



House of Representatives  
Republic of the Philippines

House of Representatives  
Hon. Ferdinand Martin G. Romualdez  
Office of the Speaker

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**HON. FERDINAND MARTIN G. ROMUALDEZ**

Speaker  
House of Representatives  
Batasan Hills, Quezon City

Dear Speaker Romualdez,

Representative Joey Salceda has claimed that he and three (3) unnamed Members of the House of Representatives have been commissioned to reengineer HB No. 6608 or the Maharlika Investment Fund bill.

According to Rep. Salceda, the reengineered version of the Maharlika Investment Fund bill consists of two (2) major innovations, namely: (1) securitization of GOCC's dividends as the seed money for the MIF; and (2) stocks of the Maharlika Investment Corporation will be subject to an Initial Public Offering (IPO) where the private sector can subscribe to the stocks and eventually own and control the Maharlika Investment Fund.

May we know whether or not the House leadership has approved and adopted the reported reengineered version? If so, there is a need to recall the approval of House Bill No. 6608 because the reengineered version was not deliberated on by the House and it is not part of HB No. 6608 which was approved on third reading on December 15, 2022.

However, if the House leadership is not adopting the so-called reengineered version, then let it be put to rest as a futile and belated attempt to revise House Bill No. 6608.

For the record, the proposed reengineered version is objectionable for the following reasons:

First, the securitization of the dividends of GOCCs will deprive the government of a traditional and legal funding source for the General Appropriations Act. It must be emphasized that under R.A. No. 7656 or the Dividends Law of 1993, it is mandated that "all government-owned or -controlled corporations shall declare and

**Congressional Office:**  
North Wing 411, House of Representatives  
Constitution Hills, Quezon City  
Tel. Nos. 931-5497; 931-8117  
Trunkline: 931-5001 local 7370  
Cellphone Number: 0917-1023737  
Email: karina\_lagman@yahoo.com

**HON. EDCEL C. LAGMAN**  
Representative, First District of Albay

**District Office:**  
Karangahan Avenue, Tabaco  
City  
Tel. No. (052) 487-4024

remit at least fifty percent (50%) of their annual net earnings as cash, stock or property dividends to the National Government”.

These mandated remittances form part of revenues to fund government expenditures, particularly economic and social services like health, education, food security, employment generation, and infrastructure development.

The remaining 50% will be flowed back to the GOCCs for operational and programmed expenditures. Consequently, there is no surplus to speak of because the entire net income is already earmarked.

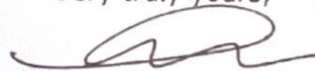
No less than President Ferdinand Marcos, Jr. agrees that dividends of GOCCs should not be used as funding source for the MIF.

Second, a sovereign wealth fund, like the MIF, represents the wealth of the State and must be owned and controlled by the government. Its ownership and control must not be transferred to the private sector. There is no rhyme nor reason for the MIF to be eventually owned and controlled by the private sector through IPO and subsequent and substantial stock subscription by the private sector, reducing the government to a minority status.

Honorable Speaker, thank you for this opportunity to ventilate my position on the subject issues.

Warmest personal regards.

Very truly yours,



**EDCEL C. LAGMAN**