

[PRESIDENTIAL DECREE NO. 120, January 29, 1973]

AMENDING REPUBLIC ACT NUMBERED THREE THOUSAND FIVE HUNDRED NINETY-ONE, AS AMENDED, ENTITLED "AN ACT ESTABLISHING THE PHILIPPINE DEPOSIT INSURANCE CORPORATION, DEFINING ITS POWERS AND DUTIES AND FOR OTHER PURPOSES"

WHEREAS, there were pending before Congress prior to the promulgation of Proclamation No. 1081, dated September 21, 1972, certain urgent measures proposing amendments to Republic Act No. 3591, as amended:

WHEREAS, the deposit insurance scheme has been adopted to generate more faith and confidence in the banking system and the Philippine Deposit Insurance Corporation, as an insurer of bank depositors, is entrusted not only with the vital role of protecting depositors from loss resulting from bank closures but also in helping develop a sound and stable banking system; and

WHEREAS, the recommendations contained in the report on the Philippine financial system which have been accepted, with certain modifications by the monetary authorities, included among others, certain proposals geared toward ensuring the effectiveness of the Corporation in performing its assigned tasks;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers in me vested by the Constitution as Commander-in-Chief of the Armed Forces of the Philippines, and pursuant to Proclamation No. 1081, dated September 21, 1972, and General Order No. 1, dated September 22, 1972, as amended, and in order to effect the desired changes and reforms in the social, economic, and political structure of our society, do hereby order and decree the amendment of Republic Act No. 3591, as amended, as follows:

SECTION 1. Section two of Republic Act Numbered Three thousand five hundred ninety-one, as amended, is hereby amended to read as follows:

"SEC. 2. The powers and functions of the Corporation shall be vested in a Board of Directors consisting of three (3) members one of whom shall be the Governor of the Central Bank of the Philippines and two of whom shall be citizens of the Republic of the Philippines to be appointed by the President of the Philippines with the consent of the Commission on Appointments. One of the appointive members shall be the Chairman of the Board of Directors of the Corporation who shall be appointed on a full time basis for a term of six (6) years at an annual compensation which shall be fixed by the President of the Philippines. The other appointive member, who shall be appointed for a term of four (4) years and the Governor of the Central Bank shall each receive a per diem of not exceeding fifty pesos (P50.00) for each day of meeting actually attended by them but in no case shall each of them receive more than five hundred pesos (P500.00) a month. In the event of vacancy in the office of the Governor of the Central Bank of the Philippines, and pending the appointment of his successor or during the absence of the Governor, the Acting Governor of the Central Bank of the Philippines shall act as