shall regulate traditional barter trade with the Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA) Member States and countertrade with the Association of Southeast Asian Nations (ASEAN) Member States. The goods or items that are traded with the said countries shall not be sold elsewhere in the country without the payment of appropriate customs or import duties in accordance with existing national laws.

Countertrade with ASEAN Member States shall be in accordance with the spirit, intent, goals, processes, modalities, and arrangements in the ASEAN economic integration agreements.

SEC. 27. Cooperatives and Social Entrepreneurship. – The Bangsamoro Government shall recognize, protect, and promote the establishment of cooperative enterprises. It shall likewise encourage and promote social entrepreneurship as a means to engage the private sector to assist in the development, funding, and implementation of solutions to social, cultural, or environmental issues.

The Parliament shall pass laws to strengthen the growth and development of social enterprises in the Bangsamoro Autonomous Region to achieve social justice, social equity, and economic efficiency.

SEC. 28. Economic Zones, Industrial Estates, and Free Ports. – The Bangsamoro Government may establish economic zones, industrial estates, and free ports in the Bangsamoro Autonomous Region, including the establishment of a Bangsamoro

Economic Zone Authority which shall have similar powers as those of the Philippine Economic Zone Authority. The Parliament may provide such additional powers and functions to the Bangsamoro Economic Zone Authority as may be necessary to meet the special circumstances of the Bangsamoro Autonomous Region.

Once the Bangsamoro Economic Zone Authority is created, the Philippine Economic Zone Authority shall no longer create any other economic zone within the Bangsamoro Autonomous Region. Any corporation, firm, or entity established within the Bangsamoro Autonomous Region by the Philippine Economic Zone Authority shall be placed under the jurisdiction of the Bangsamoro Economic Zone Authority, and shall continue to enjoy the benefits granted to it by the Philippine Economic Zone Authority.

Through the intergovernmental relations mechanism, the Bangsamoro Government and the National Government shall cooperate on customs, immigration, and quarantine services including the attendant international commitments thereto, in order to implement and make fully operational such economic zones, industrial estates, and free ports within one (1) year from their establishment. Business and other enterprises operating within the Bangsamoro economic zones, industrial estates, and free ports are entitled to the fiscal incentives and other benefits provided by the National Government to special economic zones. The Bangsamoro Government shall provide fiscal incentives and other benefits to investors in economic zones, industrial estates, and free ports: *Provided, That*, for goods consumed and services rendered outside the established economic zones, industrial estates, and free ports in the Bangsamoro Autonomous Region, all relevant national taxes shall be imposed.

Bangsamoro free ports shall be contiguous or adjacent to a seaport or airport. The area of coverage of a free port may be so much as may be necessary of that portion of the constituent local government units in the Bangsamoro Autonomous Region, subject to such criteria as the Parliament may provide in a law for that purpose. The administration of existing free ports in the Autonomous Region in Muslim Mindanao are hereby transferred to the Bangsamoro Government.

SEC. 29. *Prohibition Against Toxic or Hazardous Substances.* – The Bangsamoro Government shall regulate, restrict, or prohibit the use, importation, transit, transport, deposit, disposal, and dumping of toxic or hazardous substances within the Bangsamoro Autonomous Region. It shall, in the same manner, regulate activities that may adversely impact the environment and may be harmful to the health, safety, and welfare of the Bangsamoro people.

SEC. 30. *Halal Program.* – The Bangsamoro Government shall have the power to accredit *halal*-certifying bodies in the Bangsamoro Autonomous Region. It shall promote awareness through the development and implementation of a *halal* campaign program.

The Parliament shall enact laws to further strengthen its policy and programs on *halal* development.

SEC. 31. *Banks and Financial Institutions.* – The Bangsamoro Government shall encourage the establishment of:

(a) Banks and financial institutions and their branches including an Islamic window in domestic and foreign conventional banks; and

(b) Offshore banking units of foreign banks within the Bangsamoro Autonomous Region, and in accordance with the principles of the Islamic banking system.

SEC. 32. *Islamic Banking and Finance.* – The Bangsamoro Government, the Bangko Sentral ng Pilipinas, the Department of Finance, and the National Commission on Muslim Filipinos shall jointly promote the development of an Islamic banking and finance system, to include, among others, the establishment of a *Shari'ah* Supervisory Board and the promotion and development of *Shari'ah*-compliant financial institutions. The Bangko Sentral ng Pilipinas shall determine the type of organizational structure to be created and its composition.

To facilitate the establishment of an Islamic banking and finance system, the Bangsamoro Government and the National Government shall review existing market environment policies,

adopt measures to enhance the competitiveness of Islamic finance products, and ensure that Islamic financial players are not inhibited from introducing Islamic finance products. It shall further promote investor awareness and acceptance in order to build a broader customer and asset base.

The operation of Islamic banks, *Shari'ah*-compliant financial institutions and other institutions performing similar functions shall be subject to the power of supervision of the Bangko Sentral ng Pilipinas.

The Parliament shall enact laws that promote the growth of Islamic finance such as those that promote tax incentives and ensure tax neutrality of Islamic finance transactions in the Bangsamoro Autonomous Region.

