

[PRESIDENTIAL DECREE NO. 588, November 27, 1974]

FURTHER AMENDING REPUBLIC ACT NUMBERED FOUR THOUSAND EIGHT HUNDRED SIXTY, AS AMENDED (RE FOREIGN BORROWING ACT).

WHEREAS, it is imperative particularly at this time to have access to funds from abroad for developmental purposes;

WHEREAS, there is need to make the borrowing legislation responsive to the lending policies of international financial institutions, as well as bilateral sources:

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

SECTION 1. Section four of Republic Act Numbered Four Thousand Eight Hundred Sixty, as amended, is further amended to read as follows:

"**SEC. 4.** In the contracting of any loan, credit or indebtedness under this Act, the President of the Philippines may, when necessary, agree to waive or modify the application of any law granting preferences in connection with, or imposing restrictions on, the procurement of goods or services, including among others. Act Numbered Four Thousand Two Hundred Thirty-Nine. Commonwealth Act Numbered One Hundred Thirty-Eight, the provisions of Commonwealth Act Numbered Five Hundred Forty-One. insofar as such provisions do not pertain to constructions primarily for national defense or security purposes. Republic Act Numbered Nine Hundred Twelve, and Republic Act Numbered Five Thousand One Hundred Eighty-Three: *Provided, however*, That as far as practicable, utilization of the services of qualified domestic firms, in the prosecution of projects financed under this Act shall be encouraged: *Provided, further*, That the matter of preference in favor of articles, materials, or supplies of the growth, production or manufacture of the Philippines, including the method or procedure in the comparison of bids for purposes therefor, shall be the subject of agreement between the Philippine Government and the lending institution."

SEC. 2. This Decree shall take effect immediately.

Done in the City of Manila, this 27th day of November, in the year of Our Lord, nineteen hundred and seventy-four.

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

By the President: