

FURTHER AMENDING REPUBLIC ACT NUMBERED TWO HUNDRED SIXTY-FIVE, AS AMENDED, OTHERWISE KNOWN AS "THE CENTRAL BANK ACT";

PRESIDENTIAL DECREE NO. 1827, January 16, 1981

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WHEREAS, it is the responsibility of the Central Bank of the Philippines to administer the monetary, banking and credit system of the Republic, and as the central monetary authority, to provide policy direction in the areas of money, banking and credit;

WHEREAS, monetary, banking and credit policies should be more responsive to the requirements of economic development;

WHEREAS, the Central Bank should be given greater flexibility in the use of its credit facilities to meet the demands of economic development;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order the amendment of Republic Act No. 265, as amended, as follows:

SECTION 1. A new paragraph is hereby added after the second paragraph of Section 4 of Republic Act No. 265, as amended, to read as follows:

"The Central Bank may compromise, done or release, in whole or in part, any claim of or settled liability to the Bank, regardless of the amount involved, under such terms and conditions as may be imposed by the Monetary Board to protect the interests of the Bank."

SEC. 2. Section 13 of the same Act is hereby amended to read as follows:

"SEC. 13. Withdrawal of persons having a personal interest. —Whenever any member attending a meeting of the Monetary Board has a material personal interest, directly or indirectly, in the discussion or resolution of any given matter, said member shall not participate in the discussion or resolution of the matter and must retire from the meeting during the deliberations thereon. The subject matter, when resolved, and the fact that a member had a personal interest in it, shall be made available to the public. The minutes of the meeting shall note the withdrawal of the member concerned."

SEC. 3. Section 25 of the same Act is hereby amended to read as follows:

"SEC. 25. Creation of the appropriate departments. —In order to assure the observance of this Act and of other pertinent laws, and of the rules and regulations of the Monetary Board, the Central Bank shall have appropriate supervising and examining departments which shall be charged with the supervision and periodic or special examinations of banking institutions operating in the Philippines, including all Government credit institutions, including their subsidiaries and affiliates, non-bank financial intermediaries, and subsidiaries and affiliates of non-bank financial intermediaries performing quasi-banking functions: Provided, That affiliates of banking institutions, non-bank financial intermediaries, and subsidiaries and affiliates of non-bank financial intermediaries performing quasi-banking functions may be subject to special examination if the circumstances so warrant as determined by the Monetary Board: Provided, further, That a subsidiary means a corporation

more than 50% or the voting stock of which is owned by a banking institution or non-bank financial intermediary and an affiliate means a corporation which is related or linked to such institution or intermediary through common stockholders or such other factors as may be determined by the Monetary Board. The supervising and/or examining departments shall discharge their responsibilities in accordance with the instructions of the Monetary Board.

"The department heads and the examiners of the supervising and/or examining departments are hereby authorized to administer oaths to any director, officer, or employee of any institution under their respective supervision or subject to their examination and to compel the presentation of all books, documents, papers or records necessary in their judgment to ascertain the facts relative to the true condition of any institution as well as the books and records of persons and entities relative to or in connection with the operations, activities or transactions of the institution under examination."

"No restraining order or injunction shall be issued by the court enjoining the Central Bank from examining any institution subject to supervision or examination by the Central Bank, unless there is convincing proof that the action of the Central Bank is plainly arbitrary and made in bad faith and the petitioner or plaintiff files with the clerk or judge of the court in which the action is pending a bond executed in favor of the Central Bank, in an amount to be fixed by the court. The restraining order or injunction shall be refused or, if granted, shall be dissolved upon filing by the Central Bank of a bond, which shall be in the form of cash or Central Bank cashier's check, in an amount twice the amount of the bond of the petitioner or plaintiff conditioned that it will pay the damages which the petitioner or plaintiff may suffer by the refusal or the dissolution of the injunction. The provisions of Rule 58 of the New Rules of Court insofar as they are applicable and not inconsistent with the provisions of this Section shall govern the issuance and dissolution of the restraining order or injunction contemplated in this Section."

SEC. 4. Section 27 of the same Act is hereby amended to read as follows;

"SEC. 27. Prohibitions.—Personnel of the Central Bank are hereby prohibited from:

- Being an officer, director, employee, or stockholder, directly or indirectly, of any institution subject to supervision or examination by the Central Bank, except non-stock savings and loan associations and provident funds organized exclusively for employees of the Central Bank, and except as otherwise provided in this Act;
- Receiving any gift or thing of value from any officer, director, or employee thereof;
- Revealing in any manner, except under order of the court, or under such conditions as may be prescribed by the Monetary Board, information relating to the condition or business of any such institution. This prohibition shall not be held to apply to the giving of information to the Monetary Board or the Governor of the Central Bank, or to any person authorized by either of them, in writing, to receive such information.

