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# Commission on Human Rights of the Philippines - Business and Human Rights Work

This document highlights the Commission's work to develop a position paper on the Corporation Code of the Philippines.

## DEVELOPING A POSITION PAPER ON THE CORPORATION CODE OF THE PHILIPPINES

On February 12, 2018, the Commission on Human Rights of the Philippines (CHRP) submitted a position paper on the proposed amendment of Batas Pambansa Blg. 68,<sup>1</sup> otherwise known as The Corporation Code of the Philippines. Exercising its advisory mandate, the CHRP recommended that Congress take effective measures to promote human rights.

Developed from various consultations and from internal discussions within the institution, the Commission recommended that the Corporation Code should align with the United Nations Guiding Principles on Business and Human Rights (UNGPs), specifically relating to the UNGPs' second pillar – the corporate responsibility to respect human rights. The principles of 'do no harm' and of corporate human rights due diligence, which are at the core of UNGPs' second pillar,

were highlighted in the Commission's recommendations. The Commission's proposed amendment of the Corporation Code therefore seeks to incorporate these human rights principles in the country's business framework.



Photo: CHRP. Commissioner Roberto Cadiz speaking on matters concerning business and human rights at a Press Briefing in December 2017

The recommendation was submitted to the Committee on Trade and Industry in the Congress of the House of Representatives, through the Committee Secretary, and its counterpart in the Senate, through Senator

<sup>1</sup> Commission on the Human Rights of the Philippines (2018), Position Paper on the Amendment of the Corporation Code of the Philippines: Incorporating the United Nations Guiding Principles on Business and

Human Rights in the Corporation Code of the Philippines. Retrieved from <http://chr.gov.ph/wp-content/uploads/2018/04/Position-Paper-on-the-Amendment-of-the-Corp-Code-of-the-PH.pdf>

Drilon as Chair of the Committee on Constitutional Amendments and Revision of Laws and Senator Zubiri as Chair of the Committee on Trade, Commerce, and Entrepreneurship.

The recommendation was also submitted to the Securities and Exchange Commission (SEC), which is the agency of the Government of the Philippines responsible for regulating the securities industry in the Philippines.

The CHRP recommendation was initiated by an invitation from the Committee on Trade and Industry of the House of Representatives, which was arose from the decision of the SEC, the legislators, and other business stakeholders to amend the Corporation Code to align it with international standards and create a favourable investment climate and business environment in the Philippines.

The bill seeking to amend the Corporation Code was enacted into law after the President signed it on February 20, 2019. The Commission's recommendations were not adopted in Republic Act No. 11232, and as such, the revised Code will only impact on the procedural and technical requirements which corporations have to comply with. Nevertheless, SEC has also been advocating for provisions introducing 'good corporate governance' and their operationalisation of the term could have an impact on how corporations operate in the Philippines. The Commission will continue to advocate for the inclusion of business and human rights principles not only on draft legislations but also through advocacy for a national action plan on business and human rights.

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