

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 824

AUTHORIZING THE NATIONAL DEVELOPMENT COMPANY (NDC) TO ISSUE BONDS FOR THE INFRASTRUCTURE PROJECTS

WHEREAS, in order to attract capital investment, there is a need to immediately implement the infrastructure projects of the Government;

WHEREAS, the National Development Company (NDC), pursuant to Presidential Decree No. 1648, as amended, (otherwise known as the "Revised Charter of the National Development Company"), is the corporate vehicle of the government, designed to pursue commercial, industrial, agricultural, mining and other enterprises which may be necessary or contributory to the economic development of the country.

WHEREAS, Section 9 of P.D. No. 1648 authorizes NDC to issue, upon recommendation of the Secretary of Finance and approval of the President, tax exempt bonds and securities guaranteed by the Government;

WHEREAS, the Department of Finance supports NDC's initiative to issue Infrastructure bonds of up to P50 Billion to finance the implementation of infrastructure projects to stimulate the growth and further enhance the country's competitiveness;

WHEREAS, there is a need to authorize the issuance of bonds by NDC to support infrastructure projects of the Government;

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. AUTHORIZING NDC TO ISSUE BONDS FOR INFRASTRUCTURE PROJECTS – NDC is hereby authorized to issue bonds in the total amount of up to PESOS: FIFTY BILLION (P50,000,000,000.00) (hereinafter referred to as "NDC Infrastructure Bonds).

The proceeds of the NDC Infrastructure Bonds shall be used to fund, by way of loan or equity investment, the infrastructure projects identified in the MTPIP: Provided, that:

- a. The previously approved implementation of these infrastructure project does not prohibit financing or equity investment by the Government;
- b. That the loan or equity is in accordance with the declaration of policy under Section 2 of P.D. 1648, as amended and all other relevant laws on financing of infrastructure projects;

SECTION 2. FEATURES OF THE NDC INFRASTRUCTURE BONDS – The NDC Infrastructure Bonds shall be tax exempt and guaranteed by the Republic of the Philippines.

The Monetary Board (MB), in close coordination with the Department of Finance (DOF) and NDC, shall promulgate such rules and regulations regarding the eligibility features of the NDC Infrastructure Bonds.

SECTION 3. UTILIZATION OF THE PROCEEDS OF THE DEVELOPMENT BONDS - The National Economic and Development Authority (NEDA) and NDC are hereby directed to select which among the infrastructure projects in the MTPIP shall be funded from the proceeds of the NDC Infrastructure Bonds, subject to the provisions of the second paragraph of Section 1 hereof.

NDC shall issue the NDC Infrastructure Bonds based on the amount required for the funding of each and every project, and only upon determination by NEDA and the appropriate implementing agency for such infrastructure project that the project is already ready for implementation.

SECTION 4. RULES AND REGULATIONS - The DOF, the Department of Budget and Management (DBM) and NDC shall promulgate such rules and regulations and execute any and all documents necessary to ensure repayment to NDC of the funds it will lend to the selected infrastructure projects and the eventual retirement of the bonds it will issued under this Executive Order.

SECTION 5. REPEALING CLAUSE – All executive issuances, rules and regulations or parts thereof which are inconsistent with this Executive Order are hereby revoked, amended or modified accordingly.

SECTION 6. EFFECTIVITY - The Executive Order shall take effect immediately.

DONE in the City of Manila, this 6th day of August, in the year of Our Lord, Two Thousand and Nine.

(SGD) **GLORIA MACAPAGAL-ARROYO**

By the President:

(SGD) **EDUARDO R. ERMITA**
Executive Secretary