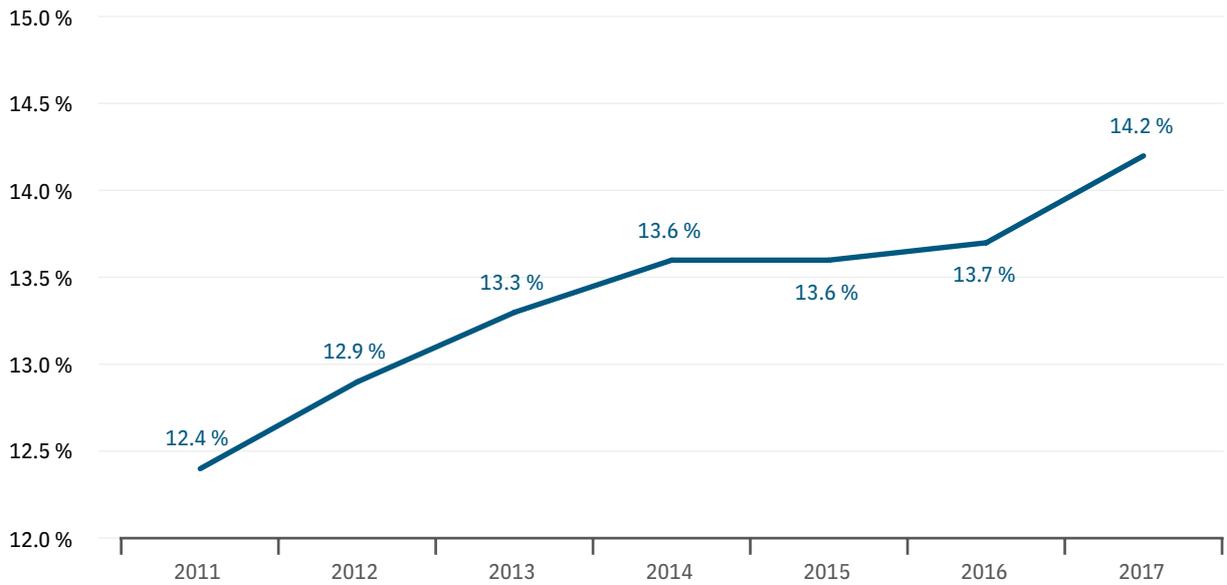




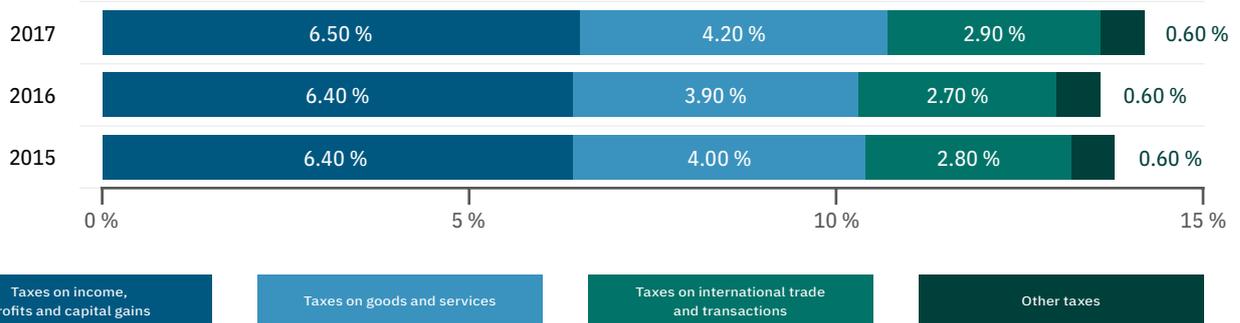
## Philippines

### Stepping up domestic revenue mobilisation



**Tax revenues (% of GDP) (2011-2017)**

Source: Government Finance Statistics (2019)



**Tax revenues, by sources (% of GDP) (2015, 2016 & 2017)**

**Public Expenditure and Financial Accounting (PEFA)**

2016 (2016 framework)

**B** Revenue administration

**A** Accounting for revenue

A = internationally-recognised level of good performance  
D = performance is below the basic level

**Doing Business, Ease of Paying Taxes 2017 (DB 2018), values from 2016 (DB 2017) in parentheses**

Payments (number per year)	Time (hours per year)	Total tax rate (% of profit)	Postfiling Index (0-100)
20 (28)	182 (185.6)	42.9 (42.9)	50 (49.77)

**Overall ranking**  
105 / 190 (115 / 190)

**Global Competitiveness Report (2017-2018), values from 2016-2017 in parentheses**

Effect of taxation on incentive to work  
4.4/7: Rank 35/137 (4.2/7: Rank 48/138)

Effect of taxation on incentive to invest  
3.5/7: Rank 83/137 (3.3/7: Rank 93/138)

**Recent reform steps**

The Philippines enacted and implemented a major **tax reform** in December of 2017. While the personal income tax was lowered, giving much relief to individual taxpayers, the excise taxes were rationalised (oil) and there were some new taxes introduced, such as the excise on sugar-sweetened beverages and cosmetic procedures.

**Progress achieved**

Two major projects were finalised by the Philippines in 2017:

- The conclusion of the **Tax Reform for Acceleration and Inclusion Act (TRAIN law)**;
- The implementation of more ambitious programmes/actions against smuggling, which resulted in a 69% increase in the amount of smuggled goods seized from 2010 to 2016. Moreover, the Philippines established intensified tax enforcements through the Run After Tax Evaders (RATE) programme of the implementing agency.

*Technical support received translated into a long-term technical assistant for training through the Dutch Ministry of Foreign Affairs.*

## Outlook: DRM priorities in 2019

<i>Priority activities</i>	<i>Expected outcomes</i>
<ul style="list-style-type: none"><li>• Introducing reforms through legislation</li><li>• Shifting to a more efficient national budget system and introducing more comprehensive reforms in the budget</li></ul>	<ul style="list-style-type: none"><li>▶ Equitable and more efficient tax system</li><li>▶ Fiscally responsible budgeting; more productive and efficient use of the budget</li></ul>

## Ensuring policy coherence for development

Most, if not all, of the economic and fiscal policies in the Philippines go through the review of the economic managers of the President. There are standard principles of public policy for key strategic areas that the Philippine government adheres to. In addition, the legislative branch pursues and ensures that the list of priority policy proposals of the President passes through legislation.

The government has a legislative group that serves as the **communication bridge** and platform among agencies on policy reforms. Apart from this, the government is grouped in different clusters that oversee the major economic issues.