SEC. 33. *Islamic Banking Unit in the Bangko Sentral ng Pilipinas.* – An Islamic banking unit shall, as far as practicable, be established in the Bangko Sentral ng Pilipinas which shall be headed and staffed by qualified Islamic banking experts.

SEC. 34. *Functions of the Shari'ah Supervisory Board and Qualifications of Its Members.* – Without prejudice to the crafting of the Bangsamoro Islamic banking and finance framework by the Parliament, the following are the functions and qualifications of the *Shari'ah* Supervisory Board:

(a) *Functions.* – The *Shari'ah* Supervisory Board shall be responsible for monitoring the compliance of *Shari'ah* rules in banking and finance transactions and issuance of *Shari'ah* products. Furthermore, as a representative of the various *Ulama*, it shall have the authority to issue *fatwas* regarding the products and practices employed by banks and other institutions.

(b) *Qualifications.* – Subject to other qualifications that the Parliament may enact, the members of the Board shall have the necessary knowledge of both Islamic jurisprudence and conventional banking and finance.

SEC. 35. *Tourism.* – The Bangsamoro Government shall promote tourism within the Bangsamoro Autonomous Region.

It may recommend the designation of tourism enterprise zones to the Tourism Infrastructure and Enterprise Zone Authority, in accordance with Republic Act No. 9593, otherwise known as "*The Tourism Act of 2009*."

Public Utilities and Infrastructure

SEC. 36. *Energy and Power Generation.* - The Bangsamoro Government shall promote investments in the energy and power generation sector, domestic and international, public and private, in the power sector industry in the Bangsamoro Autonomous Region: *Provided*, That it shall as far as practicable, promote low carbon sustainable power generation in the Bangsamoro Autonomous Region consistent with sustainable development goals and sustainable power generation policies provided in this Organic Law: *Provided, further*, That the Bangsamoro Government shall notify the National Government insofar as power generation investments are concerned.

(a) *Power Generation and Distribution Utilities Operating Exclusively in the Bangsamoro Autonomous Region.* - The Bangsamoro Government shall have the authority to build power generation and distribution utilities operating exclusively in the Bangsamoro Autonomous Region through the Ministry of Energy it shall create: *Provided*, That the Bangsamoro Government shall divest its ownership of the utilities twenty-five (25) years after their creation. It shall promote investments, domestic and international, in the power sector industry in the Bangsamoro Autonomous Region.

Consistent with sustainable development goals and low carbon sustainable power generation policies to reduce costs associated with transmission including line losses and network investment, distributed power generation shall be aggressively promoted as part of the Bangsamoro Government's power development plan. Power generation plants and distribution utilities operating exclusively in the Bangsamoro Autonomous Region shall be able to interconnect, sell, and buy power over the national transmission grid subject to limitations under Republic Act No. 9136, otherwise known as the "*Electric Power Industry Reform Act of 2001*." In the same way, transmission lines

operating exclusively in the Bangsamoro Autonomous Region shall be able to connect to the national transmission grid. Such power plants and distribution networks may only sell power over the national transmission grid once the power supply needs of its customers have been completely met. The Bangsamoro Government may assist electric cooperatives operating exclusively in the Bangsamoro Autonomous Region in accessing funds and technology to ensure their financial and operational viability. Assistance may be in the form of restructuring of debts, with rehabilitation and efficiency improvement measures based on a set of clear time-bound operational reform programs.

(b) *Agus Hydropower Complex.* - In the event of the privatization of the Agus Hydropower Complex, the Bangsamoro Government shall have preferential rights to acquire the hydroelectric plants situated within its territorial jurisdiction. Nevertheless, the National Government and the Bangsamoro Government shall cooperate and coordinate through the Intergovernmental Energy Board insofar as the utilization of water from Lake Lanao for the Agus Hydropower Complex is concerned. This is without prejudice to the payment of the obligation of National Power Corporation or Power Sector Assets and Liabilities Management Corporation to the Autonomous Region in Muslim Mindanao which now accrues to the Bangsamoro Government.

SEC. 37. *Public Works and Infrastructure.* - The National Government shall fund and implement the construction and maintenance of national roads, bridges, water supply and services, and flood control and irrigation systems and for the maintenance of existing airports, seaports, and wharves in the Bangsamoro Autonomous Region: *Provided*, That with regard to water supply and services, flood control, and irrigation systems that connect to or from facilities outside the Bangsamoro Autonomous Region, there shall be cooperation and coordination between the Bangsamoro Government and the appropriate national or local government bodies. All national roads and bridges in the Bangsamoro Autonomous Region shall be included in the National Road Network Information System. Nationally-funded infrastructure projects shall be implemented by the National Government.

The Bangsamoro Government shall submit proposals to the appropriate national government agency for the inclusion of the cost of such maintenance in the latter's budget that shall be submitted to the Congress of the Philippines for inclusion in the General Appropriations Act. Funding for national roads, bridges, and irrigation systems shall be regularly released to the relevant departments of the National Government.