"Notwithstanding the provisions of this Section and Section 8, members of the Monetary Board and deputy-governors and other personnel of the Central Bank may become directors of any institution subject to supervision or examination by the Central Bank and of any entity related to such institution in connection with financial assistance extended by the Central Bank to such institution and when in the opinion of the Monetary Board it is appropriate to make such designation to protect the interest of the Central Bank.

"Borrowing from any institution subject to supervision or examination by the Central Bank by examiners and other personnel of the supervising and examining departments of the Central Bank shall be prohibited only with respect to the particular institution in which they are assigned, or are conducting an examination: Provided, however, That any credit union or cooperative composed of personnel of the supervising and examining departments of the Central Bank may borrow any time from such institution, subject to Monetary Board approval and provided that the loan is fully secured. Personnel of other departments, offices, or units of the Central Bank shall likewise be prohibited from borrowing from any financial institution during the period

of time that an application with the Central Bank of such institution is being evaluated, processed, or acted upon by such personnel: Provided, however, That the Monetary Board may, at its discretion, indicate the position levels or functional groups to which the prohibition is applicable.

"Borrowing by all full-time Central Bank personnel from any institution subject to supervision or examination by the Central Bank shall be fully secured, fully disclosed to the Monetary Board, and shall be subject to such further rules and regulations as the Monetary Board may prescribe."

SEC. 5. Section 28-A of the same Act is hereby amended to read as follows:

"SEC. 28-A. Appointment of conservator.— Whenever, on the basis of a report submitted by the appropriate supervising or examining department, the Monetary Board finds that a bank or a non-bank financial intermediary performing quasi-banking functions is in a state of continuing inability or unwillingness to maintain a condition of solvency and liquidity deemed adequate to protect the interest of depositors and creditors, the Monetary Board may appoint a conservator to take charge of the assets, liabilities, and the management of that institution, collect all monies and debts due said institution and exercise all powers necessary to preserve the assets of the institution, reorganize the management thereof, and restore its viability. He shall have the power to overrule or revoke the actions of the previous management and board of directors of the bank or non-bank financial intermediary performing quasi-banking functions, any provision of law to the contrary notwithstanding, and such other powers as the Monetary Board shall deem necessary.

"As much as practicable, the conservator should not be connected with the Central Bank but should be competent and knowledgeable in bank operations and management. The remuneration of the conservator and other expenses attendant to the conservatorship shall be borne by the bank or non-bank financial intermediary performing quasi-banking functions concerned. He shall report and be responsible to the Monetary Board until such time as the Monetary Board is satisfied that the institution can continue to operate on its own and the conservatorship is no longer necessary. The conservatorship shall likewise be terminated should the Monetary Board, on the basis of the report of the conservator or of its own findings, determine that the continuance in business of the institution would involve probable loss to its depositors or creditors, in which case the provision of Section 29 shall apply."

SEC. 6. Section 29 of the same Act is hereby amended to read as follows:

"SEC. 29. Proceedings upon insolvency.— Whenever, upon examination by the head of the appropriate supervising or examining department or his examiners or agents into the condition of any bank or non-bank financial intermediary performing quasi-banking functions, it shall be disclosed that the condition of the same is one of insolvency, or that its continuance in business would involve probable loss to its depositors or creditors, it shall be the duty of the department head concerned forthwith, in writing, to inform the Monetary Board of the facts, and the Board may, upon finding the statements of the department head to be true, forbid the institution to do business in the Philippines and shall designate an official of the Central Bank or a persons of recognized competence in banking or finance, as receiver to immediately take charge of its assets and liabilities, as expeditiously as possible collect and gather all the assets and administer the same for the benefit of its creditors, exercising all the powers necessary for these purposes including, but not limited to, bringing suits and foreclosing mortgages in the name of the bank or non-bank financial intermediary performing quasi-banking functions.

