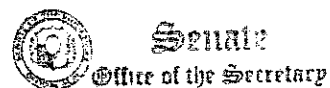


EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



SENATE

Senate Bill No. 31

'19 JUL -1 A11 :05

RECEIVED BY



Introduced by Senator FRANCIS N. PANGILINAN


AN ACT
CREATING THE COCONUT FARMERS AND INDUSTRY TRUST FUND,
PROVIDING FOR ITS MANAGEMENT AND UTILIZATION, AND FOR OTHER
PURPOSES

EXPLANATORY NOTE

More than 40 years have passed since levies were imposed on the produce of coconut farmers, supposedly for their benefit and the development of the coconut industry. Four decades later, it is high time that the benefits due to coconut farmers, especially the poor and marginalized, are consolidated and given to them to achieve a balanced, equitable, integrated, and sustainable growth and development of the coconut industry.

This crucial piece of legislation seeks the establishment of a Trust Fund dedicated for the benefit of coconut farmers and development of the coconut industry. Further, this measure aims to create the mechanism for the mandates prescribed by different Supreme Court decisions on the disposition of some of the coconut levy assets; to conform to governmental procedures on the management and utilization of the available coco levy funds; and to realize the aspirations of the coconut farmers on how the coco levy funds can be managed, invested, allocated, and utilized.

In view of the foregoing, the passage of this measure, which was passed by both Houses last Congress, is earnestly sought.



FRANCIS N. PANGILINAN

1 Holdings, Inc.; Fernandez Holdings, Inc.; First Meridian Development, Inc.; Randy Allied
2 Ventures, Inc.; Rock Steel Resources, Inc.; Roxas Shares, Inc.; San Miguel Officers Corp.,
3 Inc.; Soriano Shares, Inc.; Te Deum Resources, Inc.; Toda Holdings, Inc.; and Valhalla
4 Properties Limited, Inc.;

5 (d) "*CIIF SMC Block Shares*" shall refer to the 33,133,266 shares of stock in San
6 Miguel Corporation (SMC), sequestered by the PCGG in April 1986 and representing 31 %
7 of the total outstanding capital stock of SMC;

8 (e) "*Converted SMC Series 1 Preferred Shares*" shall refer to that portion of the CIIF
9 SMC Block Shares covering 753,848,312 preferred shares of stock in SMC and
10 representing 24% of the outstanding capital stock of SMC;

11 (f) "*Coconut Levy Assets*" shall refer to any and all kinds of property, whether real
12 or personal, tangible or intangible, wherever situated, which have been acquired through
13 the Coconut Levy Funds as defined in this Section, including those assets that may be
14 recovered in favor of the government, as well as the fruits, or income therefrom, including
15 those acquired in exchange or substitution thereof.

16 These shall include, among others, the following:

- 17 i. The shares of stock in United Coconut Planters Bank (UCPB) that were
18 determined to be owned by the government;
- 19 ii. The CIIF - Oil Mills Group;
- 20 iii. The CIIF Holding Companies; and
- 21 iv. The Converted SMC Series 1 Preferred Shares;

22 (g) "*Coconut Levy Funds*" shall refer to various funds generated from levies, taxes,
23 charges, and other fees exacted or imposed pursuant to or in connection with the sale of
24 *copra rececada* or its equivalent in other coconut products, and collected for the most part
25 from coconut farmers, planters, millers, refiners, processors, exporters, desiccators and
26 other end-users of *copra rececada* or its equivalent in other coconut products.

27 Specifically, the term shall refer to any or all of the following:

- 1 i. The Coconut Investment Fund created under Republic Act No. 6260;
- 2 ii. The Coconut Consumers Stabilization Fund, later renamed as the
- 3 Coconut Industry Stabilization Fund, created under Presidential Decree
- 4 No. 276;
- 5 iii. The Coconut Industry Development Fund created under Presidential
- 6 Decree No. 582;
- 7 iv. The Coconut Industry Investment Fund created under Presidential
- 8 Decree No. 1468; and
- 9 v. The Coconut Reserve Fund under Presidential Decree No. 1468 and
- 10 Presidential Decree No. 1842.