Transportation and Telecommunications

SEC. 38. *Transportation.* – The Bangsamoro Government shall have the authority to grant regional franchises, licenses, and permits to land, sea, and air transportation plying routes in the provinces or cities within the Bangsamoro Autonomous Region: *Provided,* That the National Government shall regulate the airside operations of all existing airports.

The Bangsamoro Government shall have the authority over the following:

- (a) Regulation of transportation in the Zones of Joint Cooperation, subject to the provisions in Section 19 of this Article;
- (b) Registration of land, water, and air transportation operating exclusively within the Bangsamoro Autonomous Region; and
- (c) Exercise of quasi-judicial powers over the operation of land and water transportation in the Bangsamoro Autonomous Region in accordance with the rules of procedure established by the Parliament.

SEC. 39. *Telecommunications.* – The Bangsamoro Government shall have the authority to grant regional franchises, licenses, and permits to telecommunication utilities whose frequencies are confined to and whose main offices are located within the Bangsamoro Autonomous Region: *Provided,* That nothing herein shall be construed as limiting in any way the power of the Congress of the Philippines to grant national franchises in the Bangsamoro Autonomous Region.

The Bangsamoro Government shall have authority over the following:

- (a) Issuance of certificates of public convenience and necessity, special permits and provisional authority to operate telecommunication companies in the Bangsamoro Autonomous Region;
- (b) Registration of telecommunication companies in the Bangsamoro Autonomous Region; and
- (c) Exercise of quasi-judicial powers over the operation of telecommunication companies in the Bangsamoro Autonomous Region in accordance with the rules of procedure established by the Parliament.

ARTICLE XIV

REHABILITATION AND DEVELOPMENT

SEC. 1. *Rehabilitation and Development.* – The Bangsamoro Government, with funding support from the National Government, shall intensify development efforts for the rehabilitation, reconstruction, and development of the Bangsamoro Autonomous Region as part of the normalization process. It shall formulate and implement a program for rehabilitation and development that will address the needs of Moro Islamic Liberation Front/Bangsamoro Islamic Armed Force members and its decommissioned women auxiliary force, Moro National Liberation Front/Bangsamoro Armed Forces members, and address the needs of internally displaced persons, widows and orphans, and poverty-stricken communities. It shall observe, promote, and ensure gender-responsiveness in all aspects of security and peace building, including the participation of women in decision-making.

SEC. 2. *Special Development Fund.* – The National Government shall provide a special development fund to the Bangsamoro Government for the rebuilding, rehabilitation, and development of its conflict-affected communities.

The amount equivalent to Fifty billion pesos (P50,000,000,000.00), at Five billion pesos (P5,000,000,000.00) per year, for a period of ten (10) years from the ratification of this Organic Law, shall be allocated for this purpose.

The utilization of the funds shall be in accordance with the Bangsamoro Development Plan to be adopted by the Bangsamoro Government, as provided in Section 6, Article XIII of this Organic Law.

ARTICLE XV

PLEBISCITE

SEC. 1. *Establishment of the Bangsamoro Autonomous Region.* - The establishment of the Bangsamoro Autonomous Region and the determination of its territorial jurisdiction shall take effect upon ratification of this Organic Law by majority of the votes cast in a plebiscite in the following:

(a) The present geographical area known as the Autonomous Region in Muslim Mindanao created under Republic Act No. 6734, as amended by Republic Act No. 9054, which shall subsist as such until this Organic Law is ratified through a plebiscite;

(b) The municipalities of Baloi, Munai, Nunungan, Pantar, Tagoloan, and Tangkal in the Province of Lanao del Norte that voted for inclusion in the Autonomous Region in Muslim Mindanao during the 2001 plebiscite;

(c) The following thirty-nine (39) barangays in the municipalities of Aleosan, Carmen, Kabacan, Midsayap, Pigkawayan, and Pikit in the Province of North Cotabato that voted for inclusion in the Autonomous Region in Muslim Mindanao during the 2001 plebiscite:

(1) Dungan, Lower Mingading, and Tapodoc in the Municipality of Aleosan (3);

(2) Manarapan and Nasapian in the Municipality of Carmen (2);

(3) Nanga-an, Simbuhay, and Sanggadong in the Municipality of Kabacan (3);

(4) Damatulan, Kadigasan, Kadingilan, Kapinilan, Kudarangan, Central Labas, Malingao, Mudseng, Nabalawag, Olandang, Sambulawan, and Tugal in the Municipality of Midsayap (12);

(5) Lower Baguer, Balacayon, Buricain, Datu Binasing, Kadingilan, Matilac, Patot, and Lower Pangangkalan in the Municipality of Pigkawayan (8);

(6) Bagoinged, Balatican, S. Balong, S. Balongis, Batulawan, Buliok, Gokotan, Kabasalan, Lagunde, Macabual, and Macasendeg in the Municipality of Pikit (11);

(7) The City of Cotabato;

(8) The City of Isabela in the Province of Basilan; and

(9) Those qualified for inclusion in the plebiscite, by way of resolution or petition.

SEC. 2. *Period for Plebiscite.* - The plebiscite herein mentioned shall be conducted not earlier than ninety (90) days nor later than one hundred fifty (150) days after the effectivity of this Organic Law.

