

[PRESIDENTIAL DECREE NO. 121[*], January 29, 1973]

AMENDING SECTION 1988 OF ACT NO. 2711, AS AMENDED, OTHERWISE KNOWN AS THE ADMINISTRATIVE CODE

WHEREAS, the Philippine Postal Savings Bank was established by the Government at a time when the number of existing banking institutions was unable to provide the necessary banking facilities for the safekeeping and investment of small savings, especially in the rural areas;

WHEREAS, over the years, private banking institutions of varying types and sizes have increased in number, and at present more than meet the banking needs of both rural and urban communities; and

WHEREAS, it is the declared policy of the Government to move out of areas of businesses where it has pioneered whenever the same could be amply served by private entrepreneurs;

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 Act No. 2711, as amended, as follows:

SECTION 1. Section one thousand nine hundred eighty-eight of the Administrative Code is hereby amended to read as follows:

"SEC. 1988. *Location of the Bank.* — The Central office of the Philippine Postal Savings Bank shall be in Manila and the Director of Posts shall establish, maintain and discontinue postal savings banks and branches thereof in such places as he shall deem proper: *Provided, however,* That postal savings banks and branches thereof shall not be established or maintained in places where banking services are already available: *Provided, further,* That within one year from the date of effectivity of this Act, existing postal savings banks shall be discontinued in places already served by banks whether private or government-owned: *And, provided, finally,* That within three years from the said date, all operations of the bank shall be completely discontinued and its remaining assets and liabilities shall be transferred to the Philippine National Bank or to any other appropriate existing government bank."

SEC. 2. This Decree shall take effect immediately.

Done in the City of Manila, this 29th day of January, in the year of Our Lord, nineteen hundred and seventy-three.

(Sgd.) **FERDINAND E. MARCOS**
President