

# [ Commonwealth Act No. 216, November 24, 1936 ]

## **AN ACT TO PROVIDE FOR THE ISSUANCE OF BONDS OF THE GOVERNMENT OF THE COMMONWEALTH OF THE PHILIPPINES IN THE AMOUNT OF ONE MILLION PESOS, TO CREATE A REVOLVING FUND FOR PUBLIC MARKETS OUT OF THE PROCEEDS OF THE SALE OF SUCH BONDS, AND FOR OTHER PURPOSES.**

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

SECTION 1. Upon the recommendation of the Secretary of Finance, the President of the Philippines is hereby authorized to issue in the name and in behalf of the Government of the Commonwealth of the Philippines bonds in the amount of one million pesos. The proceeds of the sale of such bonds shall be credited to a special fund which is hereby constituted to be known as the "Public Markets Revolving Fund," and which shall be expended as provided in this Act. The bonds so authorized to be issued shall be sold in the Philippines through the Treasurer of the Philippines on such terms as in the judgment of the President of the Philippines are most favorable to the Government of the Commonwealth of the Philippines. The bonds shall be issued in the manner and be in such form as the President may determine, and shall run for such time and bear such rate of interest not exceeding five per centum per annum payable on such dates as he may determine. The bonds may be coupon bonds or registered bonds, convertible, in the discretion of the President of the Philippines, into either form, and shall be registered in the Treasury of the Philippines at Manila, where both principal and interest shall be payable in legal tender currency of the Philippines or its equivalent in legal tender currency of the United States at the discretion of the Treasurer of the Philippines.

Said bonds shall be exempt from taxation by the Government of the Commonwealth of the Philippines or of any political or municipal subdivision thereof, which fact shall be stated upon their face.

SEC. 2. A sinking fund is hereby 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 bond issued shall be equal to the total of an annuity of nineteen hundred and thirty-seven pesos and thirteen centavos for each one hundred thousand pesos of bonds outstanding, accrued at the rate of interest of three and one-half per centum per annum. Such sinking fund shall be under the custody of the Treasurer of the Philippines who shall invest it 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 accruing to it.

SEC. 3. A standing annual appropriation is hereby made out of the general funds in the Philippine Treasury not otherwise appropriated, of such sums as may be necessary to provide for the sinking fund mentioned in the last preceding section and the interest on the bonds issued by virtue of this Act.

SEC. 4. An appropriation is hereby made out of the funds in the Philippine Treasury