

[REPUBLIC ACT NO. 635, June 09, 1951]

AN ACT TO AMEND PARAGRAPHS NUMBERED TWO AND THREE OF SUBSECTION (A) OF SECTION FIVE, THE LAST PARAGRAPH OF SECTION EIGHT, THE LAST PARAGRAPH OF SECTION TWELVE, THE FIRST PARAGRAPH OF SECTION THIRTY-FIVE, AND SECTION FORTY-TWO OF COMMONWEALTH ACT NUMBERED EIGHTY-THREE, ENTITLED "AN ACT TO REGULATE THE SALE OF SECURITIES, TO CREATE SECURITIES AND EXCHANGE COMMISSION, TO ENFORCE THE PROVISIONS OF THE SAME, AND TO APPROPRIATE FUNDS THEREFOR."

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Paragraphs numbered two and three of subsection (a) of section five of Commonwealth Act Numbered Eighty-three are hereby amended to read as follows:

"2. Any security issued or guaranteed by the Government of the Philippines, or by any political subdivision or agency of said Government, or by any of its public instrumentalities, or by any person controlled or supervised by, and acting as an instrumentality of said Government, or any certificate of deposit for any of the foregoing; of any security issued or guaranteed by any banking institution authorized to do business in the Philippines, the business of which is substantially confined to banking, and is supervised by the Bureau of Banking."

"3. Any security issued or guaranteed by any foreign government with which the Philippines is, at the time of the sale or offer of sale thereof, maintaining diplomatic relations, or by any state, province or political subdivision thereof having the power of taxation or assessment, which security is recognized at the time it is offered for sale in the Philippines as a valid obligation by such foreign government or by such state, province or political subdivision thereof issuing the same."

SEC. 2. The last paragraph of section eight of Commonwealth Act Numbered Eighty-three is hereby amended to read as follows:

"SEC. 8. *Suspension of registration.* -

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"In the event of the entry of such order of suspension, the Commission shall give a prompt hearing to the parties interested. If upon such hearing, the Commission shall determine that the sale of any such security should be revoked on any ground specified in section twelve, it shall enter a final order prohibiting sales of such security, with its findings with respect thereto. Until the entry of such final order, the suspension of the right to sell, though binding upon the persons notified thereof, shall be deemed confidential, and shall not be published, unless it shall appear