

PRESIDENTIAL DECREE NO. 1071

**REVISING THE CHARTER OF THE
PHILIPPINE INTERNATIONAL TRADING CORPORATION**

I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order and decree, as part of the law of the land, the Revised Charter of the Philippine International Trading Corporation as follows:

**“THE REVISED CHARTER OF THE
PHILIPPINE INTERNATIONAL TRADING CORPORATION”**

“SECTION 1. Title of this Decree. – This Decree shall be known as the Revised Charter of the Philippine International Trading Corporation.

“SECTION 2. Name, Domicile and Place of Business. – There is hereby created a body corporate to be known as the Philippine International Trading Corporation, hereinafter referred to as the Corporation, which shall exist for fifty years and shall have its principal office in Metro Manila.

“SECTION 3. Capitalization. – The authorized capital stock of the Corporation shall be two hundred million pesos (P200,000,000.00), to be divided into two million (2,000,000) shares at par value of one hundred pesos (P100.00) per share to be subscribed as follows: forty per cent (40%) representing eight hundred thousand (800,000) shares valued at eighty million pesos (P80,000,000.00) by the Republic of the Philippines [since assumed and paid for by National Development Company per E.O. 1067 s. 1985]; ten per cent (10%) representing two hundred thousand (200,000) shares valued at twenty million pesos (P20,000,000.00) by the Development Bank of the Philippines; ten per cent (10%) representing two hundred thousand (200,000) shares valued at twenty million pesos (P20,000,000.00) by the Philippine National Bank [since assumed and paid for by National Development Company per E.O. 756 s. 1981]; and the remaining forty per cent (40%) representing eight hundred thousand (800,000) shares valued at eighty million pesos (P80,000,000.00) owned by the public at not less than the par value [since assumed and paid by the National Development Company per E.O. 756 s. 1981]. For the total subscription of the Republic of the Philippines, the amount of forty million pesos (P40,000,000.00) is hereby appropriated out of the funds in the National Treasury [since assumed and paid by National Development Company per E.O. 1067 s. 1985] which amount or any portion thereof shall be released to the Corporation upon the approval of the President of the Philippines: Provided, that, the subscription of the Development Bank of the Philippines and the Philippine National Bank shall be paid to the Corporation at such time and for such amounts as shall be requested by the Board of Directors of the Corporation: [Provided, further, that, the disposition of the shares available to the public shall be made in such a manner as to result in the widest distribution thereof as possible to individuals or organized businessmen representing specific industries or products without any stockholder owning more than one per cent (1%) of the total stock offered for subscription to the public and no single group representing one specific industry or product shall own more than five per centum (5%) of such share unless approved by the Board: And, Provided, finally that, proxy voting is hereby authorized but under no agreement, contract, arrangement, scheme, or plan, shall a proxy holder be allowed to

represent more than one per cent (1%) of the stocks offered to the public for subscription.]
As Amended by E.O. 756.

“Any disposition of shares of stock of the Corporation which will change the proportion of capital distribution among the National Government, Philippine National Bank, Development Bank of the Philippines and the public shall be null and void unless previously approved by the President of the Philippines upon recommendation of the Board of Directors. Likewise, no transfer of shares of stock subscribed by the public shall be allowed to be registered in the books of the Corporation which will violate the limitations in the next preceding paragraph unless the same is previously approved by the Board of Directors of the Corporation.

“The President of the Philippines may increase the authorized capital stock of the Corporation upon recommendation by the Board of Directors of the Corporation. The Board of Directors shall recommend such increase upon approval by the affirmative vote of stockholders holding at least two-thirds (2/3) of the subscribed capital stock of the Corporation in a special meeting called for the purpose. [**Amended by E.O. 756, s. 1981**].

SECTION 4. Voting Power of Government Shares. – The voting power of all the stocks owned and controlled by the Republic of the Philippines shall be vested in the President of the Philippines or in such person or persons as he may from time to time designate. [**Amended by E.O. 756 s. 1981, E.O. 1067 s. 1985**].

CORPORATE POWERS AND FUNCTIONS

SECTION 5. Purposes of the Corporation. – The Corporation is hereby authorized:

- “(a) To engage in or handle for Philippine and third country enterprises through methods, systems, devices and facilities intended to achieve economies of scale and better terms of trade for Philippine business, both foreign procurement as well as foreign marketing and distribution;
- “(b) To arrange for or establish comprehensive facilities for handling all phases of warehousing and to develop and operate physical facilities for the collection, processing and distribution of cargoes and other commodities;
- “(c) To obtain or arrange more comprehensive protection for activities undertaken or commodities dealt with by monitoring or coordinating risk insurance services for existing institutions or supplementing the same;
- “(d) To employ, utilize, and monitor trade promotion services, facilities and activities being undertaken by government or private agencies;
- “(e) To promote or organize, whenever warranted, production enterprises and industrial establishments and to collaborate or associate in joint venture with any person, association, company, or entity, whether domestic or foreign, in the fields of production, marketing, procurement, and such other related businesses;
- “(f) To provide technical, advisory, investigatory, consultancy and management services

with respect to any or all of the functions, activities and operations of the Corporation; and

“(g) In general, to undertake such activities as would be appropriate to an institution created for the purposes of international trading.