"The Monetary Board shall thereupon determine within sixty days whether the institution may be reorganized or otherwise placed in such a condition so that it may be permitted to resume business with safety to its depositors and creditors and the general public and shall prescribe the conditions under which such resumption of business shall take place as well as the time for fulfillment of such conditions. In such case, the expenses and fees in the collection and administration of the assets of the institution shall be determined by the Board and shall be paid to the Central Bank out of the assets of such banking institution.

"If the Monetary Board shall determine and confirm within the said period that the bank or non-bank financial intermediary performing quasi-banking functions is insolvent or cannot resume business with safety to its depositors, creditors and the general public, it shall, if the public interest requires, order its liquidation, indicate the manner of its liquidation and approve a liquidation plan. The Central Bank shall, by the Solicitor General, file a petition in the Court of First Instance reciting the proceedings which have been taken and praying the assistance of the court in the liquidation of such institution. The court shall have jurisdiction in the same proceedings to adjudicate disputed claims against the bank or non-bank financial intermediary performing quasi-banking functions and enforce individual liabilities of the stockholders and do all that is necessary to preserve the assets of such institution and to implement the liquidation plan approved by the Monetary Board. The Monetary Board shall designate an official of the Central Bank, or a person of recognized competence in banking or finance, as liquidator who shall take over the functions of the receiver previously appointed by the Monetary Board under this Section. The liquidator shall, with all convenient speed, convert the assets of the banking institution or non-bank financial intermediary performing quasi-banking functions to money or sell, assign or otherwise dispose of the same to creditors and other parties for the purpose of paying the debts of such institution and he may, in the name of the bank or non-bank financial intermediary performing quasi-banking functions, institute such actions as may be necessary in the appropriate court to collect and recover accounts and assets of such institution.

"The provisions of any law to the contrary notwithstanding, the actions of the Monetary Board under this Section and the second paragraph of Section 34 of this Act shall be final and executory, and can be set aside by the court only if there is convincing proof that the action is plainly arbitrary and made in bad faith. No restraining order or injunction shall be issued by the court enjoining the Central Bank from implementing its actions under this Section and the second paragraph of Section 34 of this Act, unless there is convincing proof that the action of the Monetary Board is plainly arbitrary and made in bad faith and the petitioner or plaintiff files with the clerk or judge of the court in which the action is pending a bond executed in favor of the Central Bank, in an amount to be fixed by the court. The restraining order or injunction shall be refused or, if granted, shall be dissolved upon filing by the Central Bank of a bond, which shall be in the form of cash or Central Bank cashier's check, in an amount twice the amount of the bond of the petitioner or plaintiff conditioned that it will pay the damages which the petitioner or plaintiff may suffer by the refusal or the dissolution of the injunction. The provisions of Rule 58 of the New Rules of Court insofar as they are applicable and not inconsistent with the provisions of this Section shall govern the issuance and dissolution of the restraining order or injunction contemplated in this Section.

"Insolvency, under this Act, shall be understood to mean the inability of a bank or non-bank financial intermediary performing quasi-banking functions to pay its liabilities as they fall due in the usual and ordinary course of business: Provided, however, That this shall not include the inability to pay of an otherwise non-insolvent bank or non-bank financial intermediary performing quasi-banking functions caused by extraordinary demands induced by financial panic commonly evidenced by a run on the bank or non-bank financial intermediary performing quasi-banking functions in the banking or financial community.

"The appointment of a conservator under Section 28-A of this Act or the appointment of a receiver under this Section shall be vested exclusively with the Monetary Board, the provision of any law, general or special, to the contrary notwithstanding."

SEC. 6. Section 30 of the same Act is hereby amended to read as follows;

"SEC. 30. Distribution of assets.â"€ In case of liquidation of a bank or non-bank financial intermediary performing quasi-banking functions, after payment of the costs of the proceedings, including reasonable expenses and fees of the Central Bank to be allowed by the court, the Central Bank shall pay the debts of such institution, under order of the Court in accordance with their legal priority."

SEC. 7. Section 31 of the same Act is hereby amended to read as follows:

"SEC. 31. Disposition of fees and commissions.— All costs and fees earned by the Central Bank in winding up the affairs and administering the assets of any bank or non-bank financial intermediary performing quasi-banking functions within the purview of this Act shall be used to pay the salaries of the clerks and other employees whose employment is rendered necessary in the discharge of the trust, together with other additional expenses caused thereby. The balance of fees and costs earned, after the payment of all expenses, shall be for the account of the Central Bank."

