

AMENDING SECTIONS 24 (b) (1) AND 53 (b) (2) OF THE NATIONAL INTERNAL REVENUE CODE, AS AMENDED, BY IMPOSING A TAX OF FIFTEEN PERCENT (15%) ON INTEREST ON FOREIGN LOANS

PRESIDENTIAL DECREE NO. 131, February 19, 1973

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WHEREAS, it is imperative to adopt measures responsive to the requirements of a developing economy, foremost of which is the speedy restructuring of the social, economic and political institutions of the country;

WHEREAS, the economic development of this country needs funding from domestic and political institutions of the country;

WHEREAS, in order to attract loans from foreign countries, an appropriate tax on their income should be levied on interest earned and remitted abroad;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Republic of the Philippines, by virtue of the powers in me vested by the Constitution as Commander-in-Chief of all the Armed Forces of the Philippines, and pursuant to Proclamation No. 1081, dated September 21, 1972, do hereby decree and order that Sections 24 (b) (1) and 53 (b) (2) of the National Internal Revenue Code, as amended, be further amended by imposing a tax of fifteen percent (15%) on interest on foreign loans earned beginning from January 1, 1973.

The Commissioner of Internal Revenue, upon approval by the Secretary of Finance, shall promulgate the implementing regulations on these amendments.

This Decree shall be effective immediately.

Done in the City of Manila, this 19th day of February, in the year of Our Lord, nineteen hundred and seventy-three.

(Sgd.) FERDINAND E. MARCOS

President

Republic of the Philippines

By the President:

(Sgd.) ALEJANDRO MELCHOR

Executive Secretary

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