“SECTION 6. Powers of the Corporation. – In order to attain its purposes and objectives, the Corporation shall have the following powers: [As Amended by E.O. No. 133 s. 1987]

“(a) To engage in and carry on the business of dealership, brokerage, manufacture and distribution of commodities, products, goods, wares, merchandise, machineries and equipment and in connection therewith, to purchase, borrow, acquire, hold, exchange, sell, distribute, lend, mortgage, pledge, or otherwise dispose of, import or export, process or turn to account in any lawful manner, commodities, products, goods, wares, merchandise, and other articles of commerce and interest therein or instrument evidencing rights to acquire such interest and to guarantee any and all obligations relating to transactions made on any board of trade, commodities exchange, or similar institutions, and to do any and all things as may be useful in connection with or incidental to the conduct of such business;

“(b) To build, make, construct, maintain, purchase, sell, charter, deal in and with, own, lease, pledge, and otherwise dispose of all modes of transportation, together with all components, tools, machinery and appliances appurtenant thereto as are utilized in the transport of goods and merchandise by air, land or sea;

“(c) To carry on the business of public and private warehousing and all the business necessarily or impliedly incidental thereto, and to further carry on the business of general warehousing in all its several aspects; to construct, hire, purchase, operate and maintain any means or conveyances for the transportation to and from storage, by air, land or water, of any and all products; goods, wares, merchandise or manufactured articles, to issue certificates, warrants and receipts, negotiable or otherwise, to persons warehousing goods with the Corporation, and to make negotiate or secure advances or loans upon the security of such stored merchandise and products or otherwise to construct, purchase, take or lease, develop, operate or otherwise acquire any wharf, pier, dock, warehouse, storage room or other facilities, rights, franchises or premises deemed capable of being advantageously used in connection with the business of the Corporation, and to rent, lease, hypothecate and convey the same, and generally to carry on and undertake any and all business activity, transaction or operation commonly carried on or undertaken by warehousemen;

“(d) To act as shipping agent and ship broker, to handle ship husbanding and ship chandlery, and to engage in any aspect for the business of longshoring, lighterage, stevedoring, freight forwarding, packing and carting, and conveying;

“(e) To borrow, raise, or obtain funds to support or carry out its objectives and purposes and/or to arrange financing or equipment credit or any kind of financial or material assistance for its own account or its clients from any financial or lending institutions, local or foreign, and to secure any or all of the same, to the extent that may be required such as by any lawful guaranty or counter-guaranty by pledge, mortgage or

deed of trust, or by creating or suffering to exist a charge, lien or encumbrance, general or special, upon its revenues and/or assets, and likewise by similar guarantees, pledges, mortgages, liens and other security arrangements to secure the performance by the Corporation of any obligation or liability it may undertake for itself or for other companies or enterprises in which it may be interested; such loans obtained under this authority shall be guaranteed by the government in accordance with existing regulations;

- “(f) To provide financial accommodations to its clients, and maintain with or for customers’ accounts with respect to commodities and/or securities including margin accounts and to do such things as may be requisite or appropriate or incidental to the maintenance of such accounts;
- “(g) To act as agents or brokers in the business of marine, fire, life, accident and fidelity insurance, in the business of giving protection to principals and employers and any other kind or class of insurance in all its branches;
- “(h) To organize and incorporate subsidiaries whose capital stock may be subscribed in whole or in part by the Corporation; Provided, however, that the controlling interest of not less than sixty per cent (60%) of the authorized capital stock of such subsidiaries shall at all times remain with the Corporation: Provided, finally, that the organization and incorporation of such subsidiaries shall be subject to prior approval of the President of the Philippines;
- “(i) To establish, maintain, operate or conduct branch businesses or offices for the transaction of business for itself and on behalf of other persons, firms, corporations, or other entities, either domestic or foreign, and to act as manufacturers’ agents, commission merchants, merchandise brokers, insurance, shipping and transport agents, or in any other representative capacity for persons, firms, corporations or other entities, either domestic or foreign, for the investment, loan payment, transmission or collection of money, commodities or securities and/or the purchase, sale, improvement, development and management of property including business concerns and undertakings and generally, to transact and undertake an agency business, whether in respect of any commercial or financial matters;
- “(j) To undertake or contract for researches, studies and surveys on any subject of interest to the Corporation including but not limited to such matters as business and economic conditions of various countries, including the structure of their commodities and financial markets, the institutional arrangements for mobilizing investments thereat, the legal and tax constraints and incentives obtaining therein; to promote products overseas through holding of trade fairs, exhibits and the like, coordinating with the Department of Trade in undertaking such activities;
- “(k) To acquire an interest in or to enter into partnership, amalgamate with or enter into other arrangements for sharing profits, mutual assistance or cooperation with any person or company carrying on or about to carry on or engage in any business transaction, operation or work capable of being conducted so as to purchase, take or otherwise acquire and hold shares of stock or other securities of or interest in any such company and to sell, hold and re-issue with or without guaranty or otherwise deal with the same;

