

**[ EXECUTIVE ORDER NO. 890, April 08, 1983 ]**

**FURTHER AMENDING THE CHARTER OF THE PHILIPPINE  
DEPOSIT INSURANCE CORPORATION**

WHEREAS, developments in the Philippines financial system make it necessary to institute organizational and procedural reforms in the present system for the administration of the insurance of bank deposits;

WHEREAS, to achieve this, there is need to effect adaptive changes in the organization of the Philippine Deposit Insurance Corporation, which shall include a reconstitution of its governing board and top management structure; and

WHEREAS, under Presidential Decree No. 1416 as amended, the President is empowered to undertake such organizational and related improvements as may be appropriate in the light of changing circumstances and new developments;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution and the authority vested in me by Presidential Decree No. 1416 as amended, do hereby order and ordain:

SECTION 1. Section 2 of Republic Act No. 3591, as amended, is hereby further amended to read as follows:

"SEC. 2. The powers and functions of the Corporation shall be vested in and exercised by a Board of Directors which shall be composed of three (3) members as follows:

(a) The Governor of the Central Bank of the Philippines, who shall be the Chairman of the Board. Whenever the Governor of the Central Bank is unable to attend a meeting of the Board, a Deputy Governor of the Central Bank as may be designated by the Governor shall act as a member of the Board.

(b) The President of the Corporation, who shall be ex-officio a member of the Board. Whenever the Chairman of the Board is unable to attend a meeting of the Board, or in the event of a vacancy in the office of the Governor of the Central Bank, the President of the Corporation shall act as Chairman. In the absence of the President or in the event of his incapacity, the Vice-President of the Corporation shall attend the meeting of the Board.

(c) The Deputy Minister of Finance as may be designated by the Minister of Finance from among his deputies.

The presence of two members shall constitute a quorum, and all decisions shall require the concurrence of at least two members.

The members of the Board of Directors, except the President, or their respective alternates whenever allowed, shall receive a per diem for every board meeting attended, the amount of per diem shall be set by the President of the Philippines but may not exceed P500.00 per meeting nor the sum of P2,000.00 for every single month.

The Board of Directors shall have the authority:

- (1) To prepare and issue rules and regulations as it considers necessary for the effective discharge of its responsibilities;
- (2) To direct the management, operations and administration of the Corporation;
- (3) To appoint, establish the rank, fix the remuneration and remove any officer or employee of the Corporation for cause, subject to the Civil Service and pertinent compensation laws; and
- (4) To authorize such expenditures by the Corporation as are in the interest of the effective administration and operation of the Corporation."

SECTION 2. The same Act is hereby amended by adding a new section after Section 2 thereof, to read as follows:

"SECTION 2-A. There is hereby created the position of President of the Corporation, shall be the chief executive thereof and who, upon the effectivity of this Act, shall be appointed for a term of six years by the President of the Philippines: Provided, That for this position, the President may designate any qualified person who is already in government service, including any senior official of the Central Bank, who may serve on a full-time detail basis.

No person shall be appointed as President of the Corporation unless he be of good moral character and of unquestionable integrity and responsibility, and who is of recognized competence in economics, banking and finance, law, management administration or insurance: Provided, That the President shall at least be 40 years old.

The salary of the President of the Corporation shall be fixed by the President of the Philippines at a sum commensurate to the importance and responsibility attached to the position. The sum total of the salary of the President and the allowances and other emoluments which the Board of Directors may grant him shall be the ceiling for fixing the salary, allowances and other emoluments of all other personnel in the Corporation.

The powers and duties of the President of the Corporation are:

- (a) To prepare the agenda for the meeting of the Board and to submit for the consideration of the Board the policies and measures which he believes to be necessary to carry out the purposes and provisions of this executive order and Republic Act No. 3591, as amended;
- (b) To execute and administer the policies and measures approved by the Board;