

[EXECUTIVE ORDER NO. 127, January 30, 1987]

REORGANIZING THE MINISTRY OF FINANCE

RECALLING that the reorganization of the government is mandated expressly in Article II, Section 1 (a) and Article III of the Freedom Constitution;

HAVING IN MIND that pursuant to Executive Order No. 5 (1986), it is directed that the necessary and proper changes in the organizational and functional structures of the government, its agencies and instrumentalities, be effected in order to promote efficiency and effectiveness in the deliver of public services;

BELIEVING that it is necessary to reorganize the Ministry of Finance to make it more capable and responsive, organizationally and functionally, in its primary mandate of judiciously generating and efficiently managing the financial resources of the Government, its subdivisions and instrumentalities in order to attain the socio-economic objectives of the national development programs.

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, by virtue of the powers vested in me by the sovereign will of the Filipino People and the Freedom Constitution, do hereby order:

SECTION 1. *Title.* – This Executive Order shall otherwise be known as the Reorganization Act of the Ministry of Finance.

SEC. 2. *Reorganization.* – The Ministry of Finance, hereinafter referred to as Ministry, is hereby reorganized, structurally and functionally, in accordance with the provisions of this Executive Order.

SEC. 3. *Declaration of Policy.* – It is the policy of the State that the Ministry of Finance shall be primarily responsible for the sound and efficient management of the financial resources of the Government, its subdivisions, agencies and instrumentalities.

SEC. 4. *Mandate.* – The Ministry shall be responsible for the formulation, institutionalization and administration of fiscal policies in coordination with other concerned subdivisions, agencies and instrumentalities of government.

Moreover, the Ministry shall be responsible for the supervision of the revenue operations of all local government units, with the objective of making these entities less dependent on funding from the national government.

Finally, the Ministry shall be responsible for the review, approval and management of all public sector debt, whether foreign or domestic, with the end in view of ensuring that all borrowed funds are effectively utilized and all such obligations are promptly serviced by the government.

SEC. 5. *Powers and Functions.* – To accomplish its mandate, the Ministry shall have the following powers and functions:

- (a) In coordination with other concerned government agencies, formulate long-range, medium-term and annual plans covering the government's resource mobilization effort, involving all public sector resources whether generated by revenues and operations, foreign and domestic borrowing, sale or privatization of corporations or assets, or from other sources; and supervise the implementation of such plans;
- (b) Formulate, institutionalize and administer fiscal and tax policies;
- (c) Supervise, direct and control the collection of government revenues;
- (d) Act as custodian and manage all financial resources of the national government;
- (e) Undertake and supervise activities related to the negotiation, servicing and restructuring of domestic and foreign debt incurred or guaranteed by the government and its instrumentalities, including taking part in activities which affect the country's capacity to service foreign debt;
- (f) Review and coordinate the policies, plans and programs of government financial institutions and thereafter recommend to them courses of action that dovetail these policies, plans and programs to national government fiscal policies, plans and programs;
- (g) Ensure the implementation of necessary policies and measures on local revenue administration;
- (h) Coordinate with other government agencies on matters concerning fiscal and monetary policies, credit, economic development, international finance, trade and investment;
- (i) Perform such other powers and functions as may be provided by law.

SEC. 6. *Minister of Finance.* – The authority and responsibility for the exercise of the mandate of the Ministry and for the discharge of its powers and functions shall be vested in the Minister of Finance, hereinafter referred to as Minister, who shall have supervision and control of the Ministry and shall be appointed by the President.

SEC. 7. *Structural Organization.* – The Ministry, aside from the Ministry Proper

comprising the Office of the Minister, the Offices of the Deputy and Assistant Ministers, the Economic Intelligence and Investigation Bureau and the Services, shall consist of the Operations Groups and their constituent units, and Regional Offices.

SEC. 8. *Office of the Minister.* – The Office of the Minister shall consist of the Minister, his deputies and their immediate staffs.