11 (h) "*Committee*" shall refer to the Coconut Farmers and Industry Trust Committee

12 created under Section 12 of this Act;

13 (i) "*Investment Guidelines*" shall refer to the investment management guidelines,

14 rules, procedures, and policies to be formulated by the Committee, as may be amended

15 from time to time, which shall provide the parameters for investment of the Trust Fund

16 or any portion thereof, and shall include, among others, asset allocation, criteria for

17 selection of fund managers, required income from the Trust Fund, and other investment

18 management threshold requirements;

19 (j) "*PCA*" shall refer to the Philippine Coconut Authority, created under

20 Presidential Decree 232 (S. 1973), as amended by Presidential Decree 1468 (S. 1978);

21 (k) "*PCGG*" shall refer to the Presidential Commission on Good Government,

22 created under Executive Order No.1 (S. 1986);

23 (l) "*PMO*" shall refer to the Privatization and Management Office organized

24 under Article III of Executive Order No. 323 (S. 2000);

25 (m) "*Plan*" shall refer to the Coconut Farmers and Industry Development Plan, to

26 be prepared under Section 11 of this Act;

27 (n) "*President*" shall refer to the President of the Republic of the Philippines;

1 (o) "*Prohibited Investments*" shall refer to any of the following: direct investments
2 into companies, private placements and direct lending, derivative instruments, margin
3 purchases, short sales, and investments in real estate;

4 (p) "*Trust Fund*" shall refer to the Coconut Farmers and Industry Trust Fund
5 created under Section 6 of this Act;

6 (q) "*Trust Fund Income*" shall refer to the income, interest earnings, and other
7 monetary benefits, realized by and accruing to the Trust Fund or any portion thereof; and

8 (r) "*Trust Fund Principal*" shall refer to:

- 9 i. the initial Trust Principal which shall be composed of the proceeds from
10 the redemption of the Converted SMC Series 1 Preferred Shares,
11 dividends declared, paid, or issued on the Converted SMC Series 1
12 Preferred Shares, and all income or interest derived therefrom as of the
13 effectivity of this Act, and any other cash Coconut Levy Asset, that are
14 held by the Bureau of Treasury (BTr) as a special account in the general
15 fund and as an escrow account, and cash held by UCPB as administrator
16 of the CIIF;
- 17 ii. any and all proceeds of privatization of the Coconut Levy Assets
18 remitted thereto by the Privatization and Management Office, and
- 19 iii. proceeds of privatization of any or all properties or assets conveyed by
20 any person, group or entity to the Committee, from time to time, as
21 provided in Section 7 hereof.

22 II

23 Audit and Reconveyance of Coconut Levy Assets

24 **SEC. 4. *Accounting, Inventory and Audit of Coconut Levy Assets.*** – Within thirty
25 (30) days from the effectivity of this Act, the PCGG shall conduct a complete accounting
26 and inventory of the Coconut Levy Assets, including the amount, value, description and
27 nature of such funds, properties, assets, records, choses in action, and other rights, claims,

1 or causes of action pertaining thereto, as well as the investments, disbursements and
2 expenditures relating to the Coconut Levy Funds and submit a report to the Office of the
3 President, the Committee, the Commission on Audit (COA), and the BTr.

4 The COA shall audit the accounting and inventory of the Coconut Levy Assets
5 prepared by the PCGG, for the purpose of, among others, determining the completeness
6 of said inventory, establishing the reasonableness of the asset valuation, and tracing the
7 flow of the Coconut Levy Funds.

8 Within sixty (60) days from the submission of the accounting and inventory of the
9 Coconut Levy Assets, the COA shall submit to the Committee its audit report, together
10 with a complete list of Coconut Levy Assets and their valuation, and the empirical basis
11 and the methodologies employed for the said valuation.

12 The Committee shall, within fifteen (15) days from its receipt of the audit report,
13 publish the same in at least two (2) newspapers of national circulation.

14 Nothing herein shall be construed as preventing the PMO from procuring a third-
15 party appraisal of any of the Coconut Levy Assets prior to or in the course of preparing
16 the privatization or disposition plans for the said assets.

17 **SEC. 5. Reconveyance of Coconut Levy Assets.** – Immediately upon the effectivity
18 of this Act, the PCGG, the government representatives to the boards of
19 sequestered/surrendered corporations, and any government agency or person having
20 any Coconut Levy Asset in its administration, authority, custody or control, shall perform
21 or cause the performance of the following:

22 (1) reconvey title to the Republic of the Philippines over the Coconut Levy Assets;

23 (2) deliver all stock certificates and other evidence of ownership to the BTr for
24 safekeeping; and

25 (3) transfer all cash Coconut Levy Assets to the Trust Fund.