- “(l) Subject to the limitations established by law, to acquire by purchase, subscription, exchange, assignment, gift, or otherwise, and to sell, assign, transfer, exchange, mortgage, pledge, and deal in and with, and otherwise, to enjoy, and dispose of, any bonds, debentures, promissory notes, shares of capital stock, and/or other securities and/or obligations, created, negotiated or issued by any corporation, association, or other entity, foreign or domestic, and while the owner thereof, to exercise all the rights, powers and privileges of ownership, including the right to receive, collect, and dispose of any and all dividends, interest and income, derived therefrom, and the right to vote on any shares of the capital stock, and upon any bonds, debentures and/or other securities, having voting power so owned;
- “(m) To cause or allow the legal title to or any legal or equitable interest in any business or any other real or personal property acquired or carried on by the Corporation to remain or be vested or registered in the name of any other person or entity whether upon trust for or as agent nominee of the Corporation or upon such other terms and conditions which may be determined to be necessary or expedient by the Board of Directors of Corporation;
- “(n) To acquire by purchase or lease, or otherwise, lands and interest in lands and to own, hold, improve, develop and manage any real estate so acquired and to erect or cause to be erected on any lands owned, held or occupied by the Corporation, buildings or other structures with their appurtenances, and to rebuild, enlarge, alter or improve any buildings or other structures now or hereafter erected on any lands so owned or occupied;
- “(o) To purchase, own, hold, or otherwise acquire such machineries, equipment, tools, materials, supplies, or other parts as may be necessary, convenient, or appropriate for any of the purposes for which the Corporation is formed;
- “(p) To invest and deal with the funds of the Corporation in such manner as may be deemed proper, in order not to make such funds idle and unproductive pending their full utilization for the principal objects and purposes for which the Corporation has been organized;
- “(q) To apply for, register, purchase or otherwise acquire, or obtain a lien on, or interest in, any patent, patent rights, licenses, designs, processes, trademarks, tradenames, distinctive marks, inventions, and improvements thereof, and concessions which may appear likely to be advantageous or useful to the Corporation or its clients; to use, exercise or otherwise turn to account said property, rights, and to enter into know-how and data or process feedback agreements, including the use of computers, as the same may be related to or necessary or appropriate to carry on the objectives and purposes of the Corporation;
- “(r) To pay for any property or rights acquired or services obtained by the Corporation either in cash, shares or other securities of the Corporation, or partly in cash and partly in shares or other securities, under such terms and conditions as its Board of Directors shall determine to be reasonable. To enter into any agreement or contract with any government or any of the agencies and instrumentalities thereof, or with any person or company on any undertaking that may be conducive to the attainment of objectives of the Corporation or of any of them, and to obtain from any such

government or authority, person or company any rights, privileges and concessions, which the Corporation may think desirable;

- “(s) To establish, operate and maintain its own communication system throughout the country as may be needed or required by its business operations for which purpose, the proper franchise is hereby granted; and
- “(t) To do all such other things as are incidental or appurtenant to or growing out of or connected with the aforesaid business or powers of the Corporation or any part thereof or conducive to the attainment of its corporate purposes and objects.

THE BOARD OF DIRECTORS

“SECTION 7. Composition of Board of Directors. – The powers and functions of the Corporation shall be exercised by the Board of Directors which shall be composed of the following:

- “(a) The Secretary of the Department of Trade;
- “(b) The President of the Corporation;
- “(c) The Director-General of the National Economic and Development Authority;
- “(d) The Chairman of the Board of Investments;
- “(e) The Secretary of the Department of Agriculture;
- “(f) The Secretary of the Department of Natural Resources;
- “(g) The Chairman of the Board of Governors of the Development Bank of the Philippines;
- “(h) The President of the Philippine National Bank;
- “(i) A Representative from the Office of the President;
- “(j) [Six (6) other members to be appointed by the President of the Philippines for a term of five years in such manner that the first members appointed shall have terms of office of one, two and three years for every two members and that, to the extent possible, the financial, agricultural, industrial and commercial interests, shall be represented: Provided, however, That for purposes of determining the quorum, the same shall be based on the number of members of the Board actually appointed/ designated as such.] **Amended by E.O. 756 s. 1981**

“The Secretary of Trade shall be the Chairman of the Board and shall preside over its meetings: Provided, That, whenever the Secretary of Trade is unable to do so, the President of the Corporation shall preside over such meetings: Provided, further, That, if both the Secretary of Trade and the President of the Corporation are absent, the members of the Board present shall, there being a quorum, elect from among themselves a presiding officer for that particular meeting: And, provided, finally, That, except those members of

the Board representing the private sector, and the Secretary of Trade and the President of the Corporation who shall be represented by the Undersecretary of Trade and the Executive Vice President, respectively, the other ex-officio members of the Board shall, whenever unable to attend said meetings, be represented by their duly designated representatives who shall have the same powers, duties, and privileges in these meetings as the ex-officio members they are representing. **[Amended by E.O. 756, s. 1981]**

SECTION 8. Qualifications of the Members of the Board of Directors. – No person shall be appointed as member of the Board unless he is a Filipino citizen, of good moral character and of unquestionable integrity and responsibility and reputed to have considerable experience in foreign trading operations.

SECTION 9. Removal. – The President of the Philippines may remove any member of the Board for any of the following reasons:

- “(a) If the member no longer possesses the qualifications specified in Section 8;
- “(b) If the member is guilty of any act or omission of fraudulent or illegal character or manifestly opposed to the aims and interests of the Corporation;
- “(c) If in the opinion of the President of the Philippines, continued membership in the Board of such member will be inimical to or work against the interests of the Corporation.

SECTION 10. Absence and Vacancy. – In the event of any vacancy in the Board resulting from the death, resignation or removal of an appointive member, the President of the Philippines shall appoint a new Director who shall serve the unexpired period of the term pertaining to the Director he succeeded.

SECTION 11. Remuneration. – The members of the Board of Directors or their respective alternates, except the President and the Executive Vice President of the Corporation, shall each receive a per diem of P750.00 for every meeting of the Board actually attended. The amount of such per diem received by each Director and his alternate shall not exceed the sum of P1,500.00 for any single meeting.

