

[EXECUTIVE ORDER NO. 741, July 17, 2008]

**ADJUSTING THE DIVIDEND RATE OF METROPOLITAN
WATERWORKS AND SEWERAGE SYSTEM ON ITS 2006 NET
EARNINGS PURSUANT TO SECTION 5 OF REPUBLIC ACT NO.
7656**

WHEREAS, Section 1 of Republic Act (RA) No. 7656 provides that:

"Section 1. **Declaration of Policy.** It is hereby declared the policy of the State that in order for the National Government to realize additional revenues, government-owned or controlled corporations, without impairing their viability and the purposes for which they have been established, shall share a substantial amount of their net earnings to the National Government."

WHEREAS, Section 5 of RA 7656 provides that, "[in] the interest of national economy and general welfare, the percentage of annual net earnings that shall be declared by the government-owned or controlled corporations may be adjusted by the President of the Philippines upon recommendation by the Secretary of Finance";

WHEREAS, to support the viability and mandate of the Metropolitan Waterworks and Sewerage System (MWSS), the liquidity, and medium-term plans and programs of MWSS were considered in the determination of the reasonable dividend rate on its 2006 net earnings;

WHEREAS, pursuant to Section 5 of RA 7656, the Secretary of Finance has recommended the adjustment on the percentage of 2006 net earnings that shall be declared by MWSS as dividend to the National Government, in the interest of national economy and general welfare.

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Philippines, do hereby order:

SECTION 1. The percentage of net earnings to be declared and remitted by the MWSS as dividends to the National Government as provided for under Section 3 of Republic Act No. 7656 is authorized to be adjusted to five percent (5%), or an equivalent amount of not less than P130.80 M for 2006.

SECTION 2. The adjusted dividend rate provided for under Section 1 is only applicable on 2006 net earnings of the MWSS.

SECTION 3. This Executive Order shall take effect immediately.

Done in the City of Manila, this 17th day of July, in the year of Our Lord, Two