

[Commonwealth Act No. 318, June 09, 1938]

AN ACT TO AMEND SECTION FORTY-FIVE OF ACT NUMBERED TWO THOUSAND SIX HUNDRED AND TWELVE, ENTITLED "AN ACT CREATING THE PHILIPPINE NATIONAL BANK," AS AMENDED BY ACT NUMBERED TWO THOUSAND NINE HUNDRED AND THIRTY-EIGHT.

Be it enacted by the National Assembly of the Philippines:

SECTION 1. Section forty-five of Act Numbered Two thousand six hundred and twelve, entitled, "An Act creating the Philippine National Bank," as amended by section one of Act Numbered Two thousand nine hundred and thirty-eight, is further amended so as to read as follows:

"SEC. 45. The National Bank is authorized to guarantee both as to principal and interest, or either, bonds issued by duly incorporated companies for the erection of and addition or additions to industrial plants or manufactories principally used for the manufacture and preparation of the products of the Philippines: *Provided, however,* That such guarantee shall only be lawful when approved by the President of the Philippines or by such person or persons as he may designate pursuant to the authority vested in him by Commonwealth Act Numbered Eleven.

"Subject to the same approval, the National Bank is authorized to purchase bonds issued by any duly incorporated company engaged in the manufacture or preparation of products in the Philippines and those guaranteed by the National Development Company. Such bonds shall be secured by a first mortgage or deed of trust on the property of the company. The face value of the bonds issued and secured by such mortgage or deed of trust, except those guaranteed by the National Development Company, shall not exceed sixty per cent of the fair value of the property securing the bonds. The property serving as security for the bonds shall consist of land, buildings, machinery, and equipment of such company in the Philippines."

SEC. 2. This Act shall take effect upon its approval.

Approved, June 9, 1938.



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