SECTION 12. Powers and Functions. – The Board of Directors of the Corporation shall have the following powers and functions:

- “(a) To adopt corporate by-laws to implement and supplement the provisions of this Decree;
- “(b) To establish the policies for determining fees and charges as well as fix such fees and charges for services rendered by the Corporation; or to authorize the President of the Corporation to fix said fees and charges within the policies, guidelines and limitations established by the Board;
- “(c) To approve appointments made by the President of the Corporation to executive and senior management level positions in the Corporation;

- “(d) Consistent with its corporate purposes and powers, to determine/reorganize and approve the most effective organizational framework for the Corporation and its staffing pattern; fix the salaries of its officers and employees and determine their reasonable allowances, bonuses and other incentives as may be recommended by the President of the Corporation;
- “(e) Establish administrative rules and regulations for the operation of the Corporation;
- “(f) To exercise the general powers of business corporations as provided in Act 1459, as amended;
- “(g) To do all act or acts as may be necessary for the achievement of the expressed purposes and powers of the Corporation.

OFFICERS OF THE CORPORATION

“SECTION 13. Officers of the Corporation. – In line with paragraph (d) of the next preceding Section, the Board of Directors shall determine the officers of the Corporation who, except as provided in this Decree, shall be appointed by the President of the Corporation subject to confirmation by the Board. The Corporation may have an Executive Vice President and such Vice Presidents and Assistant Vice Presidents as may be required for the effective operation of the Corporation.

“SECTION 14. Qualification of the President. – No person shall be appointed as President of the Corporation unless he is a Filipino citizen, of good moral character and of unquestionable integrity and responsibility and reputed to have considerable experience in foreign trading operations.

“SECTION 15. Appointment and Tenure. – The President of the Corporation shall be appointed by the President of the Philippines for a term of two (2) years without prejudice to renewals.

“SECTION 16. Removal. – The President of the Corporation may be removed from office by the President of the Philippines, on the same ground provided for the removal of members of the Board of Directors of the Corporation.

“SECTION 17. Outside Interests of the President. – Unless otherwise directed by the President of the Philippines, the President of the Corporation need not limit his professional activities to those pertaining directly to his position in the Corporation; and may accept other employment, whether public or private, and receive remuneration therefor; provided, however, that the same should not impair the performance of his duties to the Corporation.

“SECTION 18. Remuneration. – The salary of the President of the Corporation shall be fixed by the Board of Directors of the Corporation subject to the approval of the President of the Philippines.

SECTION 19. Powers and Duties of the President. – The President of the Corporation shall be the Chief Executive of the Corporation. He shall have the following powers and duties:

- “(a) Submit for the consideration of the Board of Directors such matters, policies and measures he recommends as necessary to carry out the purposes and provisions of this Decree;
- “(b) Execute and administer the policies, measures and directives approved by the Board of Directors;
- “(c) Direct and supervise the operations and internal administration of the Corporation;
- “(d) Delegate any administrative responsibility to other officers of the corporation as he may deem proper and necessary;
- “(e) Exercise such other powers as may be vested in him by the Board.

SECTION 20. Representation. – The President of the Corporation shall be the principal representative of the Corporation and as such he shall, in accordance with the instructions of the Board:

- “(a) Represent the Corporation in all dealings with other offices, agencies and instrumentalities of the government and with all other persons or entities, public or private, whether domestic or foreign;
- “(b) Execute, on behalf of the Corporation, all contracts and agreements the Corporation may enter into; authorize with his signature, notes and securities issued by the Corporation; and all such other documents of the Corporation;
- “(c) To vote all stocks owned or controlled by the Corporation;
- “(d) To represent the Corporation, personally or through counsel, in any legal proceeding or action taken by or against the Corporation; and
- “(e) To delegate his power to represent the Corporation, as provided in subsections (a), (b), (c) and (d) of this Section, to other officers of the Corporation upon his own responsibility.

SECTION 21. Authority of the President in Emergencies. – In the event of war or other emergencies which require immediate action by the Board of Directors and there is insufficient time to call a meeting thereof, the President of the Corporation with the concurrence of the Secretary of the Department of Trade or in the latter’s absence, with the concurrence of any two (2) other members of the Board, may decide any matter or take any action within the authority of the Board itself and may suspend enforcement of any resolution or decision previously taken by the Board.

“In such cases, the President of the Corporation shall subsequently call a meeting of the Board which shall then ratify or modify such emergency action as the circumstances warrant.

“SECTION 22. Executive Vice President. – During the absence or incapacity of the President of the Corporation, the Executive Vice President shall act as Chief Executive of the Corporation. He shall exercise the powers and perform the duties as may be delegated to him by the President of the Corporation or assigned to him by the Board of Directors.

“SECTION 23. The Auditors. – The Chairman of the Commission on Audit shall appoint a representative who shall be the auditor of the Corporation. He shall likewise appoint the necessary personnel to assist said representative in the performance of his duties. The salaries of the auditor and his staff shall be fixed by the Chairman of the Commission on Audit with the advice of the Board of Directors and said salaries and other expenses for the auditor’s office shall be paid by the Corporation. The auditor of the Corporation and personnel under him may be removed only by the Chairman of the Commission on Audit.

“The Auditor must be a certified public accountant with at least ten years experience as certified public accountant. No relative of any member of the Board of Directors or the Chairman of the Commission on Audit within the fourth degree of consanguinity and affinity shall be appointed as such representative.

MISCELLANEOUS PROVISIONS

“SECTION 24. Annual Report. – Before the end of February of each year, the Corporation shall submit to the President of the Philippines an annual report on the condition of the Corporation. The annual report shall contain a review of the policies and measures adopted by the Board during the past year and an analysis of the economic and financial circumstances which required such measures and policies. The annual report shall also include an audited statement of the financial condition of the Corporation.

