

REPUBLIC ACT NO. 8494

AN ACT FURTHER AMENDING PRESIDENTIAL DECREE
NO. 1080, AS AMENDED, BY REORGANIZING AND
RENAMING THE PHILIPPINE EXPORT AND FOREIGN
LOAN GUARANTEE CORPORATION, EXPANDING ITS
PRIMARY PURPOSES, AND FOR OTHER PURPOSES

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

SECTION 1. It shall be the policy of the State to encourage and promote the expansion of Philippine exports, and to establish a strong and credible export credit institutions which shall be dedicated to the provision of export financing facilities and services to support the country's export sector.

SEC. 2. Section 1 of Presidential Decree No. 1080, as amended, is hereby amended to read as follows:

"SECTION 1. *Trade and Investment Development Corporation of the Philippines.*

"a) There is hereby created a body corporate to be known as the Trade and Investment Development Corporation of the Philippines (TIDCORP), hereinafter referred to as the Corporation, which shall have succession in its corporate name. The Corporation shall have its principal office in Metro Manila;

"b) The Corporation shall be deemed to be a wholly owned Government corporation and shall accordingly be subject to provisions of existing laws, rules and regulations applicable to Government-owned and controlled corporations not otherwise inconsistent with the provisions of this Decree."

SEC. 3. Section 2 of Presidential Decree No. 1080, as amended, is hereby amended, to read as follows:

"SEC. 2. *Primary Purposes.* – The primary purposes of the Corporation shall be as follows:

"a) To guarantee, with the prior concurrence of the Monetary Board, subject to the rules and regulations that the Monetary Board may prescribe, approved foreign loans, in whole or in part, granted to any entity, enterprise or corporation organized or licensed to engage in business in the Philippines;

"b) To guarantee Philippine banking and financial institutions against loss that may be incurred in connection with (1) the grant of loans/credit accommodation to exporters, producers of export products, or contractors with approved service contracts abroad, organized or licensed to engage in business in the Philippines, and (2) with the prior concurrence of the Monetary Board, subject to the rules and regulations that the Monetary Board may prescribe, the issuance of stand-by Letters of Credit or Letters of Guarantee, as the case may be, to secure the performance of approved service contracts abroad entered into by any entity or corporation organized or licensed to engage in business in the Philippines;

"c) To provide insurance cover, credits and appropriate services to facilitate the export of Philippine goods and services by any entity, enterprise or corporation organized or licensed to engage in business in the Philippines; and

"d) To guarantee or provide insurance cover for investments of any entity, enterprise or corporation organized or licensed to engage in business in the Philippines."

SEC. 4. Section 3 of Presidential Decree No. 1080, as amended, is hereby amended to read as follows:

"SEC. 3. *Functions.* – The Corporation shall have the following functions:

"a) To promote and facilitate the entry of foreign loans into the country for development purposes having special regard to the needs of export-oriented industries, industries registered with

the Board of Investments, public utilities, and industries the promotion of which is encouraged by government policy;

"b) To guarantee loans granted by Philippine banking and financial institutions to qualified exporters, producers of export products, and contractors with approved service contracts abroad;

"c) To facilitate and assist in the implementation of approved service contracts abroad entered into by Philippine entities, enterprises, or corporations with foreign exchange earning potentials, by providing counter-guarantees to Philippine banks and financial institutions issuing stand-by Letters of Credit or Letters of Guarantee for the performance of said service contracts;

"d) To meet requests from domestic entities, enterprises and corporations to assist them in the coordination of their development and expansion plans with a view to achieving better utilization of their resources;

"e) To provide technical assistance in the preparation, financing and execution of development or expansion programs, including the formulation of specific project proposals; and

"f) To undertake such actions that are consistent with the primary purposes of the corporation."

SEC. 5. *Borrowing and Other Miscellaneous Powers.* – In addition to the powers specified elsewhere in this Decree, the Corporation shall have the power:

"a) To borrow funds in foreign countries or in the Philippines with the approval of the President of the Philippines and subject, in the case of foreign borrowings, to the prior concurrence of the Monetary Board, subject to the rules and regulations that the Monetary Board may prescribe, pertinent provisions of Republic Act No. 7653 and Bangko Sentral rules and regulations;

"b) To buy and sell securities the Corporation has issued or guaranteed;

"c) To underwrite, or participate in the underwriting of securities issued by any domestic entity or enterprise for purposes consistent with the purpose of the Corporation;

"d) To invest funds not needed in its operations, in government treasury bills, notes and bonds either directly issued or guaranteed by the government or government financial institutions, or in notes and other debt instruments with a credit classification of double "A"; and

"e) To exercise such other powers and establish such rules and regulations as may be necessary and appropriate in the furtherance of the corporation's purpose and functions."

