

[Commonwealth Act No. 618, June 05, 1941]

AN ACT TO PROVIDE FOR THE ISSUE OF BONDS OF THE GOVERNMENT OF THE COMMONWEALTH OF THE PHILIPPINES FOR REPLACEMENT OF THE AMOUNT TO BE TRANSFERRED FROM THE GOVERNMENT CENTER FUND RESERVE TO THE UNENCUMBERED SURPLUS OF THE GENERAL FUND, FOR THE CONSTRUCTION OF PUBLIC IMPROVEMENTS, AND FOR SUCH OTHER PURPOSES AS MAY BE AUTHORIZED BY LAW.

Be it enacted by the National Assembly of the Philippines:

SECTION 1. The President of the Philippines is authorized to issue in the name and behalf of the Commonwealth of the Philippines, bonds to the amount of twenty million pesos in one or more series for a term not exceeding thirty years. He shall determine the form of the bonds, and the rates and dates of payment of the interest thereon, which rate shall not be in excess of five per centum per annum. The bonds may be coupon bonds or registered bonds, in the discretion of the President of the Philippines, and shall be registered in the Treasury of the Philippines, where the principal and interest shall be payable in Philippine currency or its equivalent in United States currency, in the discretion of the Secretary of Finance. The President of the Philippines is further authorized to sell said bonds in the Philippines at public auction or, otherwise, through the Treasurer of the Philippines, upon such terms and conditions as in his judgment are most favorable to the Commonwealth of the Philippines and he shall deposit the proceeds of the sale thereof with the Treasurer of the Philippines to the credit of the Philippine Treasury. Sale of bonds without public bidding shall be at not less than par value.

SEC. 2. The proceeds of the sale of the said bonds shall be used as follows: five million pesos for the replacement of the amount to be transferred from the government center fund to the unencumbered surplus of the general fund, and fifteen million pesos for the construction of public improvements and for such other purposes as may be authorized by law.

SEC 3. Said bonds shall be exempt from taxation by the Commonwealth of the Philippines or of any political subdivision thereof, and be subject to the provisions of the Act of Congress, approved March twenty-four, nineteen hundred and thirty-four, otherwise known as the Tydings-McDuffie Law, which facts shall be stated upon their face.

SEC. 4. A sinking fund is created for the payment of the bonds issued under the provisions of this Act, in such a manner that the total amount thereof at each annual due date of the bonds issued shall be equal to the total of an annuity of such a sum, for each million pesos of bonds outstanding, as with interest at the rate of three and one-half per centum per annum, shall be sufficient to retire said bonds at maturity. Said fund shall be under the custody of the Treasurer of the Philippines who shall invest the same in such manner as the Secretary of Finance may approve, in accordance with the provisions of Act Numbered Three thousand and fourteen which governs the investment of sinking funds, shall charge all the expenses of such investment to said sinking fund, and shall credit to the same the interest on investments and other income belonging to it.