“SECTION 25. Fiscal Period, Corporate Profits and Losses. – The fiscal period of the Corporation shall commence on the first day of January and end on the last day of December of each year.

In the event the audited financial statement included in the Annual Report required in the next preceding section reveals a net profit from its business operations, said net profits shall be accumulated in its surplus account, which shall be utilized in pursuance of corporate objectives as may be authorized by the Board of Directors; Provided, however, that the accumulated surplus shall not, at the end of any fiscal period, exceed twenty five per centum (25%) of the authorized capital stock of the Corporation.

Whenever the audited financial statement reveals a net loss from the business operations of the Corporation, such loss shall be debited to surplus, and if surplus is inadequate, the balance shall be debited to the capital of the Corporation.

“SECTION 26. Dividends. – Whenever surplus profits arise from the business operations of the Corporation as reflected by its Annual Report, and such profits exceed twenty five per centum (25%) of the authorized capital stock of the Corporation, the excess shall be available for declaration as dividends accruing to the shares of stock issued by the Corporation, under the conditions hereunder set forth.

SECTION 27. Declaration of Dividends. – After determination of the existence of excess surplus profits, the Board of Directors may either declare the payment of cash dividends or recommend to the stockholders of the Corporation the declaration of stock dividends; and in the latter event, no stock dividend shall be issued without the approval of stockholders representing not less than two-thirds (2/3) of all stock then outstanding and entitled to vote at a general meeting of stockholders or at a special meeting duly called for the purpose.

“Cash dividends accruing to the shares of the National Government of the Republic of the Philippines shall first be applied to the unpaid subscription of the National Government until the same is duly paid. Thereafter, any further dividends due to the National Government shall be paid to the National Treasury of the Philippines for the general funds thereof.

SECTION 28. Personnel Recruitment. – The Corporation shall adopt a special recruitment and employment scheme as a merit system that is responsive to the commercial nature of its operations. Further, the Corporation is hereby authorized to extend permanent appointment to, or contract the services of trained and experienced persons, even without civil service eligibility, for its manpower build-up as a competing trading firm. In view of the pioneering nature of its operation, the Corporation shall continue to be exempt from the OCPC rules and regulations.

Officers and employees of the Corporation, including all members of the Board of Directors, shall not engage directly or indirectly in any partisan political activity or take part in any election except to vote.

SECTION 29. Responsibilities and Penalties. – Any member of the Board of Directors or officers or employees of the Corporation who willfully violates this Decree or the By-Laws of this Corporation adopted pursuant to this Decree, or who is guilty of gross negligence in the performance of his duties, shall be held liable for any loss or damage suffered by the Corporation as a result of such violation or negligence. Similar responsibility shall apply to the disclosure of any information of a confidential nature about the discussions or resolutions of the Board of Directors or about the operations of the Corporation, and to the use of such information for personal gain to the detriment of the Corporation.

“Any director, officer, employee or agent of the Corporation who violates or aids in or abets the violation of any of the provisions of this Decree shall be punished by a fine not exceeding ten thousand pesos or by imprisonment of not more than five years, or both such fine and imprisonment.

SECTION 30. Liquidation. – In the event of liquidation of the Corporation, for any cause, the investment of the private sector in the capital stock of the Corporation shall have preference in the disposition of the assets of the Corporation.

SECTION 31. Repealing Clause. – Presidential Decree No. 252 as amended is hereby repealed. All acts, decrees, rules, regulations, and other official issuances or parts thereof, inconsistent to or incompatible with any of the provisions of this Decree are likewise hereby repealed or modified accordingly.

“SECTION 32. This Decree shall take effect immediately.”

Done in the City of Manila, this 25th day of January, nineteen hundred and seventy-seven.

(SGD.) FERDINAND E. MARCOS
President of the Philippines

By the President:

(SGD.) JUAN C. TUVERA
Presidential Assistant

**BY-LAWS OF THE
PHILIPPINE INTERNATIONAL TRADING CORPORATION**

Pursuant to Section 12, Sub-section (a) of Presidential Decree No. 1071 promulgated 25 January 1977, the Board of Directors of the Philippine International Trading Corporation (PITC) hereby adopts the following Code of By-Laws:

**Article I
CAPITAL STOCK**

Section 1. Certificate of Stock. - The stockholders whose shares of stock have been fully paid shall be entitled to a stock certificate for such shares of stock.

The stock certificate shall be in such form and design as may be approved by the Board of Directors. Every certificate shall be signed by the President or shall bear a facsimile of the President's signature, and shall be countersigned by the Corporate Secretary; and shall state on its face, its number, date of issue, the number of shares, par value, and the name of the person in whose favor it was issued. In the absence from the Philippines or incapacity of either or both the President and/ or Corporate Secretary, every stock certificate shall be signed by their respective substitutes or alternates or as may be duly designated by the Board of Directors for the purpose.

Section 2. Transfer of Stock. - When and as authorized by its charter, shares of stock shall be transferred by delivery of the certificate to the Corporate Secretary endorsed by the registered owner or his attorney-in-fact or other person legally authorized to make the transfer; but no transfer shall be valid or effective until such transfer is duly registered in the books of the corporation.

No new certificate in lieu of the surrendered certificate shall be issued until such surrendered certificate shall have been cancelled by the Corporate Secretary and such cancellation duly registered in the books of the corporation; and the Corporate Secretary shall keep the cancelled certificate as proof of substitution.

Section 3. Stock and Transfer Books. - Stock and transfer books of the corporation shall be closed for transfer during the five (5) days next preceding that of such annual or special stockholders' meetings.