SEC. 6. Section 10 of Presidential Decree No. 1080, as amended, is hereby amended to read as follows:

"SEC. 10. *Board of Directors, Composition.* – The powers and functions of the Corporation shall be exercised by a Board of Directors, hereinafter referred to as the "Board," which shall be composed of nine (9) members as follows:

"a) The Secretary of Finance, who shall be the Chairman of the Board. Whenever the Secretary of Finance is unable to attend a meeting of the Board, he shall designate an Undersecretary to attend as his alternate, who shall act as Chairman;

"b) The President of the Corporation, who shall be the Vice Chairman of the Board, shall assist the Chairman and act in his stead in case of absence or incapacity;

"c) The Secretary of Trade and Industry. Whenever the Secretary of Trade and Industry is unable to attend a meeting of the Board, he shall designate an Undersecretary to attend as his alternate;

"d) The Governor of the Bangko Sentral ng Pilipinas. Whenever the Governor of the Bangko Sentral ng Pilipinas is

unable to attend a meeting of the Board, he shall designate a Deputy-Governor as his alternate;

"e) The Director-General of the National Economic and Development Authority. Whenever the Director-General is unable to attend a meeting of the Board, he shall designate a Deputy-Director-General of the Authority to attend as his alternate;

"f) The Chairman of the Philippine Overseas Construction Board. Whenever the POCB Chairman is unable to attend a meeting of the Board, he shall designate the POCB Vice-Chairman to attend as his alternate; and

"g) Three (3) representatives from the private sector, at least one of which shall come from the export community, who shall be elected by the *ex officio* members of the Board and who shall hold office for a term of not more than two (2) consecutive years: *Provided*, That the representative from the private sector should be of known probity in the sector he represents."

SEC. 7. The Board of Directors shall provide for an organizational structure and staffing pattern for officers and employees of the Trade and Investment Development Corporation of the Philippines (TIDCORP) and upon recommendation of its President, appoint and fix their remuneration, emoluments and fringe benefits: *Provided*, That the Board shall have exclusive and final authority to appoint, promote, transfer, assign and re-assign personnel of the TIDCORP, any provision of existing law to the contrary notwithstanding.

All positions in TIDCORP shall be governed by a compensation and position classification system and qualification standards approved by TIDCORP's Board of Directors based on a comprehensive job analysis and audit of actual duties and responsibilities. The compensation plan shall be comparable with the prevailing compensation plans in the private sector and shall be subject to periodic review by the Board no more than once every four (4) years without prejudice to yearly merit reviews or increases based on productivity and profitability. TIDCORP shall be exempt from existing laws, rules and regulations on compensation, position classification and qualification standards.

It shall, however, endeavor to make the system to conform as closely as possible to the principles and modes provided in Republic Act No. 6758.

SEC. 8. All incumbent personnel of the Philippine Export and Foreign Loan Guarantee Corporation shall continue to exercise their duties and functions as personnel of the TIDCORP until the reorganization is fully implemented but not to exceed one (1) year from the approval of this Act. The Board of Directors is authorized to provide separation benefits for those who cannot be accommodated in the new structure. All those who shall retire or are separated from the service on account of the reorganization under the preceding Section shall be entitled to such incentives, as are authorized by the Corporation, which shall be in addition to all gratuities and benefits to which they may be entitled under existing laws.

All assets and liabilities, purposes, powers and functions under existing laws, including but not limited to those covered by Executive Order No. 574, Series of 1979 in relation to Republic Act No. 6424 and Executive Order No. 127, Series of 1987 in relation to Presidential Decree No. 1785; rights and obligations; and claims and interest of the Philippine Export and Foreign Loan Guarantee Corporation shall, upon effectivity of this Act, be deemed transferred to the TIDCORP.

SEC. 9. If any provision of this Act is subsequently declared invalid or unconstitutional, the validity of the remaining provisions hereof shall remain in force and effect.

SEC. 10. All laws, decrees, executive orders, rules and regulations, and other issuances or parts thereof which are inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SEC. 11. This Act shall take effect fifteen (15) days from its publication in the *Official Gazette* or in at least two (2) newspapers of general circulation whichever comes earlier.

Approved, February 12, 1998.