For this purpose, the Commission on Elections shall undertake the necessary steps to enable the holding of the plebiscite within the period.

SEC. 3. *Results of the Plebiscite.* -

(a) The Bangsamoro Autonomous Region shall be established and all the provinces and cities of the Autonomous Region in Muslim Mindanao created under Republic Act No. 6734,

as amended by Republic Act No. 9054, shall form part of the Bangsamoro Autonomous Region if the majority of the votes cast in the Autonomous Region in Muslim Mindanao shall be in favor of the approval of this Organic Law: *Provided*, That the provinces and cities of the present Autonomous Region in Muslim Mindanao shall vote as one geographical area.

(b) Any of the municipalities of Baloi, Munai, Nunungan, Pantar, Tagoloan, and Tangkal in the Province of Lanao del Norte that votes favorably for its inclusion in the Bangsamoro Autonomous Region shall form part of the Bangsamoro Autonomous Region: *Provided*, That the majority of the votes cast in the Province of Lanao del Norte shall be in favor of the inclusion of the municipality in the Bangsamoro Autonomous Region.

(c) Any of the barangays in the municipalities of Kabacan, Carmen, Aleosan, Pigcawayan, Pikit, and Midsayap as enumerated in paragraph (c), Section 1 of this Article that votes favorably for its inclusion in the Bangsamoro Autonomous Region shall form part of the Bangsamoro Autonomous Region: *Provided*, That the majority of the votes cast in the municipality to which the barangay belongs shall be in favor of the inclusion of the barangay in the Bangsamoro Autonomous Region.

(d) The City of Cotabato shall form part of the Bangsamoro Autonomous Region if the majority of the votes cast in the city shall be in favor of its inclusion.

(e) The City of Isabela in the Province of Basilan shall form part of the Bangsamoro Autonomous Region if the majority of the votes cast in the city shall be in favor of its inclusion in the Bangsamoro Autonomous Region: *Provided*, That the majority of the votes cast in the Province of Basilan shall be in favor of the inclusion of the City of Isabela in the Bangsamoro Autonomous Region.

(f) Any other contiguous area where there is a resolution of the local government unit or a petition of at least ten percent (10%) of the registered voters in the local government unit asking for its inclusion at least two (2) months prior to the conduct

of the ratification of this Organic Law shall form part of the Bangsamoro Autonomous Region if the majority of the votes cast in the political units directly affected shall be in favor of the inclusion of the petitioning local government unit in the Bangsamoro Autonomous Region.

SEC. 4. *Reconstitution of Local Government Units.* – The Parliament may, by law, provide for the reconstitution of geographical areas in the Bangsamoro Autonomous Region into appropriate territorial or political subdivisions depending on the results of the plebiscite. Nothing herein shall be construed to allow the Parliament to create legislative districts.

SEC. 5. *Plebiscite Questions.* – The questions to be asked of the voters in the plebiscite shall be determined by the Commission on Elections.

SEC. 6. *Plebiscite Monitoring.* – The Commission on Elections shall also provide for the accreditation of plebiscite monitors, including the international-domestic monitoring body created by the Government of the Republic of the Philippines and the Moro Islamic Liberation Front peace panels, in accordance with established international standards on election monitoring. The monitoring body shall have access to all operations related to the conduct of the plebiscite and conduct regular and random checks. The reports of the international-domestic monitoring body shall be made available to the peace panels for their disposition.

SEC. 7. *Qualified Voters.* – All registered voters in the provinces, cities, municipalities, and barangays mentioned under Sections 1 and 3 of this Article shall be qualified to participate in the plebiscite on the establishment of the Bangsamoro Autonomous Region.

SEC. 8. *Special Registration.* – The Commission on Elections shall conduct a special registration before the date of the plebiscite.

SEC. 9. *Promulgation of Rules for the Conduct of Plebiscite.* – The Commission on Elections shall promulgate rules necessary for the conduct of plebiscite, including those for the accreditation of plebiscite monitors, voluntary inclusion in

the plebiscite, and the special registration of voters as provided herein, within fifteen (15) days from the effectivity of this Organic Law, with the primary objective of optimizing the opportunity for participation in the plebiscite of qualified voters in the areas specified for the establishment of the Bangsamoro Autonomous Region.

SEC. 10. *Information Campaigns.* – The Commission on Elections shall supervise the conduct of information campaigns on the plebiscite, including sectoral campaigns for indigenous communities, women, youth, religious, professionals and public and private sector employees, in every barangay, municipality, city, and province where the plebiscite is to be conducted.

Public conferences, assemblies, or meetings on dates before the plebiscite day itself shall be held to inform the residents thereof regarding the significance and meaning of the plebiscite and to help them to cast their votes intelligently. Free, full, and constructive discussion and exchange of views on the issues shall be encouraged.

For this purpose, the Bangsamoro Transition Commission shall assist in the information dissemination campaign. Such campaign shall be without prejudice to other information dissemination and public advocacy initiatives by the other government or nongovernment groups or individuals.

For information campaigns and other public advocacy initiatives with indigenous communities, local leaders shall be engaged to lead discussions in their respective communities.

