

[EXECUTIVE ORDER NO. 245, July 24, 1987]

IMPLEMENTING THE CONSOLIDATION OF ALL TOBACCO AGENCIES AND THE CREATION OF THE NATIONAL TOBACCO ADMINISTRATION, PRESCRIBING ITS CHARTER AND FOR OTHER PURPOSES

WHEREAS, under Executive Order No. 116, the various tobacco agencies have been consolidated with the creation of the National Tobacco Administration to promote efficiency, economy and effectiveness in government;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Republic of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order:

Section 1. Declaration of Policy. It is hereby declared to be the policy of the government to promote the development of the tobacco industry and to improve the quality of life of all those who depend upon the industry as a source of livelihood, especially the tobacco farmers.

Section 2. Purposes and Objectives. The National Tobacco Administration hereinafter referred to as NFA, shall have the following purposes and objectives:

- a. To improve the economic and living conditions and raise the quality of life of the tobacco farmers including those who depend upon the industry for their livelihood; and
- b. To promote the balanced and integrated growth and development of the tobacco industry to help make agriculture a solid basis for industrialization.

Section 3. Powers and Functions of the NTA.

A. General Powers. The NTA shall have the following general powers:

1. To administer and regulate the tobacco industry in the Philippines;
2. To incur any obligation or enter into contract with any person, material or juridical, domestic or foreign, essential to the proper administration of its affairs and the accomplishment of its purpose and objectives;
3. To own, purchase, lease, mortgage, encumber or otherwise dispose of real and personal property as the attainment of its purposes and objectives may reasonably permit.

B. Specific Powers. The NTA shall have the following specific powers and functions:

1. To promulgate and enforce rules and regulations on the production, standardization, classification, grading and trading of tobacco and tobacco products as may be necessary to attain its purposes and objectives and to pursue the policy of government on tobacco;
2. To conduct agricultural and industrial research and to establish, operate and maintain experimental stations;
3. To accept and receive financial and other support from private and other sources for the development and promotion of the Philippine tobacco industry;
4. To provide incentives and other financial assistance to tobacco growers and association thereof, directly or in conjunction with accredited financial institutions;
5. Impose administrative sanctions for violation of the rules and regulations issued by the NTA.

Section 4. Governing Body of the NTA. The NTA shall be governed by a Board of Directors composed of:

- a. The Secretary of Agriculture, as ex-officio Chairman;
- b. The NTA Administrator, who shall be the Vice-Chairman;
- c. A Senior Official of the Department of Agriculture, duly designated by the Secretary of Agriculture, as ex-officio member; and
- d. Six (6) other members who shall be appointed by the President of the Philippines upon recommendation of the Chairman; Provided, That, one (1) shall come from the tobacco manufacturing sector, one (1) from the tobacco traders/exporters sector, three (3) from the tobacco farmers sector and one (1) from the academic community.

Section 5. Term of Office of Members of the Board of Directors. Unless sooner removed for cause, the Members of the Board of Directors shall hold office for a period of two (2) years from the date of their respective appointments without re-appointment; Provided, that any member appointed to a vacancy shall serve only for the unexpired term of the member whom he succeeds.

Section 6. Powers and Functions of the Board. The Board of Directors shall act as the policy-making body of the NTA to formulate policies, promulgate regulations and prescribe rules in the exercise of its specific powers and those which are necessary, implied, incidental or conducive to the attainment of the agency's purposes and objectives.

Section 7. Meetings of the Board. The Board shall convene in a regular meeting once a month and shall hold special meetings as frequently as necessary. The presence of at least five (5) members of the Board shall constitute a quorum and the vote of a majority of those present shall be sufficient to transact business during any meeting; Provided, That the Chairman or the Administrator/Vice-Chairman, when acting as Chairman, shall not vote except in case of a tie.