1 for the use of the coconut industry, or for purposes of privatization, in which case, the
2 proceeds of such privatization shall form part of the Trust Fund.

3 No portion of the Trust Fund shall accrue to the general fund of the National
4 Government.

5 **SEC. 8. *Management and Investment of the Trust Fund.*** - The Committee shall
6 manage and invest the Trust Principal with the skill, care, prudence and extraordinary
7 diligence necessary under the circumstances that a prudent person acting in like capacity
8 and familiar with such matters would exercise in the conduct of an enterprise of a like
9 character and with similar aims. For this purpose, it shall adhere to the basic principles
10 of safety, capital preservation, growth, and liquidity.

11 To achieve its goals, the Committee shall promulgate the necessary Investment
12 Guidelines and shall tap the services of the BTr and other fund managers in
13 implementing the said Investment Guidelines. No funds shall be invested in Prohibited
14 Investments.

15 Immediately upon the effectivity of this Act, and until such time that the Committee
16 has promulgated the Investment Guidelines and appointed fund managers for the Trust
17 Fund, the BTr shall invest all cash Coconut Levy Assets under its administration in
18 government securities that will provide the best possible return for the Trust Fund.

19 **SEC. 9. *Utilization of the Trust Fund Principal and the Trust Fund Income.*** - For
20 purposes of the initial implementation of the Plan, the execution of programs and projects
21 identified in the Plan that are allowed to be funded out of the Trust Fund, and pending
22 the accrual or availability of the Trust Fund Income, the amount not exceeding ten percent
23 (10%) of the initial Trust Fund Principal may be disbursed by the Committee within two
24 (2) years commencing from the approval of the Plan by the President. Thereafter, only
25 the Trust Fund Income accruing during the immediately preceding year can be used to
26 fund the programs and projects identified in the Plan.

1 All fund releases approved by the Committee shall be released directly to the
2 implementing agencies.

3 **SEC. 10. *Designation of the Bureau of Treasury as Depository of the Trust Fund.* –**

4 Any law to the contrary notwithstanding, the Bureau of Treasury is hereby designated as
5 the depository of the Trust Fund, which shall: (a) hold and account the Trust Fund in the
6 manner set forth by the Committee, (b) release funds directly to the implementing
7 agencies upon the instruction of the Committee, (c) when so appointed by the Committee,
8 act as a fund manager of the investments of the Trust Fund with the authority and
9 accountability as that of a private fund manager, and (d) perform other tasks as may be
10 mandated by the Committee.

11 **IV**

12 **Coconut Farmers and Industry Development Plan**

13 **SEC. 11. *Preparation of the Coconut Farmers and Industry Development Plan.* –**

14 The National Economic and Development Authority, the Department of Agriculture, the
15 Department of Agrarian Reform, the Department of the Interior and Local Government,
16 the Department of Public Works and Highways, the Department of Social Welfare and
17 Development, the Department of Trade and Industry, the Philippine Coconut Authority,
18 the Commission on Higher Education, National Anti-Poverty Commission, three (3)
19 representatives from coconut farmers organizations, one each coming from Luzon,
20 Visayas and Mindanao, and one (1) representative of the industry associations, are herein
21 constituted as an *ad-hoc* committee that will prepare the Coconut Farmers and Industry
22 Development Plan. The Director-General of NEDA, as chair the *ad hoc* committee, shall
23 identify the coconut farmers organizations and industry association that will become
24 members of the *ad hoc* committee.

25 In the performance of its function, the *ad-hoc* committee shall consult coconut
26 farmers and their organizations, industry associations, civil society organizations,
27 academe, concerned government agencies and other stakeholders in the coconut
28 industry.

1 The Plan shall set the directions and policies for the development and rehabilitation
2 of the coconut industry. It shall define the roles and contribution of Coconut Levy Assets
3 to support said rehabilitation and development, which shall serve as basis in the retention
4 or privatization/disposition of any or all of the Coconut Levy Assets.

5 In the formulation of the Plan, the *ad-hoc* committee shall be guided by the following
6 objectives:

- 7 a) increased farm productivity and income of coconut farmers;
- 8 b) establishment of coconut-based enterprises
- 9 c) rehabilitation and modernization of the coconut industry towards global
10 competitiveness; and
- 11 d) poverty alleviation and social equity.

