



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
1071 United Nations Avenue
Manila



PRESS RELEASE
05 JULY 2017

PROPOSED TAX REFORM TO IMPROVE FINANCIAL INCLUSION AND STRENGTHEN THE INSURANCE INDUSTRY

Insurance Commissioner Dennis B. Funa pronounced that House Bill No. 5636 or the proposed Tax Reform for Acceleration and Inclusion Act (TRAIN) will help improve financial inclusivity in the country and at the same time will pave the way for more investment opportunities for insurance companies.

Commissioner Funa said, “The TRAIN, which is characterized by low rates and broader base, will enable the public to allocate their resources to financial products such as insurance products. Filipinos would enjoy more disposable income that will enable them to avail of insurance products, be it microinsurance or regular, and consequently contribute to the improvement of financial inclusion in our country.”

“This means that there will be an increase in insurance density– the average amount spent on insurance by each individual in the country”, added Commissioner Funa.

Commissioner Funa likewise said that the TRAIN would usher in the Duterte Administration’s “Golden Age of Infrastructure” and would thus create a favorable environment for insurance companies in terms of their investments.

According to Commissioner Funa, “Insurance companies can provide fresh and additional revenue stream to fund infrastructure development. They can either buy infrastructure-related financial instruments such as corporate or PPP bonds, or invest directly in the stocks of companies involved in infrastructure projects.”

“The boom in infrastructure sector could present higher yields for insurance companies compared to equities and fixed income securities,” said Commissioner Funa.

“We are expecting that there will be a development and improvement of investment instruments and products including infrastructure-related financial instruments and projects. Thus, we are keeping an open mind in terms of approval of these investments,” he said.

The proposed TRAIN is a consolidation of the original tax reform bill—HB 4774—filed by Rep. Dakila Carlo Cua, and 54 other tax-related measures. The TRAIN is the first package of President Duterte’s proposed Comprehensive Tax Reform Program (CTRP).

HB 5636 was passed after President Duterte had certified the bill as urgent, given that it was designed to help provide a steady revenue stream to his government’s ambitious high—and inclusive—growth agenda anchored on record spending on infrastructure, human capital and social protection for the poor and other vulnerable sectors.


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