Public advocacy initiatives shall be conducted within the framework of solidarity, cooperation, and unity among Bangsamoro people, non-Moro indigenous peoples, and settler communities. Consultations shall give due respect to the roles of non-Moro indigenous and Moro women, and encourage their active participation.

SEC. 11. *Appropriations.* – The amount necessary to provide for the requirements of the conduct of the plebiscite, including the monitoring, information campaign, and the

registration of voters shall be charged against available funds in the current General Appropriations Act.

ARTICLE XVI

BANGSAMORO TRANSITION AUTHORITY

SEC. 1. *Transition Period.* – The transition period for the establishment of the Bangsamoro Autonomous Region shall commence upon ratification of this Organic Law.

This Organic Law shall be deemed ratified when approved by a majority of the votes cast in a plebiscite as proclaimed by the Commission on Elections or its duly authorized officers.

The transition period shall end upon the dissolution of the Bangsamoro Transition Authority as provided in this Organic Law.

The transition period shall be without prejudice to the initiation or continuation of other measures that may be required by post-conflict transition and normalization even beyond the term of the Bangsamoro Transition Authority.

SEC. 2. *Bangsamoro Transition Authority.* – There is hereby created a Bangsamoro Transition Authority which shall be the interim government in the Bangsamoro Autonomous Region during the transition period. The Moro Islamic Liberation Front shall lead the Bangsamoro Transition Authority, without prejudice to the participation of the Moro National Liberation Front in its membership.

The compensation of the members of the Bangsamoro Transition Authority shall be subject to existing rules and regulations of the National Government.

The Bangsamoro Transition Authority shall be composed of eighty (80) members, who shall be appointed by the President: *Provided, That, in addition, the elected officials of the Autonomous Regional Government in Muslim Mindanao shall automatically*

become members of the Bangsamoro Transition Authority and shall serve until noon of the 30th of June 2019: *Provided, further,* That non-Moro indigenous communities, youth, women, settler communities, traditional leaders, and other sectors shall have representatives in the Bangsamoro Transition Authority.

SEC. 3. *Powers and Authorities.* – Legislative and executive powers in the Bangsamoro Autonomous Region during transition shall be vested in the Bangsamoro Transition Authority. During the transition period, executive authority shall be exercised by the interim Chief Minister who shall be appointed by the President as such, while legislative authority shall be exercised by the Bangsamoro Transition Authority.

All powers and functions of the Bangsamoro Government as provided in this Organic Law is vested in the Bangsamoro Transition Authority during the transition period.

For purposes of mechanisms for intergovernmental relations with the National Government and local government units in the Bangsamoro Autonomous Region, the Bangsamoro Transition Authority shall be deemed as the Bangsamoro Government for the duration of the transition period.

SEC. 4. *Functions and Priorities.* – The Bangsamoro Transition Authority shall ensure the accomplishment of the following priorities during the transition period:

(a) Enactment of priority legislations such as the Bangsamoro Administrative Code, Bangsamoro Revenue Code, Bangsamoro Electoral Code, Bangsamoro Local Government Code, and Bangsamoro Education Code consistent with powers and prerogatives vested in the Bangsamoro Government by this Organic Law: *Provided,* That until the abovementioned laws are enacted, the Muslim Mindanao Autonomy Act No. 25, otherwise known as the “*Autonomous Region in Muslim Mindanao Local Government Code,*” and subsisting laws on elections and other electoral matters shall apply in the Bangsamoro Autonomous Region.

The Bangsamoro Transition Authority may also enact a Bangsamoro Civil Service Code, as provided in this Organic Law, subject to the Constitutional mandate of the Civil Service Commission.

The Bangsamoro Transition Authority shall enact a law to recognize, protect, promote, and preserve the rights of the indigenous peoples in the Bangsamoro Autonomous Region. Until the law is enacted, subsisting regional laws on indigenous peoples in the Bangsamoro shall be operational.

These rights shall be promoted, protected, and enforced by the Ministry of Indigenous People’s Affairs as provided under Section 8 of this Article.

(b) Determination of parliamentary districts for the first regular election for the members of the Parliament subject to the standards set in Section 10, Article VII of this Organic Law;

(c) Organization of the bureaucracy of the Bangsamoro Government during transition, including the approval and implementation of a transition plan, and the institution of a placement process for hiring of personnel during transition. This also includes the setting up of offices and other institutions necessary for the continued functioning of government and delivery of social services in the Bangsamoro Autonomous Region, as well as those necessary for the smooth operations of the first elected Bangsamoro Government in 2022;

(d) Full transfer of powers and properties of the Autonomous Regional Government in Muslim Mindanao to the Bangsamoro Government, except those properties, land, and structures located outside of the Autonomous Region in Muslim Mindanao. The land and permanent buildings or structures located outside the Autonomous Region in Muslim Mindanao, owned, controlled, administered, or in the possession of the Autonomous Regional Government in Muslim Mindanao, shall be purchased by the National Government at a price to be determined through the intergovernmental relations mechanism within one (1) year from the ratification of this Organic Law. Any dispute on the price may be appealed to the Office of the President which shall decide

on the price with finality within three (3) months from the receipt of the appeal. The proceeds of the purchase shall be remitted to the Bangsamoro Government;

(e) The disposition of the personnel of the Autonomous Regional Government in Muslim Mindanao as provided in Section 10 of this Article;

(f) Transition from the Autonomous Regional Government in Muslim Mindanao to the Bangsamoro Government, as provided in this Organic Law; and

(g) Other matters that may be necessary for the protection and promotion of the general welfare of the constituents of the Bangsamoro Autonomous Region.