12 The Plan shall include a national program for (a) coconut productivity, including
13 intercropping and livestock raising; (b) community-based coconut enterprises, including
14 integrated processing of coconut products and downstream products; (c) coconut farmers
15 organization and development; and (d) social protection that directly benefit coconut
16 farmers, farm workers, and their families, taking into consideration existing social
17 protection programs of the government. For purposes of the establishment and granting
18 of social protection programs, the Committee is hereby authorized to validate the
19 reliability and completeness of the coconut farmers registry of the PCA from which the
20 beneficiaries shall be identified.

21 The Plan shall provide the criteria for targeting beneficiaries, the indicators in
22 determining the attainment of the abovementioned objectives, and the mechanisms for
23 monitoring and evaluating the impact, of the different components of the program.

24 For the avoidance of doubt, programs relating to planting, replanting, fertilization,
25 research and development, market promotion, farm-to-market roads, and direct lending,
26 shall be funded through regular appropriations.

1 The Plan shall provide an indicative funding requirement or allocation for the
2 implementation of any and all of the programs and projects to be funded by the initial
3 Trust Fund Principal and the Trust Fund Income, which funding or allocation shall be
4 itemized or broken down on a project-to-project basis: *Provided*, That (i) for projects which
5 are recurring, or to be implemented on a regular basis, the allocation shall indicate the
6 annual fund that may be required to implement said project; and (ii) for projects that are
7 to be implemented or concluded within a period of time, the allocation shall indicate the
8 total fund that may be required for the implementation of the whole project, itemized
9 according to the phases or stages of said project.

10 Within one hundred eighty (180) days from the start of the effectivity of this Act,
11 the Plan shall be submitted to the President, as endorsed by the Committee, for approval.

12 Any amendment to the Plan shall require the approval of the President.

13 **V**
14 **The Coconut Farmers and Industry Trust Committee**

15 **SEC. 12. *Creation of the Coconut Farmers and Industry Trust Committee.*** – There
16 is hereby created the Coconut Farmers and Industry Trust Committee which shall be
17 attached to the Office of the President.

18 The Committee shall have the following powers and functions:

- 19 (a) Supervise, coordinate and monitor the implementation of the Coconut
20 Farmers and Industry Development Plan;
- 21 (b) Formulate and amend, as may be necessary, the Investment Guidelines:
22 *Provided*, That no funds shall be invested in Prohibited Investments;
- 23 (c) Appoint fund managers as it deems necessary to manage the investments of
24 the Trust Fund;
- 25 (d) Approve disbursements from the initial Trust Fund Principal and the Trust
26 Fund Income, including the funding for (i) the operation of the Committee
27 which shall not exceed Forty Million Pesos (P40,000,000.00) on the first year
28 and not more than three percent (3%) of the Trust Fund Income for every year

1 thereafter, (ii) the formulation of the Plan, and (iii) the conduct of the
2 inventory and audit of the Coconut Levy Assets, which shall be charged
3 against the initial Trust Fund Principal or the Trust Fund Income when
4 available;

5 (e) Exercise on behalf of the National Government all rights and incidents of
6 ownership to the Coconut Levy Assets, including the right to vote, whether
7 directly or through duly authorized nominees, shares of stock held in the
8 name of the National Government;

9 (f) Pursuant to the directions and policies set in the Plan, identify all portions of
10 the Coconut Levy Assets for privatization or disposition and arrange for their
11 transfer to the PMO for the same purposes;

12 (g) Establish guidelines for the privatization or disposition of the Coconut Levy
13 Assets by the PMO;

14 (h) Approve, or disapprove, on behalf of the National Government and without
15 need of any further approval by, or other action from any other government
16 institution or agency, the sale, disposition or dissolution of such assets, which
17 sale or disposition shall be conducted by the PMO: *Provided*, That the
18 Committee itself, or any of its members, are prohibited from undertaking the
19 marketing of any such assets, participating in the negotiation for their sale, or
20 making the sale itself, or bring about any situation which may give rise to a
21 conflict of interest;

22 (i) Approve the financial requirements of the PMO in relation to its functions set
23 forth in this Act, including its annual budget for operations, conservation,
24 rehabilitation, management and privatization/disposition of the Coconut
25 Levy Assets transferred and entrusted under its care;

- 1 (j) Appoint, transfer, remove for cause, personnel of the Committee, and fix their
2 remuneration in accordance with the Salary Standardization Law and civil
3 service laws, rules and regulations;
- 4 (k) Issue policies, rules, and guidelines as may be necessary to implement the
5 provisions of this Act; and
- 6 (l) Exercise such other incidental powers and functions as may be necessary to
7 attain the objectives of this Act.

