

[PRESIDENTIAL DECREE NO. 621-A, December 23, 1974]

FURTHER AMENDING SECTIONS 2 AND 3 OF REPUBLIC ACT NUMBERED FORTY-EIGHT HUNDRED SIXTY AS AMENDED (RE: FOREIGN BORROWING ACT.)

WHEREAS, the Government's Development Plan entails a massive investment in order to sustain and advance the social and economic development heretofore attained' for the welfare of the nation;

WHEREAS, sizeable portion of the funding requirements of the Development Plan has to be generated from foreign borrowing particularly to provide the foreign exchange costs for the importation of capital equipment, materials and technical services urgently needed to maintain the sustained and continuing implementation of the various priority developmental projects embarked upon by the Government;

WHEREAS, the present ceiling of US\$1 Billion or its equivalent in other foreign currencies on the aggregate amount of foreign loans that may be contracted directly by the National Government, and of US\$500 Million or its equivalent in foreign currencies that may be incurred under government guarantee by eligible entities including government-owned and/or-controlled corporations and financial institutions, prescribed under the Foreign Borrowing Act which was enacted in 1970, have balances considered insufficient to meet the foreign borrowing program formulated consistent with national development goals of the Government;

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 that:

SECTION 1. Section 2 of Republic Act Numbered Four Thousand Eight Hundred Sixty, as amended, is further amended to read as follows:

SEC. 2. The total amount of loans, credits or indebtedness, excluding interests and other normal banking charges which shall not be in excess of those imposed or charged by the International Bank for Reconstruction and Development, the Asian Development Bank or other reputable international organization or non-governmental national or international lending institution which the President is authorized to incur under Section one of this Act shall not exceed five billion United States dollars or its equivalent in other foreign currencies at the exchange rate prevailing at the time the loans, credit or indebtedness are incurred at terms of payment of not less than 10 years except those contracted in the interest of national security and rehabilitation resulting from natural calamities: *Provided*, That the price, interest rates and other charges on loans, credits or indebtedness from non-governmental national or international lending institutions or firms extending supplier's credits or deferred credit arrangements shall be determined by the rules and regulations which may be promulgated by the Central Bank: *Provided, finally*, That seventy-five *per centum* of such total authorized amount of five billion United States dollars or its equivalent in other currencies shall be incurred for projects of the public sector and twenty-five *per centum*