Section 4. Procedure for Replacement of Lost Certificate. - In the event stock certificates of the corporation are alleged to have been lost, stolen or destroyed, their replacement shall be governed by the provisions of Republic Act No. 201, as amended.

Section 5. Payment of Subscribed Stock. - Payment of subscription to the capital stock of the corporation by the Republic of the Philippines, the Development Bank of the Philippines and the Philippine National Bank shall be governed by the provisions of Section 3 of PD No. 1071.

Subscription to the capital stock of the corporation by the public shall be covered by subscription agreements to be executed by the subscriber and the corporation through its President, subject to the following terms and conditions:

- (a) Not less than par value of P100 per share;
- (b) At least 25 per cent of the amount subscribed shall be paid in cash at the time of execution of the subscription agreement;
- (c) Payment of the balance of the amount subscribed shall be subject to call for payments in whole or in part by the Board of Directors unless the covering subscription agreements provided for the date or dates said balance is agreed to be payable.
- (d) All unpaid balances shall be subject to interest at 14% per annum from due date until fully paid; and
- (e) Delinquent shares of stock shall be subject to the remedies provided by the Corporation Law, Act 1459, as amended.

Article II

STOCKHOLDERS' MEETINGS

Section 1. **Place.** - All meetings of stockholders shall be held at the principal office of the corporation, unless written notice of such meetings shall fix another place within the Metro Manila area.

Section 2. **Quorum.** - No stockholders' meetings shall be competent to decide any matter or transact any business unless a majority of the subscribed capital stock entitled to vote is present except in those cases where the Corporation Law, Act 1459, as amended or the provisions of PD No. 1071 requires the affirmative vote of a greater proportion.

Section 3. **Vote.** -- Voting upon all questions at all meetings of stockholders shall be by shares of stock, each share of stock being entitled to one (1) vote.

Section 4. **Annual Meetings.** - After the public has subscribed to at least ten (10) per cent of the capital stock of the Corporation, the Board of Directors shall schedule annual meetings of stockholders before June 30 of each year.

Section 5. **Special Meetings.** - Special meetings of stockholders may be called by the President or by a majority of the directors actually appointed or designated or by stockholders holding a majority of the subscribed capital stock of the corporation. Notices of such meetings shall state the purpose or purposes thereof, the date, time and place of the meeting. No other business may be transacted at such meetings not stated in the notice.

Section 6. **Notices.** - Notices of annual and special meetings of stockholders shall be served personally or sent by registered mail or by cable to each of the stockholders of record at their recorded addresses at least ten (10) days before date of meeting. Such notice may also be published in a newspaper of general circulation in the Metro Manila area at least five (5) days before the meeting date.

Section 7. **Minutes.** - Minutes of all meetings of the stockholders shall be kept and

carefully preserved as a record of the business transacted at such meeting. The minutes shall contain such entries as may be required by law and by the Board of Directors.

Section 8. Order of Business. - The President shall preside at all meetings of the stockholders. The following order of business as far as practicable shall be observed at all meetings of stockholders, namely:

- (1) Calling of the roll and determination of quorum
- (2) Proof of service of notice
- (3) Presentation of the List of Stockholders
- (4) Approval of unapproved minutes of previous meetings
- (5) Report of the President and/or officers/committees
- (6) Unfinished business
- (7) New business
- (8) Adjournment

Article III BOARD OF DIRECTORS

Section 1. Composition. - The composition, qualification, removal, remuneration, powers and functions, absence and vacancy of the members of the Board of Directors shall be governed by the provisions of PD 1071.

Section 2. Quorum. - The Directors shall act only as a Board and the individual members of the Board shall have no power as such. The presence of a majority of the members of the Board actually appointed/designated as such shall be necessary to constitute a quorum for the transaction of business, and all decisions of the Board shall require the concurrence of a majority of the members present at the meeting at which there is a quorum.

Section 3. Date, Time and Place of Meetings. - The President may fix the date, time and place within the Metro Manila area of the meetings of the Board, regular or special. However, special meetings of the Board may be called upon request in writing by a majority of the members of the Board actually appointed or designated specifying the purpose or purposes of the request which shall be contained in the notice of such meetings.

The Board of Directors at any of its meetings whether regular or special shall have the power to decide all matters within their functions and authority as provided in PD 1071.

Section 4. Minutes. - Minutes of all meetings of the Board shall be kept and carefully preserved as a record of the business transacted at such meetings. The minutes shall contain the proceedings of the Board, the members present and absent, the date, place and time of the meeting, and such other data as may be required by the President and/or by the Board of Directors.

Article IV CORPORATE OFFICERS

Section 1. **Enumeration.** -- The officers of the Corporation shall consist of the Chairman of the Board, the President, who shall be the Chief Executive of the Corporation, an Executive Vice President, a Treasurer, a Corporate Secretary, and such other Vice Presidents, Assistant Vice Presidents, and other officers as may in the opinion of the President be necessary for the effective management of the Corporation. The appointment of these officers shall be made in accordance with the provisions of PD 1071.

Section 2. **The Chairman of the Board.** -- The Chairman of the Board shall preside over the meetings of the Board.

In the absence of the Chairman, the President shall preside over the meeting. In the absence of both the Chairman and the President, the members of the Board present, there being a quorum, shall elect from among themselves a presiding officer for that particular meeting.

Section 3. **The President.** - The qualifications, appointment, tenure, removal, salary, powers, duties, authorities, prerogatives and responsibilities of the President of the Corporation shall be governed by the provisions of PD No. 1071.