SEC. 5. *Continuity of Government.* – To foreclose any political interregnum in the governance of the region, the twenty-five (25) incumbent elected officials of the Autonomous Region in Muslim Mindanao, and the Bangsamoro Transition Commission, an independent body created by Executive Order No. 120, Series of 2012, as amended by Executive Order No. 08, Series of 2016, shall act as caretakers of the administration of the Bangsamoro Autonomous Region until the Bangsamoro Transition Authority is constituted.

SEC. 6. *Transition Plan.* – Within the first sixty (60) days of the transition period, the interim Chief Minister shall submit to the Bangsamoro Transition Authority a transition plan that shall contain the proposed organizational plan, as well as, the schedule for implementation therefor. The Bangsamoro Transition Authority shall, by a majority vote of all its members, approve or otherwise act on the proposed transition plan within ten (10) days upon submission by the interim Chief Minister. If the transition plan is not acted upon within sixty (60) days, it shall be deemed approved. The transition plan shall be implemented within fifteen (15) days from its approval.

SEC. 7. *Interim Officers.* – The interim Chief Minister shall organize the interim Cabinet and shall appoint two (2) interim Deputy Chief Ministers, who shall also be members of the Bangsamoro Transition Authority. The interim Chief Minister

shall also appoint such other ministers as may be necessary to perform the functions of government during the transition period, a majority of whom shall be from among the members of the Bangsamoro Transition Authority.

Members of the Bangsamoro Transition Authority who are appointed to cabinet positions shall serve their offices concurrently: *Provided*, That no member of the Bangsamoro Transition Authority may be appointed, elected or otherwise hold more than two (2) positions at the same time.

SEC. 8. *Interim Cabinet.* – The Interim Cabinet shall be composed of fifteen (15) primary ministries with suboffices, namely:

- (a) Finance, and Budget and Management;
- (b) Social Services;
- (c) Trade, Investments, and Tourism;
- (d) Labor and Employment;
- (e) Transportation and Communications;
- (f) Basic, Higher and Technical Education;
- (g) Indigenous Peoples' Affairs;
- (h) Health;
- (i) Public Works;
- (j) Local Government;
- (k) Environment, Natural Resources, and Energy;
- (l) Human Settlements and Development;
- (m) Science and Technology;

- (n) Agriculture, Fisheries, and Agrarian Reform; and
- (o) Public Order and Safety.

Other offices on youth, women, settler communities, disaster risk reduction and management, and planning and development, among others, may be created by the Bangsamoro Transition Authority.

The Attorney General's Office, under the Office of the Chief Minister, shall likewise be created by the Bangsamoro Transition Authority.

SEC. 9. Interim Bureaucracy. – The authority of the Bangsamoro Transition Authority to create offices and organize the bureaucracy during the transition period is without prejudice to the authority of the Bangsamoro Government to reorganize the bureaucracy upon its constitution, or any time thereafter. In the exercise of this authority, the Bangsamoro Transition Authority shall ensure the least possible disruption to the functioning of government and the delivery of services in the region.

All offices and institutions of the Autonomous Regional Government in Muslim Mindanao shall be subject to the phase-out plan that shall be adopted by the Bangsamoro Transition Authority.

SEC. 10. Transfer of Powers and Properties, and Disposition of Personnel. – All powers, functions, assets, capital, records, funds, receivables, equipment, and facilities of the Autonomous Regional Government in Muslim Mindanao at the time of the ratification of this Organic Law shall be transferred to the Bangsamoro Government, except those properties, land, and structures which are located outside of the Autonomous Region in Muslim Mindanao and subject to the conditions as provided in paragraph (d), Section 4 of this Article.

The Bangsamoro Transition Authority shall schedule the gradual phasing out of offices of the Autonomous Regional Government in Muslim Mindanao, which are deemed abolished upon the ratification of this Organic Law.

In consideration of public interest and the delivery of services, officials holding appointive positions shall continue to perform their functions in accordance with the phase-out schedule. Employees in the sectors of health, education, and social welfare shall be absorbed and transferred to the Bangsamoro Government. The Bangsamoro Transition Authority shall conduct a human resource audit and shall subject all transferred and new employees to qualification standards as provided in the laws, rules, and regulations of the Civil Service Commission and those that may be set by the Bangsamoro Transition Authority.

The National Government shall provide the necessary funds for the benefits and entitlements of the affected employees of the Autonomous Regional Government in Muslim Mindanao during the transition period.

