

FURTHER AMENDING SECTIONS THREE AND FIFTEEN OF REPUBLIC ACT NO. 85, AS AMENDED, OTHERWISE KNOWN AS THE DBP CHARTER.

PRESIDENTIAL DECREE No. 1830, January 16, 1981

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WHEREAS, the Development Bank of the Philippines is the Government agency entrusted with the task of providing credit facilities for the rehabilitation development and expansion of the country's agriculture and industry and the broadening and diversification of the national economy; and

WHEREAS, there is a need to amend the Charter of the DBP to increase its authorized capital stock and expand the powers of its governing board to make it more responsive to the demands of present circumstances;

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

SECTION 1. Section three of Republic Act No. 85, as amended, is hereby amended to read as follows:

"Sec. 3. Capital Stock. The capital stock of the Bank shall be TEN Billion Pesos divided into TEN Million shares having a par value of One Thousand Pesos Each. The said capital stock shall be fully subscribed by the government of the Republic of the Philippines and payment of said subscription shall be as follows:

(a) At least fifty per centum (50%) of the surplus account of the Bank as of June 30, 1980 and at least twenty per centum (20%) of the net profits that may hereafter be realized as well as profits that may be assigned as dividends to the shares of the Government shall be automatically applied to the payment of the subscribed capital stock of the Government until the said capital stock shall have been fully paid for, in which case the said profits shall be utilized for such purpose as may be authorized by the Board of Governors.

(b) The provisions of Section Three of Republic Act Numbered Seventeen Hundred Eighty-Nine to the contrary notwithstanding, an amount equivalent to fifty per cent of the proceeds from the sale of reparations goods and services for fifteen years following the approval of this Act, is hereby appropriated to cover the payment of the unpaid subscription of the government to the capital stock of the Bank; Provided, That seventy-five million pesos of such amount shall be set aside as a trust fund for the purpose of aiding the establishment of private provincial and city development banks as provided in this Act.

(c) The portion of the stabilization tax allocated for deposit to a Special Account with the Development Bank of the Philippines, pursuant to Section 4 (c) of Republic Act Numbered Six Thousand One Hundred Twenty Five, as amended, otherwise known as the Stabilization Tax Law, shall be automatically applied to the payment of the Government's subscription to the capital stock of the Bank effective as of the date of receipt thereof.

(d) The obligations of the Development Bank of the Philippines as of April 30, 1973 represented by bonds issued by said Bank and held by the Central Bank of the Philippines including interest thereon rounded to the nearest thousand, and loans or advances made under R. A. No. 265 and R. A. 2081, together with interest thereon, rounded to the nearest thousand, shall be converted into paid-in capital by the Government which shall assume

said obligations; and for this purpose, the President of the Philippines, upon recommendation of the Minister of Finance, shall issue in favor of the Central Bank of the Philippines treasury bonds, notes or securities, in such amounts as may be necessary for the settlement of said obligations and under such terms and conditions as shall be recommended by the Minister in consultation with the Monetary Board.

(e) The taxes due on the income of the Bank under Sec. 24 of the National Internal Revenue Code herein as provided for in Sec. 28, shall, beginning with the taxes due on income for calendar year 1978 be automatically applied to the payment of the subscribed capital stock of the government in the Bank.

(f) Whatever remaining balance of the unpaid subscription of the Government to the capital stock of the Bank on the previous authorized capital of Five Billion Pesos as well as that which corresponds to the increase of the Bank's authorized capital stock from Five Billion Pesos to Ten Billion Pesos shall be paid out of any funds in the National Treasury not otherwise appropriated be they collections from any or all taxes accruing to the general fund of proceeds from loans, the issuance of bonds, treasury bills or notes which are hereby authorized to be incurred or issued for the purpose. The same shall be paid to the Bank in the amount of Four Hundred Million Pesos for the second semester of calendar year 1982 and Five Hundred Million yearly thereafter until the said authorized capital is fully paid for."

SEC. 2. Section fifteen of Republic Act No. 85, as amended, is hereby further amended to read as follows:

"Sec. 15. Duties and Powers of the Board. The Board of Governors shall have the following powers:

(a) To prescribe, amend and repeal, with the approval of the President of the Philippines, by-laws, rules and regulations governing the manner in which the general business of the Bank may be conducted and the powers granted by law to the Bank may be exercised, including a provision for the formation of such committee or committees as the Board of Governors may deem necessary to facilitate its business;

(b) To fix the rates of interest on loans in accordance with the different classes of transactions and securities provided in this Act;

(c) To establish such branches and agencies as may be deemed necessary and convenient;

(d) To provide for the appointment and removal and to fix reasonable compensation of such personnel as may be necessary for the expeditious conduct of the business of the Bank.

(e) To compromise or release, in whole or in part, any claim or settled liability to the Bank regardless of the amount involved, under such terms and conditions it may impose to protect the interests of the Bank. This authority to compromise shall extend to claims against the Bank."

SEC. 3. Repealing Clause. The provisions of laws, decrees, orders, rules and regulations or parts thereof which are inconsistent with the provisions of this Decree are hereby repealed or modified accordingly.

SEC. 4. Effectivity. This Decree shall take effect immediately.

Done in the City of Manila, this 16th day of January in the year of Our Lord, nineteen hundred and eighty-one.

(SGD.) FERDINAND E. MARCOS

President

Republic of the Philippines

By the President:

(SGD.) JUAN C. TUVERA

Presidential Executive Assistant

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