8 **SEC. 13. Composition.** – The Committee shall be composed of the Secretary of
9 Finance as Chairman, the Secretary of Agriculture as Co-Chairman, the Director-General
10 of the National Economic and Development Authority, the Secretary of the Department
11 of Trade and Industry, the Administrator of the Philippine Coconut Authority, and six
12 (6) representatives from the coconut farmers sector, divided into two (2) representatives
13 each for the island groupings of Luzon, Visayas and Mindanao, as members.

14 The six (6) representatives from the coconut farmers sector must be Filipino citizens,
15 registered with the coconut farmers registry, have considerable experience and reputable
16 track record in promoting coconut farmer interests and welfare, and nominated by
17 coconut farmers organizations or cooperatives that are active for the past three (3) years
18 in farmer organization and development or community enterprise development. They
19 shall be appointed by the President from a list of four (4) nominees for each island
20 grouping, as submitted by the Committee. They shall each hold a term of three (3) years,
21 and may be reappointed once. Any appointment to fill the vacancy in the Committee
22 arising from death, removal, retirement, or resignation of the representative of the
23 coconut farmers sector shall be made only for the unexpired term.

24 Within thirty (30) days following the effectivity of this Act, the Committee shall
25 promulgate a nomination and screening process of nominees as representatives of the
26 coconut farmers sector in the Committee, in consultation with coconut farmers
27 organizations.

1 **SEC. 14. *Ex Officio Alternates.*** – The *ex officio* members of the Committee may
2 designate their respective alternates who shall be the officials next-in-rank to them and
3 their acts shall be considered the acts of their principals.

4 **SEC. 15. *Meetings.*** – The Committee shall meet at least once a month or as frequent
5 as may be necessary and expedient to discharge its responsibilities.

6 The presence of at least a majority of the members of the Committee shall constitute
7 a quorum, and the concurrence of a majority of the members present at a meeting at
8 which a quorum exists shall be adequate for any decision by the Committee: *Provided,*
9 That the approval of at least seven (7) members of the Committee is required where the
10 matter involves the approval of (i) any privatization or disposition proposal involving
11 more than Five Hundred Million Pesos (PhP500,000,000.00), in pursuance of the policies
12 and directions set in the Plan with regard to the privatization of Coconut Levy Assets,
13 and (ii) the disbursement of funds exceeding Fifty Million Pesos (PhP50,000,000.00), and:
14 *Provided, finally,* That the approval of at least nine (9) members is required where the
15 matter involves: (i) the promulgation of the Investment Guidelines, and (ii) investment
16 of a portion of the Trust Fund involving at least Five Hundred Million Pesos
17 (P500,000,000.00).

18 **SEC. 16. *Compensation of the Members of the Committee.*** – Members of the
19 Committee may be entitled to per diems and reimbursable expenses, as prescribed under
20 existing rules and regulations issued by the President and the Department of Budget and
21 Management.

22 **SEC 17. *Executive Director of the Committee.*** – The President, upon
23 recommendation of the Committee, shall appoint an Executive Director who shall possess
24 the following qualifications: a Filipino citizen, a degree holder, has professional
25 experience preferably in public finance, investment management, program and policy
26 development, or project monitoring and evaluation, and knowledgeable with the
27 development of the coconut industry.

1 The Executive Director shall have the following powers and functions:

- 2 a) Execute and administer the policies and decisions promulgated by the
3 Committee;
- 4 b) Monitor the progress of the implementation of the Plan, and submit periodic
5 reports to the Committee;
- 6 c) Direct and supervise officials, employees, representatives and agents of the
7 Committee;
- 8 d) Prepare an annual report on the activities of the Committee at the close of each
9 fiscal year and to submit a copy thereof to the President and Congress;
- 10 e) Keep and maintain official records and reports of the proceedings of the
11 Committee;
- 12 f) Administer oaths in all matters falling within the jurisdiction of the Committee;
13 and
- 14 g) Exercise such other duties as may be vested by the Committee that are
15 consistent with the provisions of this Act.

16 **SEC. 18. *Accounting and Auditing.*** – The Committee shall maintain records and
17 accounts of all investments, receipts, disbursements and other transactions relating to the
18 management, administration, and utilization of the Trust Fund. These records and
19 accounts shall be maintained in accordance with existing accounting and auditing laws,
20 rules and regulations, and shall be audited by the COA.