SEC. 9. *Deputy Ministers.* – The Minister shall be assisted by five (5) Deputy Ministers appointed by the President upon the recommendation of the Minister, each of whom shall head, respectively, the policy Development and Management Services Group mentioned in Section 11 hereof and the four (4) Operations Groups mentioned in Section 12 hereof.

SEC. 10. *Assistant Ministers.* – The Minister shall also be assisted by five (5) Assistant Ministers appointed by the President upon the recommendation of the Minister. The respective assignments of the Assistant Ministers and the reporting procedures to be followed by them shall be determined by the Minister.

SEC. 11. *Policy Development and Management Services Group.* – The Policy Development and Management Services Group, which shall be headed by a Deputy Minister, shall consist of the following:

- (a) Planning and Policy Research Office;
- (b) Central Management Information Office;
- (c) Central Administration Office;
- (d) Central Financial Management Office;
- (e) Public Information and Assistance Office;
- (f) Legal Office;
- (g) Regional Coordination Office.

SEC. 12. *Operations Groups.* – The Operations Groups, each of which shall be headed by a Deputy Minister, shall consist of the following:

- (a) Revenue Operations Group, composed of the following:
 - (1) Bureau of Internal Revenue;
 - (2) Bureau of Customs;
 - (3) Revenue Service;
 - (4) Legal Service;
- (b) Domestic Operations Group, composed of the following:
 - (1) Bureau of Treasury;

- (2) Bureau of Local Government Finance;
- (3) Financial and Fiscal Policy and Planning Office;
- (c) International Finance Group, composed of the following:
 - (1) International Finance Policy Office;
 - (2) International Finance Operations Office.

SEC. 13. *Planning and Policy Research Office.* – The Planning and Policy Research Office shall have the following functions:

- (a) Formulate long-range and annual projections of revenue needs, cash position and borrowing capacity of the Government as basis for policy decisions of the Ministry;
- (b) Supervise policy research and development on fiscal and tax measures undertaken by the operating bureaus and offices of the Ministry;
- (c) Coordinate with other government agencies on policy research as it impacts on fiscal and tax measures;
- (d) Perform such other functions as may be assigned by the Minister or his deputies.

SEC. 14. *Composition.* – The Planning and Policy Research Office shall be composed of the following:

- (a) National Resource Planning Division;
- (b) Policy Research and Coordination Division;
- (c) Statistical Development and Coordination Division;
- (d) Special Studies Division.

SEC. 15. *Central Management Information Office.* – The Central Management Information Office shall have the following functions:

- (a) Establish a Management Information System and sub-systems for monitoring and evaluation of Ministry-wide programs and projects, including those that are executed by operating Bureaus and Offices;
- (b) Formulate policies, plans and procedures for data control and systems management;

- (c) Act as the central repository of existing and future computer files;
- (d) Perform such other appropriate functions as may be assigned by the Minister or his deputies.

SEC. 16. *Composition.* – The Central Management Information Office shall be composed of the following:

- (a) Project Monitoring and Evaluation Division;
- (b) Data Control and Systems Management Division;
- (c) Data Encoding and Processing Division;
- (d) Computer Operating Division.

SEC. 17. *Central Administration Office.* – The Central Administration Office shall have the following functions:

- (a) Supervise Ministry-wide services relating to internal cash management, personnel administration, property and supplies procurement and custody; and maintenance of central files, an corresponding reporting systems;
- (b) Assist in the formulation of policies and guidelines on the management of human and physical resources and general housekeeping activities for uniformity and standardization;
- (c) Serve as a center for the establishment and periodic evaluation of management operation systems, internal control and work outputs to determine Ministry-wide performance efficiency;
- (d) Design and develop training policies and guidelines, administer and evaluate training programs and, in coordination with external training institutions, screen and recommend to the Minister the participation of Ministry personnel in training programs, seminars and conferences in the country or abroad;
- (e) Ensure that Ministry-wide activities and efforts are focused towards a central direction as embodied in the national socio-economic development plans;
- (f) Perform such other appropriate functions as may be assigned by the Minister or his deputies.

SEC. 18. *Composition.* – The Central Administration Office shall be composed of the following:

- (a) Cash Management Division;