

AMENDING REPUBLIC ACT NO. 245 ENTITLED "AN ACT AUTHORIZING THE SECRETARY OF FINANCE TO BORROW TO MEET PUBLIC EXPENDITURES AUTHORIZED BY LAW AND FOR OTHER PURPOSES";

PRESIDENTIAL DECREE NO. 142, March 02, 1973

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WHEREAS, Section 1 of Republic Act No. 245 provides that in order to meet public expenditures authorized by law or to provide for the purchase, redemption or refunding of any obligations, either direct or guaranteed, of the Philippine Government, the Secretary of Finance, with the approval of the President, after consultation with the Monetary Board, is authorized to borrow from time to time on the credit of the Republic of the Philippines such sum or sums as in his judgment may be necessary, and to issue therefor evidences of indebtedness of the Philippine Government;

WHEREAS, under subsection (a) through (c) of the same section of the said Act, such evidences of indebtedness may be of the following types:

"(a) Treasury bills issued on a discount basis and payable at maturity without interest. Treasury bills may be offered for sale either on a competitive basis or at a fixed rate of discount and may be made payable at any date not later than one year from the date of issue.

"(b) interest-bearing certificates of indebtedness having maturities not exceeding eighteen months from the date of issue.

"(c) Interest-bearing notes having maturities of not less than one nor more than five years from the date of issue."

WHEREAS, the Government has continuously relied upon the borrowing authority vested in the Secretary of Finance under R.A. No. 245 in meeting the pressing demands upon the General Fund into the National Treasury whenever there is a short-fall in the revenue receipts of the Government;

WHEREAS, under the present provisions of R.A. No. 245, the Secretary of Finance, with the approval of the President is vested with the authority to borrow from time to time for the purposes enumerated therein, is restricted from issuing other forms of government debt instruments or evidences of indebtedness having longer maturities and appropriate features because of the limitations prescribed in the aforementioned subsection (a) through (c) of Section 1 of the above mentioned Act; and

WHEREAS, there is now a need for other types of government security issues designed in line with market requirements and made sufficiently attractive to suit the needs of various investor groups;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President 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, and General Order No. 1, dated September 22, 1972, as amended, do hereby adopt and make as part of the laws of the land certain amendments to the provisions of Republic Act No. 245 entitled "An Act Authorizing the Secretary of Finance to Borrow to Meet Public

Expenditures Authorized by law, and For Other Purposes" as follows:

SECTION 1. Section 1 of Republic Act Numbered Two Hundred forty-five is hereby amended to read as follows:

"SECTION 1. In order to meet public expenditures authorized by law or to provide for the purchase, redemption, or refunding of any obligations, either direct or guaranteed of the Philippine Government, the Secretary of Finance, with the approval of the President of the Philippines, after consultation with the Monetary Board, is authorized to borrow from time to time on the credit of the Republic of the Philippines such sum or sums as in his judgment may be necessary, and to issue therefor evidences of indebtedness of the Philippine Government."

"Such evidences of indebtedness may be of the following types:

"a. Treasury bills issued on a discount basis or at par and payable at maturity without interest. Treasury bills may be offered for sale either on a competitive basis or at a fixed rate of discount or at par and may be made payable at any date not later than one year from the date of issue;

"b. Certificate of indebtedness having maturities not exceeding eighteen months from the date of issue; and

"c. Treasury bonds, notes, securities or other evidences of indebtedness having maturities of one year or more but not exceeding twenty-five years from the date of issue."

"The Secretary of Finance, in consultation with the Monetary Board, shall prescribe the form or forms, the interest and discount rates, including whether such interest or discount is exempted from taxation or not, the denominations, maturities, negotiability, convertibility, call and redemption features, and all other terms and conditions of issuance, placement, sale, servicing, redemption, and payment of all evidences of indebtedness issued under the authority of this Act: Provided, however, That with respect to treasury bills, certificates of indebtedness, and bonds, notes, securities and other evidences' of indebtedness, such terms and conditions shall be within the limitations prescribed in Subsection (a) through (c) of the preceding paragraph: And provided, further, That actual issue, placement, servicing and redemption of such securities shall be done through the Central Bank of the Philippines, as provided in Sections one hundred twenty-two, one hundred and twenty-three and one hundred twenty-four of the Central Bank Act."

"The evidences of indebtedness issued under the authority of this section may be made payable, both as to principal and interest in any readily convertible foreign currency."

"Nothing in this section shall be interpreted to mean that the Secretary of Finance, in the redemption of securities, is prevented from applying the lottery principle by which specific securities, drawn by lot, may be redeemed before maturity either at their face value or above."

SEC. 2. This Decree shall take effect immediately.

Done in the City of Manila, this 2nd day of March, 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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