

Republic Act
No. 11954

An Act Establishing the Maharlika Investment Fund,
Providing for the Management, Investment, and
Use of the Proceeds of the Fund, and Other Purposes

Maharlika Investment Fund Act of 2023

Declaration of Policy



Generate, preserve
& grow national wealth



Create
Jobs



Promote trade
and investments



Strengthen
connectivity



Foster technological
transformation



Achieve energy, water
and food security



Expand
infrastructure

2 Key Provisions


1. Establishment of Maharlika Investment Corporation (MIC), governance structure, funding sources, and corporate lifespan.

2. Establishment of Maharlika Investment Fund (MIF), funding sources, and permitted investment vehicles.


Maharlika Investment Corporation (MIC)

Term: 35 Years


The sole corporate body for MIF mobilization and utilization. Its functions are as follows:




Establish diversified portfolio of investments
(local and global markets, assets)




Skill development in finance, economics, risk mitigation and governance



Management and investment of initial and future contributions



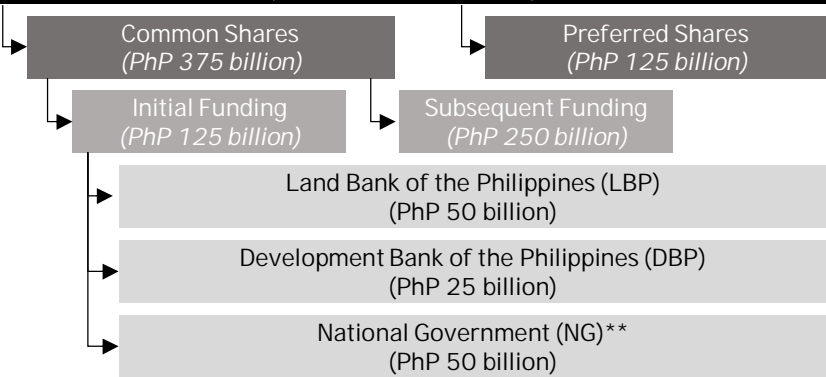
Handle investment mandates for increased income



Implement international best practices
(Santiago Principles, transparency, accountability)

MIC Sources of Funding/Type of Security

Authorized Capitalization*
(Total of PhP 500 billion)



Bond Issuances

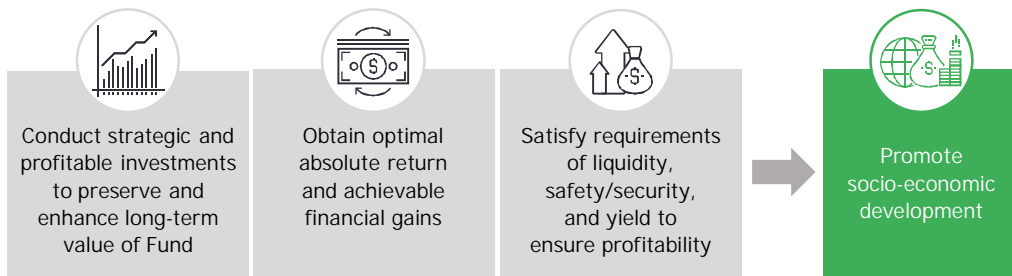
- MIC may issue bonds (within and/or outside the country), debentures, and securities, subject to applicable laws and regulations
- MIC BOD to determine terms, rates, and conditions of bond issuance
- Bonds can be long-term, medium-term, or short-term which can have fixed or floating interest rates

“ In no instance shall the Philippine government guarantee any Bonds issued by the MIC

* The law expressly prohibits government agencies and GOCCs providing social security and public health insurance services such as, but not limited to the SSS, GSIS, PhilHealth, Pag-IBIG, OWWA, and PVAO Pension Fund to contribute to the capitalization of the MIC

** In the form of BSP dividends, NG's share in PAGCOR's income, privatization proceeds, and other sources such as royalties

The Maharlika Investment Fund (MIF)



* The law expressly prohibits government agencies and GOCCs providing for the social security and public health insurance services such as, but not limited to the SSS, GSIS, PhilHealth, Pag-IBIG, OWWA and PVAO Pension Fund from investing in the MIF

