

REPUBLIC ACT NO. 7886

AN ACT EXTENDING THE TERM OF THE COMMITTEE ON
PRIVATIZATION AND THE ASSET PRIVATIZATION
TRUST AMENDING FOR THE PURPOSE REPUBLIC ACT
NUMBERED SEVEN THOUSAND SIX HUNDRED SIXTY-
ONE

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

SECTION 1. Section 1 of Republic Act No. 7661 is hereby
amended to read as follows:

"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 Corporations
and/or the Assets thereof and Creating the Committee on
Privatization and the Asset Privatization Trust' is hereby extended
from July 1, 1995 to December 31, 1999: *Provided*, That prior
to the beginning of its extended term on July 1, 1995, the President
may appoint new members of the Asset Privatization Trust:
Provided, however, That with the exception of the chief executive
trustee, two (2) of the incumbent associate executive trustees shall
have a term ending on June 30, 1996 and the remaining two (2)
shall have a term ending on December 31, 1999.

"There shall be no disposition of properties during the last
three (3) months of the term which shall be devoted exclusively
to the liquidation of the Asset Privatization Trust and the
Committee on Privatization and preparation for turnover of its
assets, records and properties to the Office of the President who
shall create a special committee to handle the same.

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"All cash advances and all unsettled obligations incurred after the effectivity of this law 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 December 31, 1999.

"c) The decision of the Asset Privatization Trust and the Committee on Privatization on the sale and disposition of assets shall be final without need of concurrence by the owner and/or the custodial agency or corporation of the asset."

SEC. 2. Section 2 (f) of the same Act is hereby amended to read as follows:

"SEC. 2. (f) In the best interest of the Government and the small local investors and for the development of the domestic capital market, no offer of sale to large investors shall be undertaken until after a minimum of ten percent (10%) of the sale of assets in corporate form shall have been offered to small local investors, including Filipino overseas workers.

"Where this is not practicable or in the best interest of the public, at least ten percent (10%) in any event shall be reserved for small local investors to be offered to them at the same price within one hundred twenty (120) days from the approval of the sale. This rule shall likewise apply when there are no takers, in whole or in part, when the first offer was made. The Committee on Privatization shall formulate guidelines that provide specific preference for such small local investors.

"In the case of physical or indivisible assets, the Committee on Privatization, whenever practicable, shall require the buyer of the assets to offer for sale to their employees or to small local investors, overseas contract workers, or the general public directly

or through the stock exchange, shares of stocks in the corporation equivalent to at least or a minimum of ten percent (10%) of the value of the assets acquired: *Provided*, That the Social Security System and the Government Service Insurance System shall grant loans to qualified employees of the firms under privatization who would like to avail the ten percent (10%) stock offering as provided in this Section."

SEC. 3. Upon the expiration of the term of the Committee on Privatization and the Asset Privatization Trust, all their powers, functions, duties and responsibilities, all properties, real or personal, assets, equipment and records, as well as all their obligations and liabilities, shall devolve upon the Office of the President.

SEC. 4. All laws, orders, decrees, proclamations, rules and regulations or parts thereof which are inconsistent with any of the provisions of this Act are hereby repealed or modified accordingly.

SEC. 5. This Act shall take effect after its publication in two (2) newspapers of general circulation.

Approved, February 20, 1995.