

# **[ Commonwealth Act No. 495, September 30, 1939 ]**

## **AN ACT TO AMEND SECTION FOUR OF COMMONWEALTH ACT NUMBERED ONE HUNDRED AND TWENTY.**

*Be it enacted by the National Assembly of the Philippines:*

Sec. 1. Section four of Commonwealth Act Numbered One hundred and twenty, is amended to read as follows:

"Sec. 4. Whenever the Board may deem it necessary for the Corporation to incur an indebtedness or to issue bonds to carry out the purposes for which the Corporation has been organized, it shall, by resolution, so declare and state the purpose for which the proposed debt is to be incurred and the conditions of the bonds. in order that such resolution be valid, it shall be passed by the affirmative vote of at least three members of the Board and approved by the President of the Philippines upon the recommendation of the Secretary of Finance.

"The bonds shall be issued under the following conditions Shall be in registered form and transferable at the Office of the Treasurer of the Philippines in Manila or at the Registry Office of the Department of the Treasury of the United States at Washington, District of Columbia; (b) they shall not be sold at less than payable thirty years after the date of issue but may be redeemable, at the pleasure of the Board, after ten years from the date of issue; (d) they shall bear interest at an annual rate to be determined before their issuance by the Secretary of Finance; (e) the interest may be payable quarterly, semi-annually, or annually as may be determined by the Secretary of Finance before the issuance of the bonds; and (f) both principal and interest shall be payable in Philippine currency or its equivalent in lawful currency of the United States in the discretion of the Secretary of Finance. in Manila, if the bonds are sold in the Philippines, or in the United States Treasury, if sold in the United States.

"The bonds issued under the authority of this Act shall be exempt from the payment of all taxes by the Commonwealth of the Philippines, or by any authority, branch, division or political subdivision thereof and 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 the face of said bonds. Said bonds shall be receivable as security in any transaction with the Government in which such security is required.

"A sinking fund shall be created the total whereof at each annual due date of the bonds shall be equal to the total of an annuity of nineteen thousand three hundred seventy-one pesos and thirty-three centavos for each one million pesos of bonds outstanding, with interest at the rate of three and one-half per centum per annum. The sinking funds shall be under the custody of the Treasurer of the Philippines, who shall invest the