Sources of Funding

- Capitalization of MIC
- Investible funds of select Government Financial Institutions (GFIs)*
- Contributions of NG and other sources*
- Private and state-owned financial institutions and corporations

Allowable Investments by MIF



Cash, foreign currencies, commodities



Domestic and foreign corporate bonds



Fixed-income instruments issued by sovereigns, quasi-sovereigns, and supranational organizations



Listed or unlisted equities, whether common, preferred, or hybrid



Islamic investments such as Sukuk bonds



Joint ventures (JVs) or Co-investments, mergers & acquisitions



Mutual and exchange traded funds invested in underlying assets



Real estate and infrastructure projects



Programs and projects that contribute to sustainable development

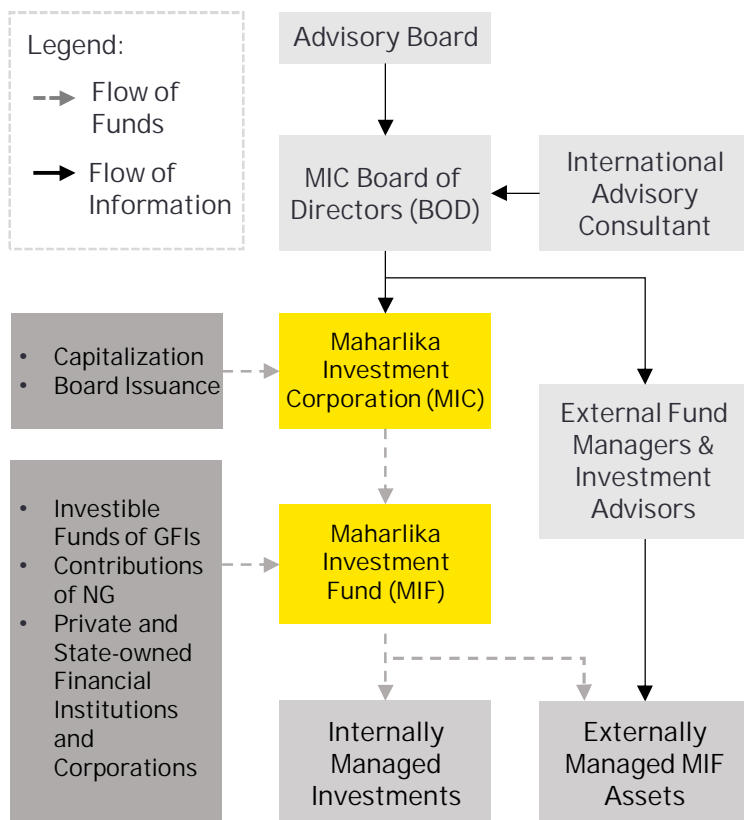


Loans and guarantees to, or participation in JVs or consortiums



Other investments with sustainable and developmental impact

MIC/MIF Governance Structure, Management, and Funding Sources



Governance

- MIC/MIF to adhere to the Generally Accepted Principles and Practices (GAPP) for Sovereign Wealth Funds or the "Santiago Principles"
- MIC will be subject to the GOCC Governance Act of 2011, the Government Procurement Reform Act, RA 7656 which requires GOCCs to declare dividends to NG, the Securities Regulation Code, and the Revised Corporation Code of the Philippines
- The MIC Board of Directors (BOD): DOF Secretary as Chair; MIC President and CEO (PCEO) as Vice Chair; PCEO of LBP; PCEO of DBP; Two (2) Regular Directors, and; Three (3) Independent Directors. Advisory Board to recommend regular and independent directors for Presidential appointment
- Advisory Board comprising the DBM and NEDA Secretaries, and the National Treasurer to advise and assist MIC BOD
- Maharlika Investment Fund Joint Congressional Oversight Committee (MIF-JCOC) to oversee, monitor, and evaluate the implementation of the Act
- MIC BOD shall engage internal and external auditors; MIC books and accounts subject to COA audit

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