

EXECUTIVE ORDER NO. 399

**INCREASING THE RATE OF CASH DIVIDENDS TO BE DECLARED BY
GOVERNMENT OWNED OR CONTROLLED CORPORATIONS
SUBJECT TO CERTAIN EXCEPTIONS**

WHEREAS, Executive Order No. 518, S. of 1979, Section 17, provides that:

"Sec. 17. Cash Dividends. - Each corporation shall declare at least five per cent of net earnings of each year as cash dividends: Provided, That cash dividends accruing to the National Government shall be received by the Treasury and recorded as income of the General Fund: Provided, Further, That the fraction of net earnings that shall be declared by a corporation as cash dividends may be changed by the President/Prime Minister upon recommendation of the Minister of Finance: Provided, Finally, That this Section shall not apply to the Government Service Insurance System, the Social Security System, and those government owned or controlled corporations whose profit distribution is provided for by their respective charters or by special law."

WHEREAS, to support its development projects and social services, the government must equitably share in the earnings of the government owned or controlled corporations without impairing the viability of these companies and the purposes for which they have been established;

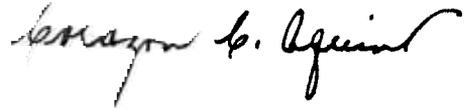
NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. The rate of cash dividends to be declared by government owned or controlled corporations under Section 17 of Executive Order No. 518, S. of 1979, is hereby increased from at least five percent (5%) to at least ten percent (10%) of their respective net earnings of each year..

SECTION 2. This Executive Order shall not apply to the Government Service Insurance System, the Social Security System, and those government owned or controlled corporations whose profit distribution is provided for by their respective charters or by special law.

SECTION 3. This Executive Order shall take effect (15) days following its publication in a national newspaper of general circulation.

DONE in the City of Manila, this 24th day of April, in the year of Our Lord, nineteen hundred and ninety.



By the President:



CATALINO MACARAIG, JR.
Executive Secretary