

**[ ADMINISTRATIVE ORDER NO. 125, June 01,  
1968 ]**

**DIRECTING ALL GOVERNMENT FINANCIAL INSTITUTIONS TO  
OBSERVE AND IMPLEMENT SECTION TEN OF THE INVESTMENT  
INCENTIVES ACT AND CREATING A COORDINATING COMMITTEE  
IN FURTHERANCE THEREOF**

1. All government financial institutions now engaged or hereafter to be engaged in financing or investment operations are hereby directed to observe and implement Section 10 of Republic Act 5186, otherwise known as the Investment Incentives Act, to wit:

**"Sec 10. Preference in Grant Government Loans —**

Government financial institutions such as the Development Bank of the Philippines, Philippine National Bank, Government Service Insurance System, Social Security System, Land Bank, and such other government institutions as are now engaged or may hereafter engage in financing or investment operations shall, in accordance with and to the extent allowed by the enabling provisions of their respective charters or applicable laws, accord high priority to applications for financial assistance submitted by pioneer and other registered enterprises, whether such financial assistance be in the form of equity participation in preferred, common, or preferred convertible shares of stock, or in loans and guarantees, and shall facilitate the processing thereof and the release of the funds therefor. However, no financial assistance shall be extended under this section to any investor or enterprise that is not a Philippine National.

"The above-mentioned financial institutions, to the extent allowed by their respective charters or applicable laws, shall contribute to the capital of a registered enterprise whenever the said contribution would enable the formation of a pioneer or other registered enterprise with at least sixty per cent control by Philippine Nationals: Provided, That the capital contribution of the said financial institutions shall be United to the amount that cannot be contributed by private Filipino investors, and shall in no case exceed thirty per cent of the total capitalization of the pioneer or other registered enterprises. The shares representing the contribution of the said financial institutions shall be offered for public sale to Philippine Nationals through all the members of a registered Philippine stock exchange.

"To facilitate the implementation of the provisions of this Section, all the said financial institutions shall coordinate their financial assistance programs with each other, exchange relevant information about applicants and applications, and submit a monthly report to the Board