

**[ EXECUTIVE ORDER NO. 739, October 03, 1981 ]**

**CREATING A DEBT CLEARING OFFICE TO EFFECT THE JUDICIOUS SETTLEMENT OF OBLIGATIONS SUBSISTING BETWEEN AND AMONG NATIONAL GOVERNMENT OFFICES AND INSTRUMENTALITIES, GOVERNMENT-OWNED OR CONTROLLED CORPORATIONS, LOCAL GOVERNMENT UNITS AND PRIVATE INDIVIDUALS OR CORPORATIONS**

WHEREAS, the Joint Committee on Financial Management Improvement Program which was previously constituted as a Debt Clearing Committee under Executive Order No. 312, dated April 23, 1971, to undertake the settlement of inter-government obligations had been abolished;

WHEREAS, receivable and payable accounts in the books of government agencies and instrumentalities have considerably increased and thus affected their financial operations;

WHEREAS, there is an imperative need to continue the prompt and effective settlement of inter-government obligations, including indebtedness due to and from private individuals and corporations;

WHEREAS, to insure the prompt and effective settlement of these accounts, it is necessary to maintain a close and continuing coordination among the government agencies, instrumentalities and the private sector concerned;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by law, do hereby order the creation of a Debt Clearing Office under the administration of the Treasurer of the Philippines to effect the settlement of obligations subsisting between and among national government offices and instrumentalities, government-owned or controlled corporations, local government units and private individuals or corporations.

SECTION 1. The Debt Clearing Office created under the Order shall exercise the following functions and responsibilities:

- (1) To gather data on subsisting obligations directly from government agencies, offices, corporations or individuals concerned;
- (2) To review, analyze, reconcile and confirm the data gathered, and submit recommendations to the Chairman, Commission on Audit, for the offsetting or settlement of the accounts in accordance with the provisions of Republic Act No. 3871 and GAO General Circular No. 91, dated November 11, 1964;
- (3) To determine fund sources necessary for the settlement of the accounts and undertake measures for the provision thereof;