In case of the death, resignation, permanent incapacity or removal of the President of the Corporation, the Executive Vice President shall act as President until such time as the President of the Philippines appoints a successor.

Section 4. **Executive Vice President.** - The Executive Vice President shall be appointed by the Board of Directors upon recommendation of the President of the Corporation. He shall receive such compensation as may be approved by the Board of Directors upon recommendation of the President of the Corporation. He shall perform such duties and exercise such authorities as may from time to time be delegated to him by the President of the Corporation or by the Board of Directors.

Section 5. **Treasurer.** - The Treasurer shall be elected by the Board of Directors from among the members of the Board and shall serve as such at the pleasure of the Board. He shall have custody of all corporate funds and securities and shall keep accurate accounts of receipts and disbursements in the books of accounts of the Corporation. He shall deposit and/or withdraw all moneys and other valuable effects of the Corporation in the manner provided by the Board. These authorities and duties may be delegated to an Assistant Treasurer.

Section 6. **Corporate Secretary.** - The Corporate Secretary need not be a member of the Board and shall be appointed by the Board of Directors upon recommendation of the President of the Corporation. He shall serve as such at the pleasure of the Board. He shall be the ex-officio Secretary of the Board of Directors. He shall perform such duties as may be assigned to him by the President of the Corporation. Moreover, he shall also perform the following duties:

(a) Attend all sessions of the Board and record all votes and the minutes of the

proceedings thereat, and perform like duties for any committee of the Board when required;

- (b) Attend all meetings of the stockholders and record the minutes of all proceedings thereat;
- (c) Keep in his custody the corporate minute books, stock certificate books, and stock and transfer books containing the register of stockholders and their corresponding addresses;
- (d) Keep in his custody the corporate seal and stamp therewith all documents requiring such corporate seal;
- (e) Fill and countersign all stock certificates issued; annotating all necessary information in the stub thereof;
- (f) Give or cause to be given all notices required by law, by these by-laws and by the charter of the corporation as well as all notices of all meetings of the Board of Directors and of the stockholders.

The Board of Directors may by appropriate resolution, designate stock and transfer agents when the operations of the corporation so requires; Provided, however, such stock and transfer agents shall be under the general supervision of the Corporate Secretary.

Section 7. Vice Presidents, Assistant Vice Presidents and Other Officers. - Vice Presidents, Assistant Vice Presidents and other officers of the Corporation shall be appointed by the Board of Directors upon recommendation of the President of the Corporation; and they shall receive such compensation as may be approved by the Board of Directors upon recommendation of the President of the Corporation. They shall perform such duties as may be assigned to them by the President.

Section 8. Compensation. - Aside from the compensation of the officers of the Corporation, the Board of Directors may upon recommendation of the President of the Corporation approve and grant said officers of the Corporation as well as the other employees of the Corporation, allowances and bonuses and other emoluments.

Section 9. Vacancies and Functions. - Except for the Office of the President of the Corporation whose vacancy may be filled only by the President of the Philippines, any vacancy occurring in the other offices may be filled upon recommendation of the President of the Corporation by the Board of Directors.

No officer of the Corporation shall enjoy any inherent power, authority or prerogative by virtue of their offices; but, shall exercise only such authorities and enjoy such prerogatives as may be specifically granted to them by PD 1071 or delegated to them by the President of the Corporation.

Article V
FISCAL YEAR, ACCOUNTS AND DEPOSITORY BANKS

Section 1. The fiscal year of the Corporation shall begin on the 1st day of January and shall end on the last day of December of each year.

Section 2. Inspection of Books. - The books, accounts and records of the Corporation shall be open to inspection by the stockholders and by any member of the Board during office hours; Provided, however, that considering the nature of the business of the Corporation and the confidentiality of its international commercial transactions, the President of the Corporation may provide rules and regulations governing the exercise of this right of the stockholders.

Section 3. Depository Banks. - All funds, moneys and securities owned and held by and otherwise under the custody of the Corporation shall be deposited with the Philippine National Bank and/or the Philippine Veterans Bank and/or the Land Bank of the Philippines. The Corporation may maintain other accounts with other local or foreign banks within or outside of the Philippines when the commercial transactions and operations of the corporation so necessitate and/or warrant.

Article VI
SEAL

The Seal of the Corporation shall consist of two concentric circles within which shall be inscribed the name "Philippine International Trading Corporation", the year "1973", and in the center an appropriate artistic design symbolizing the objectives and scope of operations of the Corporation, and such seal as impressed on the margin hereof is hereby adopted as the corporate seal of the Corporation.

Article VII
AMENDMENTS

The Board of Directors shall have the power to make, amend and repeal the By-laws of the Corporation, by a vote of at least eight (8) Directors at any regular or special meeting of the Board.

Article VIII
APPLICABILITY OF CORPORATION LAW

The provisions of Act 1459 otherwise known as "The Corporation Law", as amended, shall in so far as they are not inconsistent with the provisions of Presidential Decree Numbered 1071 and these By-laws be applicable to the operations of the Corporation.

- CERTIFICATION -

KNOW ALL MEN BY THESE PRESENTS:

That, we, the undersigned Members and Secretary of the Board of Directors of the Philippine International Trading Corporation, do hereby certify that the foregoing Code of By-Laws, was duly adopted as the By-Laws of the said Corporation in 1977 by virtue of the authority vested upon the Board by Presidential Decree No. 1071 and that said Code of By-laws now constitutes, and is the Code of By-laws of the Philippine International Trading Corporation.