An inter-agency committee headed by the Office of the President, and composed of the Department of Budget and Management, Commission on Audit, and Civil Service Commission, shall conduct the requisite inventory to ensure that the liabilities of the Autonomous Regional Government in Muslim Mindanao under law, contracts, or obligations shall be assumed by the National Government prior to the transfer of powers, functions, assets, capital, records, funds, receivables, equipment, and facilities of the Autonomous Regional Government in Muslim Mindanao to the Bangsamoro Transition Authority.

For this purpose, the Office of the Regional Governor of the Autonomous Regional Government in Muslim Mindanao shall turn over to the Bangsamoro Transition Authority, upon the latter's constitution, a summary report on the status of the Autonomous Regional Government in Muslim Mindanao as of the date of the ratification of this Organic Law, including information on the status of devolution, personnel, properties, and assets and liabilities of the Autonomous Regional Government in Muslim Mindanao.

The creation of the different offices and their respective staffing complement shall be consistent with existing budgeting, organization, staffing, position classification and compensation policies, guidelines, and standards of the National Government.

The affected personnel who will not be absorbed in the positions of the new staffing pattern of the different offices in the Bangsamoro Government, whether hired on a permanent, temporary, casual or contractual basis and with appointments attested by the Civil Service Commission, shall be entitled to applicable retirement or separation benefits as provided in this Organic Law.

The affected personnel who opt to retire or be separated shall be entitled to any of the following applicable incentives:

(a) One hundred percent (100%) of the monthly basic salary for every year of government service computed starting from the first year for those who have rendered one (1) year to less than five (5) years of service;

(b) One hundred fifty percent (150%) of the actual monthly salary for every year of government service computed starting from the first year for those who have rendered five (5) years of service but less than ten (10) years; or

(c) Two (2) months of actual monthly basic salary for every year of government service computed starting from the first year for those who have rendered ten (10) years or more of service.

Affected personnel who are retired or are separated from the service shall not be re-employed in any agency of the Bangsamoro Government or the National Government, including government-owned or controlled corporations for a period of five (5) years. The retired or separated personnel who are re-employed during the prohibited period shall refund, on a prorated basis, the separation incentives they received under this section.

The Bangsamoro Transition Authority shall institute an independent, strictly merit-based, and credible placement and hiring process for all offices, agencies, and institutions in the Bangsamoro Government, and shall consider gender and ethnic balance.

SEC. 11. *Disposition of Personnel and Assets of National Government Offices and Agencies.* – The National Government shall provide for the disposition of personnel of the National Government or national government-owned or controlled corporations whose mandate and functions are transferred to or now vested in the Bangsamoro Government by virtue of this Organic Law. Properties and assets shall be transferred to the Bangsamoro Government within three (3) months from the organization of the Bangsamoro Transition Authority, except those properties, land, and structures located outside of the Autonomous Region in Muslim Mindanao. The transfer of properties and assets is without prejudice to the power of the Bangsamoro Transition Authority to organize the bureaucracy during the transition period.

SEC. 12. *Dissolution of the Bangsamoro Transition Authority.* – Immediately upon the election and qualification of the Chief Minister under the first Parliament, the Bangsamoro Transition Authority shall be deemed dissolved.

Within sixty (60) days from the assumption into office of all members of the first Parliament, the Bangsamoro Transition Authority shall submit its final report and recommendations on the status of government during the transition period to the Parliament, as well as to the House of Representatives, the Senate of the Philippines, and the Office of the President.

SEC. 13. *First Regular Election.* – The first regular election for the Bangsamoro Government under this Organic Law shall be held and synchronized with the 2022 national elections. The Commission on Elections, through the Bangsamoro Electoral Office, shall promulgate rules and regulations for the conduct of the elections, enforce and administer them pursuant to national laws, this Organic Law and the Bangsamoro Electoral Code.

SEC. 14. *Initial Funding for Transition.* – The amount necessary to carry out the requirements of transition, including the organizational activities of the Bangsamoro Transition Authority, organization of the bureaucracy, hiring of personnel, and the exercise of functions and powers of the Bangsamoro Transition Authority as provided in this Organic Law, shall

be charged against available funds in the current General Appropriations Act. In addition, the current year's appropriations for the Autonomous Region in Muslim Mindanao shall also be transferred to the Bangsamoro Transition Authority for this purpose.

The initial funding shall be without prejudice to any supplemental budget that may be appropriated by the Congress of the Philippines to support the transition.

Government functions falling within the reserved powers of the National Government in the Bangsamoro Autonomous Region shall continue to be financed by the National Government funds.

ARTICLE XVII

AMENDMENTS, REVISIONS, REPEAL

SEC. 1. *Amendments and Revisions.* – Any amendment to, revision, or repeal of this Organic Law shall be made by law enacted by the Congress of the Philippines.

ARTICLE XVIII

FINAL PROVISIONS

SEC. 1. *Subsisting Regional Laws.* – All subsisting laws enacted by the Autonomous Region in Muslim Mindanao Regional Legislative Assembly by virtue of authorities provided under Republic Act No. 6734, as amended by Republic Act No. 9054, shall be deemed valid and in effect, unless inconsistent with this Organic Law or repealed by laws passed by the Parliament.

