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LAWNUM: RA07181

DATE : 01/17/92

TITLE : AN ACT EXTENDING THE LIFE OF THE COMMITTEE ON PRIVATIZATION

AND

THE ASSET PRIVATIZATION TRUST

TEXT :

S. No. 1899

H. No. 34766

Republic of the Philippines  
Congress of the Philippines  
Metro Manila

Fourth Special Session

Begun and held in Metro Manila on Monday, the sixteenth day  
of December, nineteen hundred and ninety-one

[REPUBLIC ACT No. 07181]

AN ACT EXTENDING THE LIFE OF THE COMMITTEE ON  
PRIVATIZATION AND THE ASSET PRIVATIZATION  
TRUST

Be it enacted by the Senate and House of Representatives of  
the Philippines in Congress assembled:

SECTION 1. The term of the Committee on Privatization and  
the Asset Privatization Trust created by Proclamation No. 50  
"Proclaiming and Launching a Program for the Expeditious  
Disposition and Privatization of Certain Government  
Government Corporations and/or the Assets thereof, and  
Creating the Committee on Privatization and the Asset  
Privatization Trust" is hereby extended from December 8, 1991  
to August 31, 1992 and thereafter may be again extended by  
the President of the Philippines for not more than sixteen  
(16) months.

During the said extension period, the Committee on  
Privatization and the Asset Privatization Trust shall  
continue to exercise the powers, duties and responsibilities  
provided under Proclamation No. 50: provided, That all  
disposition of any and all assets shall be exclusively and  
solely for cash, including sales by installments, subject to  
the provisions of the Comprehensive Agrarian Reform Law.

All assets held by the Asset Privatization Trust, all  
moneys and other properties belonging to it, and all its

liabilities outstanding upon the expiration of its term shall revert to and be assumed by the National Government. The President of the Philippines shall designate by an executive order the government office or entity to which the assets and liabilities of the Asset Privatization Trust shall be transferred.

All cash advances and all unsettled obligations owed to the Government by the officers and employees of the Committee on Privatization or the Asset Privatization Trust, as finally determined by the proper agency or court of law, must be liquidated on or before August 31, 1992.

SEC. 2. The following conditions shall be adhered to in privatization:

a) In the disposition of assets in corporate form, there shall be no undue dislocation of labor unless all benefits as provided by existing laws or Collective Bargaining Agreement (CBA) shall be complied with.

b) Assets for disposal shall not revert to previous owners who after final judgment by the proper agency or a court of law have been found to have mismanaged or diverted the resources of the assets which resulted in loss and bankruptcy: Provided, That if assets are to be reverted back to the previous owners, the price shall not be less than the original transfer price.

c) Privatization of government assets classified as a strategic industry by the National Economic and Development Authority shall first be approved by the President of the Philippines.

d) A minimum of ten (10) percent of the sale of assets in corporate form shall first be offered to small local investors including Filipino Overseas Workers and where practicable also in the sale of any physical asset.

e) Sale of all assets shall be published in at least (3) national newspapers of general circulation for three (3) consecutive days: Provided, That the first publication shall occur at least ten (10) days prior to the scheduled bidding date or date of negotiation.

f) A loss recovery provision must be included in the terms and conditions of the sale of any asset sold below the transfer price.

SEC. 3. In line with paragraph 1 of Article IX (d) of the Constitution, the Commission on Audit shall impose or adopt temporary pre-audit and such measures that are necessary and appropriate to correct such deficiencies in the control system of the Asset Privatization Trust as may be found by

the Commission on Audit.

SEC. 4. Law suits pending at the termination of the existence of the Asset Privatization Trust shall be pursued by the Office of the Government Corporate Counsel until their proper termination in the name of or on behalf of the Government.

SEC. 5. Any officer or employee who fails to comply with the provisions of this Act, after having been found guilty by the proper agency or court of law shall be barred from holding any position in the Government including government-owned or controlled corporations, without prejudice to other sanctions as may be provided by existing laws.

SEC. 6. The provisions of Sections 3 and 10 of Proclamation No. 50, in particular, all other provisions of the Proclamation as well as other laws, orders, promulgations, rules and regulations or parts thereof, which are inconsistent herewith are hereby amended, repealed or modified accordingly.

SEC. 7. Implementing guidelines and regulations shall be issued by the Committee on Privatization to fully implement this Act within forty-five (45) days from date of approval of this Act.

SEC. 8. This Act shall take effect immediately upon its publication in at least one (1) national newspaper of general circulation. The effectivity of this Act shall retroact and relate back to December 8, 1991.

Approved,

RAMON V. MITRA  
SALONGA

Speaker of the House

of Representatives

JOVITO R.

President of the Senate

This bill which was a consolidation of Senate Bill No. 1899 and House Bill No. 34766 was finally passed by the Senate and the House of Representatives on December 18, 1991.

CAMILO L. SABIO  
Secretary General  
House of Representatives

EDWIN P. ACOBA  
Secretary of the Senate

Approved: January 17, 1992

CORAZON C. AQUINO  
President of the Philippines