

GRANTING THE MONETARY AUTHORITY ADEQUATE PREROGATIVES IN THE MANAGEMENT OF THE COUNTRY'S BANKING AND CREDIT SYSTEM.

PRESIDENTIAL DECREE NO. 865-B, December 31, 1975

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WHEREAS, it is essential to grant the monetary authority adequate prerogatives in the management of the country's banking and credit system in the interest of orderly and sustained economic growth;

WHEREAS, while the Monetary Board of the Central Bank already has the authority under existing law to prescribe interest rate ceilings on the lending operations of banks and non-bank financial intermediaries, it is deemed appropriate to invest it with express authority to also prescribe ceilings on the financial yield from the purchase of receivable or other obligations by the said institutions in the course of their quasi-banking functions;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby decree and order to be part of the laws of the land the following:

SEC. 1.—Section 2-C of Republic Act No. 337, as amended, is hereby further amended to read as follows:

SEC. 2-C. The Monetary Board may, at its discretion, prescribe control ratios, ceilings, limitations, or other forms of regulation on the different types of [contingent] accounts of banking institutions and non-bank financial intermediaries performing quasi-banking functions; as well as prescribe ceilings on yields from the purchase of receivables or other obligations by such banking institutions and non-bank financial intermediaries, or exempt particular categories of transactions from such ceilings.

SEC. 2. This Decree shall take effect immediately.

Done in the City of Manila, this 31st day of December, in the year of Our Lord, nineteen hundred and seventy-five.

(Sgd.)

FERDINAND E. MARCOS

President

Republic of the Philippines

By the President:

(Sgd.)

JACOBO C. CLAVE

Presidential Executive Assistant

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