SEC. 2. *Existing Local Government Units.* – Notwithstanding the provisions of Republic Act No. 7160, as amended, the existing municipalities of Al-Barka, Hadji Mohammad Ajul, Akbar and Hadji Muhtamad in the Province of Basilan; and the municipalities of Datu Blah T. Sinsuat, Pandag,

Mangudadatu, Northern Kabuntalan, Datu Anggal Midtimbang, Datu Hoffer, and Datu Salibo in the Province of Maguindanao are hereby converted into regular municipalities.

SEC. 3. *Separability Clause.* – The provisions of this Organic Law are deemed separate. If, for any reason, any section or provision of this Organic Law is declared unconstitutional, other sections or provisions, which are not affected by such declaration, shall continue to be in full force and effect.

SEC. 4. *Amendatory Clause.* – Upon the ratification of this Organic Law, the pertinent provisions of the following laws which are inconsistent with this Organic Law are hereby amended accordingly:

(a) Sections 25, 129, 289, 290, 297, and 442 of Republic Act No. 7160, otherwise known as the "*Local Government Code of 1991*," as amended;

(b) Section 4 of Republic Act No. 6758, otherwise known as the "*Compensation and Position Classification Act of 1989*," as amended;

(c) Section 30 of Republic Act No. 8371, otherwise known as "*The Indigenous Peoples Rights Act of 1997*";

(d) Articles 140, 143, 152, 153, 154, 164, 165, 166, 167 and 168 of Presidential Decree No. 1083, otherwise known as the "*Code of Muslim Personal Laws of the Philippines*";

(e) Section 9 of Republic Act No. 9996, otherwise known as the "*Mindanao Development Authority (MinDA) Act of 2010*";

(f) Section 1 of Executive Order No. 115, Series of 1986, otherwise known as "*Reorganizing the National Security Council and Defining Its Membership, Function, and Authority and Other Purposes*";

(g) Section 5, Chapter 2, Subtitle (c), Title II, Book V of Executive Order No. 292, Series of 1987, otherwise known as the "*Administrative Code of the Philippines*";

(h) Section 8 of Republic Act No. 9997, otherwise known as the "*National Commission on Muslim Filipinos Act of 2009*";

(i) Sections 7, 12-18, 19-23, 24-27, 37-45, and 46-48 of Republic Act No. 8651, otherwise known as the "*Charter of the Adiong Memorial Polytechnic State College*";

(j) Section 4 of Republic Act No. 1387, otherwise known as the "*Charter of the Mindanao State University*", as amended by Republic Act Nos. 1893, 3791 and 3868;

(k) Section 6 of Batas Pambansa Blg. 208, otherwise known as the "*Charter of Sulu State College*";

(l) Section 5 of Batas Pambansa Blg. 384, otherwise known as the "*Charter of Tawi-Tawi Regional Agricultural College*";

(m) Section 6 of Presidential Decree No. 1943, otherwise known as the "*Charter of Basilan State College*";

(n) Sections 15 and 30 of Republic Act No. 6975, otherwise known as the "*Department of the Interior and Local Government Act of 1990*," as amended by Republic Act No. 8551;

(o) Section 3 of Republic Act No. 9263, otherwise known as the "*Bureau of Fire Protection and Bureau of Jail Management and Penology Professionalization Act of 2004*";

(p) Section 5 of Republic Act No. 9514, otherwise known as the "*Fire Code of the Philippines of 2008*";

(q) Sections 6, 21, 23, and 119 of Republic Act No. 8424, otherwise known as the "*Tax Reform Act of 1997*," as amended by Republic Act No. 9337;

(r) Sections 59, 60, 61, and 62 of Republic Act No. 9593, otherwise known as "*The Tourism Act of 2009*"; and

(s) Sections 2, 6, and 37 of Republic Act No. 9136, otherwise known as the "*Electric Power Industry Reform Act of 2001*."

All other laws, decrees, orders, rules and regulations, and other issuances or parts thereof, which are inconsistent with this Organic Law, are hereby repealed or modified accordingly.

SEC. 4. *Repealing Clause.* – Upon ratification of this Organic Law, Republic Act No. 6734, otherwise known as the "*Organic Act for the Autonomous Region in Muslim Mindanao*," as amended by Republic Act No. 9054 is hereby repealed.


SEC. 5. *Effectivity.* – This Organic Law shall take effect fifteen (15) days following its complete publication in the *Official Gazette* and in at least two (2) national newspapers of general circulation and one (1) local newspaper of general circulation in the autonomous region.

Approved,


VICENTE C. SOTTO III
President of the Senate



GLORIA MACAPAGAL-ARROYO
Speaker of the House
of Representatives

This Act which is a consolidation of House Bill No. 6475 and Senate Bill No. 1717 was passed by the House of Representatives and the Senate on July 24, 2018 and July 23, 2018, respectively.


MYRA MARIE D. VILLARICA
Secretary of the Senate


CESAR STRAIT PAREJA
Secretary General
House of Representatives

Approved: JUL 27 2018


RODRIGO ROA-DUTERTE
President of the Philippines



Office of the President
MALACANANG RECORDS OFFICE

VERIFIED COPY


ATTY. CONCEPCION ZERY E. FERROLINO-ENAD
DIRECTOR IV