SEC. 8. Section 32 of the same Act is hereby amended to read as follows:

"SEC. 32. Refusal to make reports or permit examination.—Any owner, agent, manager, or other officer-in-charge of any institution subject to the supervision or examination by the Central Bank within the purview of this Act who, being thereunto required in writing by the Monetary Board or by the head of the appropriate supervising and examining department shall wilfully refuse to file the required report or permit any lawful examination into the affairs of such institution shall be punished by a fine of not more than ten thousand pesos or by imprisonment for not more than one year, or both, in the discretion of the court."

SEC. 9. The second paragraph of Section 34 of the same Act is hereby amended to read as follows:

"Whenever a bank or non-bank financial intermediary performing quasi-banking functions persists in violating its charter or by-laws or any law, or orders, instructions, rules or regulations issued by the Monetary Board, or whenever a bank or non-bank financial intermediary performing quasi-banking functions persists in carrying on its business in an unlawful or unsafe manner, the Board may without prejudice to the penalties provided in the preceding paragraph of this section and the administrative sanctions provided in Section 34-A of this Act take action under Section 29 of this Act."

SEC. 10. The first paragraph of Section 34-A of the same Act is hereby amended to read as follows:

SEC. 34-A. Administrative sanctions on banks.—The Monetary Board is hereby authorized at its discretion, to impose upon banking institutions, their directors and/or officers, for any willful delay in the submission of reports or publications thereof as required by law, rules and regulations; any refusal to permit examination into the affairs of the institution; any willful making of a false statement to the Board or the appropriate supervising and examining department or its examiners; any willful failure or refusal to comply with, or violation of, any banking law or any order, instruction or regulation issued by the Monetary Board, or any order, instruction or ruling by the Governor; or any commission of irregularities, and/or conducting business in an unsafe or unsound manner as may be determined by the Monetary Board, the following administrative sanctions:

- Fines not in excess of five hundred pesos a day for each type of violation;
- Suspension, or removal of directors and/or officers;
- Suspension of rediscounting privileges;
- Suspension of lending or foreign exchange operations or authority to accept new deposits or make new investments;
- Suspension of interbank clearing privileges; and/or
- Suspension of authority to operate.

The Monetary Board may preventively suspend any bank director or officer pending an investigation whenever warranted by the circumstances as determined by the Monetary Board. When the case against the director or officer under preventive suspension is not finally decided by the Central Bank within a period of ninety (90) days after the date of suspension, said director or officer shall be reinstated in his position. Provided, That when the delay in the disposition of the case is due to the fault, negligence or petition of the director or officer, the period of

delay shall not be counted in computing the period of suspension herein provided."

SEC. 11. The first paragraph of Section 34-B of the same Act is hereby amended to read as follows:

"SEC. 34-B. Administrative sanctions on non-bank financial intermediaries performing quasi-banking functions.—The Monetary Board is hereby authorized, at its discretion, to impose upon non-bank financial intermediaries performing quasi-banking functions, their directors and/or officers, for any willful delay in the submission of reports or publications thereof as required by law, rules and regulations; any refusal to permit examination into the affairs of the institution; any willful making of a false statement to the Board or to the appropriate supervising or examining department or its examiners; any willful failure or refusal to comply with, or violation of, any law pertaining to non-bank financial intermediaries performing quasi-banking functions or any order, institution or regulation issued by the Monetary Board, or any order, instruction or ruling by the Governor; or any commission of irregularities, the following administrative sanctions:

- Fines not in excess of five hundred pesos a day for each type of violation;
- Suspension or, removal of directors and/or officers;
- Suspension of access to Central Bank credit facilities; and/or
- Suspension or, after due hearing, revocation of quasi-banking license.

The Monetary Board may preventively suspend any director or officer of a non-bank financial intermediary performing quasi-banking functions pending an investigation whenever warranted by the circumstances as determined by the Monetary Board. When the case against the director or officer under preventive suspension is not finally decided by the Central Bank within a period of ninety (90) days after the date of suspension, said director or officer shall be reinstated: Provided, That when the delay in the disposition of the case is due to the fault, negligence or petition of the director or officer, the period of delay shall not be counted in computing the period of suspension herein provided."

SEC. 12. The third paragraph of Section 49 of the same Act is hereby deleted and the second paragraph of the same Section is hereby amended to read as follows:

"Any modification in the gold or dollar value of the peso must be in conformity with the provisions of all executive and international agreements subscribed to and ratified by the Republic of the Philippines, and such modification shall be made only by the President of the Republic upon the proposal of the Monetary Board. The proposal of the Monetary Board shall require the concurrence of at least five of the members of the Board."