21 **VI**
22 **Privatization of the Coconut Levy Assets**

23 **SEC. 19. *Privatization of the Coconut Levy Assets.*** – Pursuant to the direction and
24 policies set in the Plan, the Committee shall determine the Coconut Levy Assets which
25 need to be privatized and which should be retained by the National Government to
26 support the coconut farmers and the development of the coconut industry.

27 For this purpose, the Committee shall be guided by any of the following standards:

- 1 (a) the functions or purposes for which the entity was created are no longer
2 relevant to the State or no longer consistent with the national development
3 policy of the State;
- 4 (b) the functions or purposes of the entity duplicate or unnecessarily overlap
5 with functions, activities, or projects already provided by another agency;
- 6 (c) the entity is not producing the desired outcomes, or is no longer achieving
7 the objectives for which it was originally designed and implemented;
- 8 (d) the entity is dormant or non-operational; and
- 9 (e) the function, purpose, or nature of operations of any group of entities
10 requires consolidation under a holding company.

11 **SEC. 20. *Additional Mandate of the Privatization and Management Office (PMO).***

12 - In addition to its powers, duties and functions under Executive Order No. 323 (S. 2000),
13 the PMO, shall, for and in behalf of the National Government, take title to and possession
14 of, conserve, provisionally manage, and dispose of the Coconut Levy Assets which have
15 been identified for privatization and disposition.

16 In the discharge of its mandate, the PMO is hereby empowered to: (i) implement the
17 marketing and disposition program of the Coconut Levy Assets; (ii) execute and deliver,
18 on behalf of the National Government, deeds of sale, contracts, trust instruments, and
19 other legally operative documents as may be necessary or appropriate to convey title to,
20 take possession of, and conserve, such assets; (iii) engage external expertise as may be
21 necessary in the fulfillment of its tasks under this Act; and (iv) to adopt internal rules and
22 regulations in relation to the marketing and disposition of the Coconut Levy Assets.

23 Any and all sales and other modes of privatization or disposition shall not be
24 considered final unless approved or ratified by the Committee.

25 **SEC. 21. *Powers of the Privatization and Management Office.*** - The PMO shall
26 prepare the privatization plans and policies of the Coconut Levy Assets transferred to it.
27 It is empowered to enter into sales through public bidding, negotiated sale, lease, or any

1 form of divestment or transmission of rights over the Coconut Levy Assets, including a
2 partnership with the private sector in the management or operation of these Coconut
3 Levy Assets prior to actual sale or disposition.

4 Prior to the implementation of any privatization plan for corporations transferred
5 to it, the PMO shall have the following powers:

- 6 i. require any of the subject corporations to adopt and implement cost-reduction
7 measures to enhance the viability, and therefore the disposability of such
8 corporations, to potential buyers, including measures requiring personnel
9 retrenchment plans or other forms of corporate downsizing;
- 10 ii. direct any of the subject corporations to submit to the PMO, within fixed time-
11 tables, such reports and information as the PMO may require in the exercise of
12 its ownership, administrative, and disposition over such corporations or their
13 assets; and
- 14 iii. cause the subject corporations to undergo rehabilitation, merger,
15 consolidation, spin-off, or other corporate acts of reformatory nature as it may
16 deem necessary or desirable to expedite the disposition and privatization
17 under this Act.

18 In all such cases, no corporate measure shall be implemented without the approval
19 of the Committee.

20 **SEC. 22. *Committee to Determine Transfer Value.*** – The Committee is hereby vested
21 with full and complete powers and prerogatives to determine transfer values and related
22 valuations at which the Coconut Levy Assets shall be transferred and conveyed to the
23 PMO pursuant to the mandate of this Act and upon reasonable consultation with the
24 COA or a third-party appraiser: *Provided*, That any valuation approved by the Committee
25 for purposes of the transfer to the PMO shall not be deemed a condonation, waiver, or
26 extinguishment of any obligation by any party whose vested rights may be impaired by
27 such transfer.

1 **SEC. 28. Repealing Clause.** – All laws, executive orders, administrative orders, and
2 rules and regulations inconsistent with this Act are hereby repealed or amended
3 accordingly.

4 **SEC. 29. Effectivity Clause.** – This Act shall take effect fifteen (15) days after its
5 complete publication in the *Official Gazette* or in two (2) newspapers of general circulation.

Approved,