

INSTITUTING A PROCEDURE FOR THE MANAGEMENT OF SPECIAL AND FIDUCIARY FUNDS EARMARKED OR ADMINISTERED BY DEPARTMENTS, BUREAUS, OFFICES AND AGENCIES OF THE NATIONAL GOVERNMENT, INC...

PRESIDENTIAL DECREE NO. 1234, November 08, 1977

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WHEREAS, the establishment of Special and Fiduciary Funds has been authorized from time to time in order to facilitate the funding of priority activities of Government, including those undertaken by government-owned or controlled corporations;

WHEREAS, the proper management of government finances makes it necessary to institute a standard procedure in the release and control of Special and Fiduciary Funds;

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

SECTION 1. All income and collections for Special or Fiduciary Funds authorized by law shall be remitted to the Treasury and treated as Special Accounts in the General Fund, including the following:

- Philippines Coconut Authority—Coconut Development Fund, including all income derived therefrom under Sections 13 and 14 of Republic Act No. 1145; Coconut Investment Fund under Section 8, of Republic Act No. 6260, including earnings, profits, proceeds and interests derived therefrom; Coconut Consumers Stabilization Fund under Section 3-A of P.D. No. 232, as inserted by Section 3 of P. D. No. 414 and under paragraph 1(a) of P. D. No. 276; Coconut Industry Development Fund under Section 3-B of P. D. No. 232, as inserted by Section 2 of P. D. No. 582; and all other fees accruing to the Philippine Coconut Authority under the provisions of Section 19 of Republic Act No. 1365, in accordance with Section 2 of P. D. No. 755 and all other income accruing to the Philippine Coconut Authority under existing laws.
- Philippine Port Authority—Percentage retention from collections of fees, charges and fines authorized under Section 12 of P. D. No. 505; the license fees collected under Section 6-a) (iv) of P. D. No. 8517, the dues, rates and charges levied under Section 6-b) (ix), the dues under Section 19 and the rates and charges under Section 20 of the same decree; and all the balances of any income or revenue applied to the general reserves or other reserves of the Philippine Port Authority under the provisions of Section 11 of P. D. No. 857, including the income from investment under Section 12 of said decree.
- Philippine Sugar Commission—All charges, fees and contributions levied and collected pursuant to Section 4(c) and (g), P. D. No. 388, as amended by Section 2 of P. D. No. 1192, and Section 13 of P. D. No. 388, as inserted by Section 6 of P. D. No. 1192.
- Philippine Tobacco Administration—The Tobacco Industry Promotion and Market Stabilization Fund under Section 1 of P. D. No. 288 amending the first paragraph of Section IB of Article 8 of R.A. No. 1135, as amended by R. A. No. 2233. R.A. No. 4114 and R. A. No. 5555.

- Philippine Tourism Authority—All taxes collected on travel fares under Sections 3 and 4 of Republic No. 1478, as amended by P. D. No. 1205, including license fees collected pursuant to Sections 2(e) and 6 thereof, pursuant to Section 11 of P. D. No. 189; additional taxes on travel under Section C of Republic Act No. 6141, as amended by P. D. No. 1205, including the percentage taxes on stock transactions under Section 4, and surcharges under Section 5 thereof, as well as hotel room taxes collected under the National Internal Revenue Code, pursuant to Section 11 of P. D. No. 189 and LOI No. 397; all fees, rentals, and charges under Section 5-G-11 of P. D. No. 564, and the proceeds from taxes, fees, charges, rentals and income under Section 7 of said decree, as exempted from the operations of P. D. No. 711, pursuant to LOI No. 397; and all proceeds of travel taxes imposed under Section 1 of P. D. No. 1183, as amended by P. D. No. 1205.

- Philippine Virginia Tobacco Administration—The Tobacco Fund, which includes the proceeds collected from tariff or taxes of imported leaf tobacco and specific taxes on locally manufactured Virginia Type cigarettes, under Section 5 of R.A. No. 4155, as amended by Section 7 of P. D. No. 1142.

- Department of Energy and Affiliated Agencies/Corporations —All license fees and charges collected from refineries pursuant to Section 12(b) iii-(4) of P. D. No. 1206; and all extraordinary gains resulting from government-approved price increases or from existing inventories acquired prior to such, cost increases, under Section 7(j) of Republic Act No. 6173, as amended by Section 1 of P.D. No. 389-A and Section 1 of P. D. No. 456, as further amended by P. D. No. 800, and finally amended by P.D. No. 1206, including income to the Special Fund created under Section. 8(j) of R. A. No. 6173, as amended by P. D. No. 1206.

- Department of Local Government and Community Development and Affiliated Agencies—The Cooperatives Development Loan Fund created by P. D. No. 175.

- Other offices and agencies of the National Government and government-owned or controlled corporation—All income derived from measures authorized by law, including receipts from taxes, duties, dues, fees, charges, levies, fines, imposts; rates; gains or any other collections, revenues which are exempted by law from coverage of P. D. No. 711 or are otherwise earmarked by law for specific activities or which otherwise accrue directly to such offices or agencies, including government-owned or controlled corporations, but excluding income from business or commercial operation in the case of government-owned or controlled corporations.

SEC. 2. The amounts collected and accruing to Special or Fiduciary Funds shall be considered as being automatically appropriated for the purposes authorized by law creating the said Funds except as may be otherwise provided in the General Appropriations Decree.

SEC. 3. The amounts collected under Special or Fiduciary Funds shall be released to the implementing agencies subject to the approval of the President and to Special Budgets under Section 40 of P. D. No. 1177: Provided, That funds needed for regular operation or other duly authorized purposes may be automatically released under such conditions as may be approved by the President.

SEC. 4. The funds once released shall be administered by the government agency or corporation concerned and shall be utilized only for the purposes authorized in the law creating the said Special or Fiduciary Funds.

SEC. 5. Nothing in this Decree shall be construed as changing the status of income authorized by law, from General Fund receipts to Special or Fiduciary Fund receipts.

SEC. 6. All the provisions of laws, decrees, letters of instructions, orders, rules and regulations or parts thereof which are inconsistent with or contrary to any of the provisions of this Decree are hereby repealed, amended and/or modified accordingly.

SEC. 7. The Secretary of Finance and the Commissioner of the Budget shall issue the rules and regulations needed to implement this Decree.

SEC. 8. This Decree shall take effect immediately. Done in the City of Manila, this 8th day of November, in the year of Our Lord, nineteen hundred and seventy-seven.

Done in the City of Manila, this 8th day of November,, in the year of Our Lord, nineteen hundred and seventy-seven.

(Sgd.) FERDINAND E. MARCOS
President of the Philippines

By the President:

(Sgd.) JACOBO C. CLAVE
Presidential Executive Assistant

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