SEC. 13. The second paragraph of Section 85 of the same Act is hereby amended to read as follows:

"The Monetary Board may also require other persons and entities to report to it currently all transactions or operations in gold, in any shape or form, and in foreign exchange whether entered into or undertaken by them directly or through agents, or to submit such data as may be required on operations or activities giving the rise to or in connection with or relating to a gold or foreign exchange transaction. The Monetary Board shall prescribe the forms on which such declarations must be made. The accuracy of the declarations may be verified by the Central Bank by whatever inspection it may deem necessary."

SEC. 14. Subsections A and B of Section 88 of the same Act is hereby amended to read as follows:

"A. Under special circumstances in which the Monetary Board considers it advisable to promote or facilitate the lending operations, or certain classes thereof, of banking institutions engaged in long-term financing, the Central Bank may grant loans or advances to said institutions against pledge or assignment of payments, installments or amortizations of their borrowers. The Monetary Board shall prescribe the loan value on

applications for loans or advances based on the payments, installments or amortizations pledged or assigned: Provided, however, That the Central Bank shall finance said loans from non-inflationary sources and shall establish additional safeguards as it deems proper Provided, further, That such loans and advances may be secured by other assets which are defined as acceptable security by a concurrent vote of at least five members of the Monetary Board.

"In granting loans and advances under this subsection, the Central Bank shall first ascertain that the payments, installments and amortizations to be pledged or assigned to it are in no case currently in arrears and that said payments, installments and amortizations are related to credit operations which in every case are adequately secured by mortgages. Said mortgages shall be assigned to the Central Bank."

"B. Under special circumstances, such as the encouragement of bank mergers and consolidations or the rehabilitation of industries, in which the Monetary Board considers it advisable to properly and effectively achieve the objectives mentioned in Section 2 of this Act and to discharge its responsibility of administering the banking system, the Central Bank may grant loans or advances to the Development Bank of the Philippines or to any appropriate Government financial institution under such terms and conditions as may be prescribed by the Monetary Board which loans or advances shall be used by the Development Bank of the Philippines or such Government financial institution to purchase shares of stock of a banking institution or a distressed industrial establishment in the Philippines for resale to the general public: Provided, however, That the amounts of such loans and advances which may be released at any given period of time shall be compatible with the requirements of stability: Provided, further, That such loans and advances are secured by assets which are defined as acceptable security by a concurrent vote of at least five members of the Monetary Board.

"For the purpose of this subsection, the Development Bank of the Philippines shall be authorized to underwrite, purchase, sell pledge, mortgage or otherwise dispose of shares of stock of a banking institution or an industrial establishment in the Philippines."

SEC. 15. The same Act is hereby amended by adding a new section after Section 88 thereof to read as follows:

'SEC. 88-A. The Central Bank may extend loans and advances to banking institutions for a period of not more than seven (7) days without any collateral for the purpose of providing the banking system with liquid funds in times of need and influencing interest rate levels."

SEC. 16. A new paragraph is hereby added after the second paragraph of Section 90 of the same Act and the last paragraph of the same Section is hereby amended, to read as follows:

"The Monetary Board may, with the concurrent vote of at least five of its members, waive the collateral requirement under this Section and subsections A and B of Section 88 for loans to banking institutions, majority of the capital stock of which is owned by a Government financial institution: Provided, however, That loans and advances to banking institutions controlled by a Government financial institution shall be secured by a guarantee of such Government financial institution.

"In connection with the exercise of these powers, the prohibitions in Section 133 of this Act shall not apply insofar as it refers to acceptance as collateral of shares and their acquisition as a result of foreclosure proceedings, including the exercise of voting rights pertaining to said shares: Provided, however, That should the Central Bank acquire any of these shares it has accepted as collateral as a result of foreclosure proceedings, the Central Bank shall dispose of said shares to the public within one year from the date of consolidation of title by the Central Bank."

SEC. 17. The last paragraph of Section 100 of the same Act is hereby amended to read as follows:

"The Monetary Board may exempt from reserve requirements deposits and deposit substitutes with remaining maturities of two years or more, as well as inter-bank borrowings."

SEC. 18. Section 104 of the same Act is hereby amended to read as follows:

"SEC. 104. Increase in reserve requirements. —Whenever it becomes necessary, in the opinion of the Monetary Board, to increase reserve requirements against existing liabilities, the increase shall be made in a gradual manner and shall not exceed four percentage points in any thirty-day period. Banks and other affected financial institutions shall be notified reasonably in advance of the date on which such increase is to become effective."

