

AN ACT AUTHORIZING THE SECRETARY OF FINANCE TO BORROW TO MEET PUBLIC EXPENDITURES AUTHORIZED BY LAW, AND FOR OTHER PURPOSES.

REPUBLIC ACT NO. 245, June 12, 1948

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Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

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, 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:

- 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.
- Interest-bearing certificates of indebtedness having maturities not exceeding eighteen months from the date of issue.
- Interest-bearing notes having maturities of not less than one nor more than 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, 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 notes, such terms and conditions shall be within the limitations prescribed in subsections (a) through (c) of the preceding paragraph: And provided, further, That the 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 and twenty-two, one hundred and twenty-three and one hundred and 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. The Secretary of Finance shall cause to be paid out of any moneys in the National Treasury not otherwise appropriated, or from any sinking funds provided for the purpose by law, any interest falling due, or accruing, on any portion of the public debt authorized by law. He shall also cause to be paid out of any such money, or from

any such sinking funds the principal amount of any obligations which have matured, or which have been called for redemption or for which redemption has been demanded in accordance with terms prescribed by him prior to date a issue: Provided, however, That he may, if he so chooses and if the holder is willing, exchange any such obligation with any other direct or guaranteed obligation or obligations of the Philippine Government of equivalent value. In the case of interest-bearing obligations, he shall pay not less than their face value; in the case of obligations issued at a discount he shall pay the face value at maturity; or if redeemed prior to maturity, such portion of the face value as is prescribed by the terms and conditions under which such obligations were originally issued. There are hereby appropriated as a continuing appropriation out of any moneys in the National Treasury not otherwise appropriated, such sums as may be necessary from time to time to carry out the provisions of this section. The Secretary of Finance shall transmit to Congress during the first month of each regular session a detailed statement of all expenditures made under this section during the calendar year immediately preceding.

SEC. 3. Subject to the approval of the President, the Secretary of Finance, or the Central Bank of the Philippines acting as his agent, may purchase such materials and equipment and may order the printing, engraving, advertising, soliciting, shipping, or the rendering of any other service which he considers to be necessary to the successful issuance, placement, sale, servicing, redemption, or payment of the obligations issued under the authority of this Act. There is hereby appropriated as a continuing appropriation out of moneys in the National Treasury not otherwise appropriated, such sum or sums as the Secretary of Finance, with the approval of the President, deems to be necessary from time to time to accomplish the purposes of this section. The President shall transmit to Congress during the first month of each regular session a detailed statement of all expenditures made under this section during the calendar year immediately preceding.

SEC. 4. The Secretary of Finance shall prepare and issue such rules, regulations, and instructions as he considers necessary for the successful achievement of the purposes of this Act. He shall particularly take such measures as he may deem necessary to protect the Republic of the Philippines and the investing public from fraud or loss.

SEC. 5. This Act shall take effect upon its approval.

Approved, June 12, 1948.

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