

MFN 7342

MALACAÑANG, MANILA

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 256

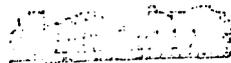
GUIDELINES THAT WILL GOVERN THE OPERATIONS OF THE GUARANTEE FUND FOR SMALL AND MEDIUM ENTERPRISES PENDING ITS FULL CONSOLIDATION/INTEGRATION WITH THE SMALL BUSINESS GUARANTEE AND FINANCE CORPORATION AND RELATED MATTERS

WHEREAS, Executive Order No. 233, dated April 26, 2000, directed the transfer of the supervision and control over the Livelihood Corporation ("Livecor") from the Office of the Executive Secretary to the Department of Agriculture;

WHEREAS, The same Executive Order likewise mandated that the Guarantee Fund for Small and Medium Enterprises ("GFSME") shall be attached to the Department of Trade and Industry ("DTI") for supervision, control, policy/program coordination;

WHEREAS, to ensure the continued implementation of the programs of GFSME pending full consolidation/integration with the Small Business Guarantee and Finance Corporation ("SBGFC") certain changes in the internal and external operations of GFSME will have to be effected;

NOW, THEREFORE, I, JOSEPH EJERCITO ESTRADA, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:



PJEE Hologram #18391



SECTION 1. The corpus of GFSME that will be eventually integrated/consolidated with SBGFC shall consists of its personnel and all the assets, as reflected in the 1999 Audited Financial Statement of GFSME, including subsequent additions/accruals thereto. All liabilities which have accrued prior to the integration/consolidation with SBGFC shall be honored under the new set-up.

SECTION 2. All systems, policies, procedures and guidelines previously approved for GFSME and officially sanctioned by higher authorities including, but not limited to, the Office of the President, Department of Budget and Management, Civil Service Commission, and Commission on Audit, shall be considered authorized under the interim set-up until full consolidation/integration with SBGFC is achieved, after which new systems will be put in place.

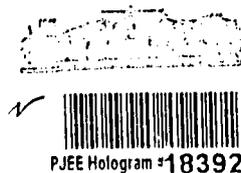
SECTION 3. The operations of GFSME pending full consolidation/integration with SBGFC shall be governed by a Management Committee to be composed of five (5) members, as follows:

1. The DTI Undersecretary for Industry and Investments or his designated alternate, as Chairman;
2. The GFSME Executive Director, as Vice Chairman;
3. The head of SBGFC;
4. Two (2) other members coming from the private sector who shall be appointed by the DTI Secretary and shall hold office at the pleasure of the DTI Secretary.

The Management Committee shall meet at least once a month or as often as the exigencies of the service demand. The presence of at least four (4) members shall constitute a quorum and the vote of a majority of the members present there being a quorum shall be necessary for the adoption of any act or resolution.

A Committee Secretary shall likewise be appointed by the DTI Secretary who shall be responsible for the preparation of minutes of the meetings and shall perform such other duties as may be required to effect the holding of regular Management Committee meetings.

The DTI Secretary is hereby authorized to grant reasonable honoraria/fee to the members of the Committee and the Secretary thereof.



SECTION 4. The Management Committee is hereby specifically empowered:

- a) To approve guarantee applications/restructuring of accounts up to P20 Million Pesos. Guarantee applications/restructuring of accounts for less than P10 Million may however, be approved by a Credit Committee to be composed of the DTI Undersecretary for Industry and Investments or his alternate, the GFSME Executive Director and a third member to be designated by the Management Committee from among its members. Guarantee applications/restructuring of accounts for less than P5.0 Million may be approved by the GFSME Executive Director upon the recommendation of the Operations Committee.
- b) To approve the sale of acquired assets, whether real or movable and the rules and regulations that will govern the sale of said assets;
- c) To approve changes/amendments to the existing guidelines on the issuance of guarantee;
- d) To approve supplemental budgets and such other changes in the regular budgets as may be recommended by the GFSME Executive Director;
- e) To approve purchases relating to the GFSME operations exceeding P5.0 Million;
- f) To formulate policies, rules and regulation to carry out effectively the functions and purposes of GFSME.

SECTION 5. Contractual commitments of GFSME approved by the appropriate Committee shall be signed by the GFSME Executive Director for and in behalf of DTI.

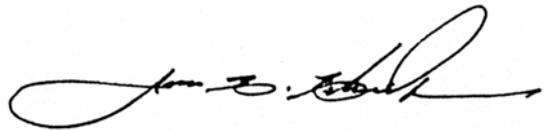
SECTION 6. Further to E.O. 233, the DTI Secretary is authorized to reorganize, streamline and adopt a new staffing pattern to suit the requirements of the consolidated GFSME-SBGFC. The DTI Secretary is likewise authorized to provide separation benefits to affected personnel, if any, of both GFSME and SBGFC which shall be in addition to all gratuity and benefits to which they are entitled to under existing laws.



SECTION 7. All executive orders, rules and regulations or parts thereof inconsistent with this Executive Order are hereby repealed or revoked accordingly.

SECTION 8. This Executive Order shall take effect immediately.

DONE in the City of Manila, Philippines this 20th day of June in the year of our Lord Two Thousand.



By the President:

RONALDO B. ZAMORA
Executive Secretary

PMS LIBRARY

Received

JUN 22 2000

Date



RZ