SEC. 19. Section 105 of the same Act is hereby amended to read as follows:

"SEC. 105. Computation on reserves.—The reserve position of each bank or non-bank financial intermediary with quasi-banking functions shall be calculated daily on the basis of the amount, at the close of business for the day, of the institutions reserves and the amount of its liability accounts against which reserves are required to be maintained.

"For the purpose of computing the reserve position of each bank or non-bank financial intermediary with quasi-banking functions, its principal office in the Philippines and all its branches and agencies located therein shall be considered as a single unit."

SEC. 20. Section 106 of the same Act is hereby amended to read as follows:

"SEC. 106. Reserve deficiencies.—Whenever the reserve position of any bank or non-bank financial intermediary performing quasi-banking functions, computed in the manner specified, in the preceding section of this Act, is below the required minimum, the bank or non-bank financial intermediary performing quasi-banking functions shall pay the Central Bank one-tenth of one per cent (1/10 of 1%) per day on the amount of the deficiency: Provided, however, That banks and non-bank financial intermediaries performing quasi-banking functions shall ordinarily be permitted to offset any reserve deficiency occurring on one or more days of the week with any excess reserves which they may hold on other days of the same week and shall be required to pay the penalty only on the average daily deficiency during the week. In cases of abuse, the Monetary Board may deny any bank or non-bank financial intermediary performing quasi-banking functions the privilege of offsetting reserve deficiencies in the aforesaid manner.

"If a bank or non-bank financial intermediary performing quasi-banking functions chronically has a reserve deficiency, the Monetary Board may limit or prohibit the making of new loans or investments by the institution and may require that part or all of the net profits of the institution be assigned to surplus.

"The Monetary Board may modify or set aside the reserve deficiency penalties provided in this section, for part or the entire period of a strike or lockout affecting a bank or a non-bank financial intermediary performing quasi-banking functions as defined in the Labor Code, or of a national emergency affecting operations of banks or non-banks financial intermediaries performing quasi-banking functions."

SEC. 21. Section 122 of the same Act is hereby amended to read as follows:

"SEC. 122. Issue of Government Obligations.—The issue of securities representing obligations of the Government, its political subdivisions or instrumentalities, shall be made through the Central Bank, which shall act as agent of, and for the account of, the Government or its respective subdivisions or instrumentality, as the case may be: Provided, however, That the Bank shall not guarantee the placement of said securities and shall not subscribe to their issue except to replace its maturing holdings of securities with the same type as the maturing securities."

SEC. 22. Section 130 of the same Act is hereby amended to read as follows:

"SEC. 130. Tax exemptions.—The provisions of any general or special law to the contrary notwithstanding, the Central Bank of the Philippines shall be exempt from all national, provincial, municipal and city taxes, fees, charges and assessments now in force or hereafter established.

"The exemptions authorized in the preceding paragraph of this section shall apply to all property of the Central Bank, to the resources, receipts, expenditures, profits and income of the Bank, as well as to all contracts, deeds, documents and transactions related to the conduct of the business of the Bank: Provided, however, That said exemptions shall apply only to such taxes, fees, charges and assessments for which the Central Bank itself would otherwise be liable, and shall not apply to taxes, fees, charges, or assessments payable by persons or other entities doing business with the Central Bank: Provided, finally, That foreign loans and other obligations of the Central Bank shall be exempt both as to principal and interest, from any and all taxes if the payment of such taxes has been assumed by the Bank."

SEC. 23. Section 131 of the same Act is hereby amended to read as follows:

"SEC. 131. Exemption from customs duties.—The provision of any general or special law to the contrary notwithstanding, the importation and exportation by the Central Bank of notes and coins, and of gold and other metals to be used for purposes authorized under this Act, and the importation of all equipment needed for furnishing, equipping and operating the offices of the Bank, shall be fully exempt from all customs duties and consular fees and from all other taxes, assessments and charges related to such importation or exportation."

SEC. 24. All laws, acts, decrees, orders, instructions and rules and regulations or parts thereof which are inconsistent herewith are hereby revoked or modified accordingly.

SEC. 25. 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 of the Philippines

By the President:

(Sgd.) JUAN C. TUVERA
Presidential Executive Assistant

Vol. 25, Vital Documents, Presidential Decree 1980-1981

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