

# [ PRESIDENTIAL DECREE NO. 150, March 13, 1973 ]

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

**WHEREAS**, there are indications from international financial organizations about future changes in their lending policies aimed at increasing the financing of local costs of certain projects; and

**WHEREAS**, experience has shown the need for flexibility in tapping foreign sources of funding;

**NOW, THEREFORE, I, FERDINAND E. MARCOS**, Commander-in-Chief of all the Armed Forces of the Philippines, pursuant to Proclamation No. 1104, dated January 17, 1973, and General Order No. 1, as amended, dated September 22, 1972, and in order to assure a sustained and accelerated implementation of our development program, do hereby order to amend further certain sections of Republic Act Number Four Thousand Eight Hundred Sixty, as amended, and to adopt this Decree as part of the law of the land.

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

**"SECTION 1.** The President of the Philippines is hereby authorized, in behalf of the Republic of the Philippines, to contract such loans, credits, including supplier's credit, deferred payment arrangements, and to enter into and conclude bilateral agreements involving other forms of official assistance such as grants and commodity credit arrangements or indebtedness as may be necessary and upon such terms and conditions as may be agreed upon, not inconsistent with this Act, with governments of foreign countries with whom the Philippines has diplomatic or trade relations or which are members of the United Nations, their agencies, instrumentalities or financial institutions or with reputable international organizations or non-governmental national or international lending institutions or firms extending supplier's credit or deferred payment arrangements to enable the Government of the Republic of the Philippines to:

"(A) Undertake, through any government office, agency or instrumentality, or government-owned/or controlled corporation, industrial, agricultural or other economic and social development projects and feasibility studies, which are authorized by law including but not limited to those enumerated in Annex 'A' including lists 1, 2, 3 and 4 hereof, which are made integral parts of the Act and such projects which may from time to time be recommended by the National Economic and Development Authority and approved by the President of the Philippines: *Provided*, That at least seventy-five percent of the loans, credits or indebtedness authorized to be obtained under this paragraph shall be spent for projects which are income-generating. Such foreign loans, credits or

indebtedness shall be used to meet the direct and indirect foreign exchange requirements and peso costs of the project including studies, technical surveys, equipment, machineries, supplies, construction, installation and related technical services: *Provided, further,* That whenever necessary, part of the proceeds of such loans credits or indebtedness shall be used for environmental, health, and ecological management and control;

"(B) Lend the proceeds of such loans, credits or indebtedness to government-owned or controlled corporations to finance development projects which are authorized by the charters of such corporations or by law: *Provided,* That the proceeds of said loans, credits or indebtedness shall likewise be used to meet the direct and indirect foreign exchange requirements and peso costs of the project including studies, technical surveys, equipment, machineries, supplies, construction, installation and related technical services;

"(C) Lend the proceeds of such loans, credits or indebtedness to the Development Bank of the Philippines which shall administer said proceeds in accordance with the agreement with the foreign creditor for relending to individuals, partnerships, cooperatives, associations or private corporations, whose capital stock, if not fully subscribed, is open to subscription by the general public to meet the direct and indirect foreign exchange requirements including peso costs for such industrial, agricultural and other economic development projects, subject to the provisions of the charter, rules and regulations of said bank and to the terms and conditions agreed upon by the government and the institution providing financing for the projects: *Provided,* That the Development Bank of the Philippines shall pay the Republic of the Philippines at least for the principal, interests and other charges on such loans, credits or indebtedness turned over to it: *Provided, further,* That the total authorized borrowing for relending to the private sector shall be allocated by the National Economic and Development Authority such that a proper balance of allocation is attained among the industrial, public utility, and agricultural projects: *Provided, finally,* That industrial and public utility projects shall respectively, be approved by the Board of Investments and the pertinent specialized regulatory boards and that agricultural projects shall be recommended by the Department of Agriculture and Natural Resources and shall be duly approved by the National Economic and Development Authority.

"The proceeds of the loans, credits or indebtedness under this paragraph shall not be re-loaned to any individual, partnership, cooperative, association or private corporation, the account of which with the Development Bank of the Philippines or with any government financial institutions, is in arrears for three or more installments for causes other than *force majeure* or those beyond its control, nor shall paid