

**[Commonwealth Act No. 499, September 30,
1939]**

**AN ACT TO REGULATE FOR A LIMITED PERIOD, IN VIEW OF THE
EXISTENCE OF A STATE OF NATIONAL EMERGENCY, THE
TRANSFER OF VESSELS AND OF SHIPPING FACILITIES AND TO
PROVIDE PENALTIES FOR THE VIOLATION THEREFOR.**

Be it enacted by the National Assembly of the Philippines:

Sec. 1. The existence of a state of National emergency caused by die present war among several nations of the world requires that the transfer of vessels and shipping facilities owned in whole or in part by Filipino citizens, or by corporations organized under the laws of the Philippines, or registered therein, be regulated to maintain the strictest neutrality and to meet the shortage of bottoms for the transportation of products between the Philippines and foreign countries aid in the coastwise trade.

Sec. 2. Until the date of adjournment of the next regular session of the National Assembly, no person, corporation, association, or entity whatsoever shall, without the approval of the President of the Philippines: (a) transfer to or place under any foreign registry or flag any vessel owned in whole or in part by a citizen of the Philippines or by a corporation organized under the laws of the Philippines; or (b) sell, mortgage, lease, charter, deliver, or in any manner transfer, directly or indirectly, to any person not a citizen of the United States or of the Philippines, (1) any-such vessel or any interest therein or (2) any vessel registered under the laws of the Philippines or bearing a certificate of Philippine registry, or any interest therein, or (3) any shipyard, drydock, shipbuilding or ship-repairing plant or facilities, or any interest therein; or (c) enter into any contract, agreement, or understanding, to construct a vessel within the Philippines for or to be delivered to any person not a citizen of the United States or of the Philippines or to be placed under any foreign registry or flag, without expressly stipulating that such construction shall not begin while this Act is in full force and effect; or (d) make any agreement or effect any understanding where-by there is vested in or for the benefit of any person not a citizen of the United States or of the Philippines, the controlling interest or the majority of the voting power in a corporation which is organized under the laws of the Philippines, and which owns any vessel, shipyard, drydock, or ship-building or ship-repairing plant or facilities; or (e) cause or procure any vessel constructed in whole or in part within the Philippines, which has never cleared for any foreign port, to depart from a port of the Philippines before it has been registered under the laws of the Philippines.

Sec. 3. Whoever violates, or attempts or conspires to violate any of the provisions of section two of this Act shall be guilty of an offense and shall be punished by a fine of not more than five thousand pesos or by imprisonment for not more than five years, or by both such fine and imprisonment, in the discretion of the court: Provided, That, if such violation is committed by a corporation the directors approving such action, and the manager, managing director or the person charged with die management of such corporation shall be criminally responsible therefor.

Sec. 4. Any vessel, shipyard, drydock, ship-building or ship-repairing plant or