RULES ON THE GRANT OF RELIEF TO OWNERS, HOLDERS OR ASSIGNEES OF LOST, STOLEN, DESTROYED, MUTILATED OR DEFACED CERTIFICATED GOVERNMENT SECURITIES (GS)

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1.0
Coverage

This Treasury Office Order shall apply to all certificated securities issued by the Republic of the Philippines, which have been lost, stolen, completely or partially destroyed, defaced or mutilated, without bad faith or gross negligence on the part of the owners thereof.

2.0
Report of Loss, Theft, Destruction, Defacement or Mutilation

Report of the loss, theft, destruction, defacement or mutilation of certificated Government Securities (GS) shall be made to the Director, Liability Management Service, Bureau of Treasury, under oath and in the prescribed form (Annex “A”), indicating therein:

a. Name and present address of the owner;
b. Complete and full description of the GS, specifying the date of issue, denomination, serial number, interest rate and face value;
c. Circumstances surrounding the loss, theft, destruction, defacement, or mutilation with a request that a caveat be entered on the records of the BTr against the transfer, payment or exchange thereof.

3.0
Application for Relief

The application for relief may be filed together with the Report of the loss, theft, destruction, defacement or mutilation of the certificated GS in the form herein prescribed (Annex B”) with the following supporting documents:

a. Affidavit of the claimant and other persons having knowledge of the facts establishing to the satisfaction of the BTr.

a.1 the complete identification of the certificated GS by date of issue, serial number, denomination, face value, coupon/s, if any, attached;

a.2 his ownership;

a.3 the loss, theft, destruction, defacement or mutilation of the GS; and

a.4 that such loss, theft, destruction, defacement or mutilation of GS was without bad faith or gross negligence on his part.

b. In case of partial destruction, defacement or mutilation, remaining portion of the certificated GS, subject of the claim. BTr through Liability Management Service (LMS) shall have the right to determine the condition of a defaced/mutilated security to be able to grant the relief sought by claimant.

4.0
Notice of Loss, Theft, Destruction, Defacement or Mutilation

If upon receipt and examination of the application for relief together with the supporting documents, BTr is satisfied and convinced that there is valid basis for the claim, and relief may be granted, the claimant shall be required to immediately cause the publication of a Notice of Loss, Theft, Destruction, Defacement or Mutilation in accordance with Section 5.0, as hereunder provided, and to file an indemnity bond as provided in Section 6.0 hereof.

5.0
Publication of Notice of Loss, Theft, Destruction, Defacement or Mutilation

Notice of Loss, Theft, Destruction, Defacement or Mutilation of Certificated GS shall be published in a newspaper of general circulation once a week for four (4) consecutive weeks at the expense of the owner, holder or assignee of the lost, stolen, destroyed, defaced or mutilated certificated GS.

Should no adverse claim(s) to the lost security be filed with BTr within one (1) month from the date of the fourth and last publication of the Notice of Loss, Theft, Destruction, Defacement or Mutilation of the Security, claimant shall submit the four (4) tearsheets (full pages wherein publications were made) together with the publisher's affidavit as additional supporting documents, and BTr shall proceed to grant the relief sought in accordance with Section 8.0, as hereunder provided.

If at that time, however, a third party claim has been filed on the subject security, the granting of the relief shall be held pending final determination of the controversy, either by BTr or by the courts, allowing the conflicting claimants to interplead, if necessary.

The granting of relief after one (1) month from the date of the fourth and last publication of the Notice shall be without prejudice to the right of third parties to present claims on the securities within two (2) years from the date of the fourth and last publication after which period, the right to present any and all third party claims on said securities shall be barred forever.

6.0
Bond of Indemnity

The owner of lost, stolen, destroyed, defaced or mutilated certificated GS, applying for relief, shall file with the BTr a bond to be executed by a corporated surety qualified under the laws of the Republic of the Philippines in a penal sum equivalent to the amount of the lost, stolen, destroyed, defaced or mutilated GS, the interest which would accrue thereon until the principal becomes due and payable and a reasonable amount to answer for court expenses or costs of litigation.

The Bond of Indemnity shall not be required in the following instances;

a. If the BTr is fully satisfied that the destruction, defacement or loss, as the case may be, occurred without fault of the owner and while the security was in the custody or control of the Republic of the Philippines or of a person thereunto duly authorized as its lawful agent, excluding the Postal Service when acting solely in its capacity as public carrier of mails.

b. If the entire security is substantially presented or surrendered by the owner, and BTr is satisfied as to identity of the security presented and the missing portions are not sufficient to form the basis of a valid claim(s) against the Republic of the Philippines.

7.0

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Grant of Relief

If upon examination of the proofs submitted, it is clearly shown to the satisfaction of BTr that the certificated GS has, without bad faith or gross negligence on the part of the owner, holder or assignee, been lost or stolen, so that it is not held by any person as his own property, or has been totally or partially destroyed, mutilated or defaced as to impair its value to the owner, relief may be granted, under the following rules:

a. If the security is not payable to bearer and has not been so assigned as to become in effect, payable to bearer, BTr shall:

> a.1 In case the security has not matured or become redeemable pursuant to a call for redemption, BTr shall proceed to register the security in the Registry of Scripless Securities ROSS); or,
>
> a.2 In case the security has matured or become redeemable pursuant to a call for redemption, make payment thereof to the owner with such interest only as would have been paid and the security been presented when it became due and payable.

b. If the security has been lost, stolen, mutilated or defaced while the security was in the custody or control of the Republic of the Philippines (excluding the Postal Service when acting solely as public carrier of mails) or of a person thereunto authorized as lawful agent of the National Government, BTr shall register the security in the ROSS or make payment thereof in line with subparagraphs (a.1) and (a.2) of paragraph (a) above.

c. If the security is payable to bearer, or so assigned as to become, in effect, payable to bearer, and has been lost, stolen, destroyed, or mutilated under circumstances not falling under paragraph b above, relief may be granted if the attendant circumstances, in the judgment of BTr, indicate that the security has been destroyed or irretrievably lost and will never become the basis of a valid claim against the issuing government entity, and a sufficient period of time has elapsed after the security has matured or become redeemable pursuant to a call for redemption. Relief shall be in the form of payment of the face value of the security together with interest only as would have been paid had the security been presented when it became due and demandable.

In case of death of the original claimant/holder/assignee of lost, stolen, defaced and mutilated GS, BTr shall grant the relief sought to the claimant’s successor/s in interest if, upon examination of the following proofs submitted and such other proofs as it may deem necessary to protect the interest of the National Government, it is clearly shown to its satisfaction that the successor/s in interest is/are entitled to relief, to wit:

a. Original Claimant’s Death Certificate;

b. Marriage Certificate, if applicable;

c. Birth Certificate/s of Successor/s in interest;

d. Affidavit/s of Successor/s in interest;

e. Waiver from other Successor/s in interest, if applicable.

9.0
Period to Claim Relief

Claim for payment of lost, stolen, defaced and mutilated GS which has matured but remain unredeemed shall be brought within ten (10) years from the time of the maturity of the GS.

10.0
Reservation of Rights

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BTr reserves the right to modify, amend, supplement, revise, prescribe or withdraw all or any of the provisions of this Order at any time, or from time to time.

11.0
Effectivity

This Office Order shall take effect immediately.

Adopted: 7 Sept. 1998

(SGD.) PROF. LEONOR MAGTOLIS BRIONES
Treasurer of the Philippines

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