Hon. TROADIO T. QUIAZON, JR.
Chairman of the Board

Hon. DOMINATOR T. LIM
President

Hon. PANFILO O. DOMINGO
Director

Hon. GERARDO P. SICAT
Director

Hon. ARTURO TANCO
Director

Hon. JOSE LEIDO, JR.
Director

Hon. PLACIDO L. MAPA
Director

Hon. RUBEN B. ANCHETA
Director

Hon. ERNESTO ESCALER
Director

Hon. ANTONIO O. FLOIRENDO
Director

Hon. JULIO B. FRANCIA
Director

Hon. VICENTE T. PATERNO
Director

APOLINARIO A. MACALINTAL
Corporate Secretary

EXECUTIVE ORDER NO. 756

AUTHORIZING THE REORGANIZATION OF THE PHILIPPINE INTERNATIONAL TRADING CORPORATION

WHEREAS, it is the declared policy of the New Republic to pursue national economic development with renewed dedication and determination;

WHEREAS, there is need to strengthen the Philippine International Trading Corporation in accordance with its expanded role in the promotion and development of Philippine trade in complementation with efforts of the private sector;

WHEREAS, the PITC has been designated as a key agency for international marketing in connection with the KKK program;

WHEREAS, under Presidential Decree No. 1416 as amended, the President is empowered to undertake such organizational and related improvements as may be appropriate in the light of changing circumstances and new developments;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution and the authority vested in me by Presidential Decree No. 1416 as amended, do hereby order and ordain;

Section 1. Subscription to Capital. – The provision of Section 3 of Presidential Decree No. 1071 otherwise known as “The Revised Charter of the Philippine International Trading Corporation” notwithstanding, the forty percent (40%) share in the authorized capital stock of the Corporation allocated for the private sector which is equivalent to 800,000 shares with the total par value of P80,000,000.00 is hereby transferred to and assumed by the National Development Company.

Likewise, the shares allocated to the Philippine National Bank and the Development Bank of the Philippines as specified in the same Section, which have not been subscribed and paid for amounting to P39,000,000.00 representing 390,000 shares are transferred to and assumed by the National Development Company which shall be fully subscribed and paid-up after the issuance of this Order.

The Budget Ministry is directed to release to the Corporation to carry out its functions the unpaid balance of the share of the National Government amounting to P74,000,000.00.

Section 2. Subsidiaries. – The Corporation may establish subsidiary companies, including joint ventures, as may be decided by the Board with such participation as it may deem proper and necessary in the performance of its powers and functions, any provisions of law to the contrary notwithstanding. Such subsidiaries created and registered with the Securities and Exchange Commission shall be entitled to all the incentives and privileges granted by law to private enterprises engaged in business activities.

Section 3. The Board of Directors. – The Corporation shall be governed by a Board of Directors which shall be composed of the Minister of Trade and Industry as Chairman, the President of the Corporation as Vice Chairman, and the Director General of the National Economic and Development Authority, the Minister of Agriculture, the Minister of Natural

Resources, Vice Chairman of the Board of Investments, the General Manager of the National Development Company, a representative from the Office of the President, the Chairman of the Board of Governors of the Development Bank of the Philippines, the President of the Philippine National Bank, and a representative from the private sector to be appointed by the President, as members.

The members of the Board may, whenever unable to attend its meetings, be represented by their duly designated representatives who shall have the same powers, duties and privileges in those meetings as the members they represent.

Section 4. Powers of the Board. – In addition to the powers granted under Presidential Decree No. 1071, any provision of law, rule or regulation to the contrary notwithstanding, the Board shall have the following powers:

1. To reorganize the structure of the Corporation, in accordance with its expanded role in the development of Philippine trade, with such officers and employees as may be needed and determine their competitive salaries and reasonable allowances and other benefits to effectively carry out its powers and functions.
2. To organize an Executive Committee within their ranks, to decide on urgent matters subject to the confirmation of the Board in its proper meetings or, pending such Board meetings, to make corporate decisions as needed by referendum or referral to individual members of the Board to be implemented if concurred in by the majority of the required quorum.
3. To determine reasonable rates of per diems and allowances for its members, for their travel and those of its officers and employees, local or foreign, as well as the reasonable remuneration for overtime services and other official business as may be required by the exigencies of the service.

Section 5. The President of the Corporation. – The President of the Corporation shall be appointed by the President of the Philippines.

Section 6. Exemption from OCPC. – In recognition of the special nature of its operations, the Corporation shall continue to be exempt from the application of the rules and regulations of the Office of Compensation and Position Classification or any other similar agencies that may be established hereafter as provided under Presidential Decree No. 1071. Likewise, any officer or employee who retires, resigns, or is separated from the service shall be entitled to one month pay for every year of service computed at highest salary received including all allowances, in addition to the other benefits provided by law, regardless of any provision of law or regulations to the contrary; Provided, That the employee shall have served in the Corporation continuously for at least two years; Provided, further, That in case of separated employees, the separation or dismissal is not due to conviction for any offense the penalty for which includes forfeiture of benefits; and Provided, finally, That in the commutation of leave credits earned, the employee who resigned, retired or is separated shall be entitled to the full payment therefor computed with all the allowances then being enjoyed at the time of resignation, retirement or separation regardless of any restriction or limitation provided for in other laws, rules or regulations.

Section 7. **Incentive Scheme.** – The Corporation is hereby authorized to grant incentives to its officers and employees and other persons deputized, detailed or assigned to serve it which shall be drawn from gross income and commissions from marketing operations, and other income but excluding income from money market placements; Provided, however, That the total amount of the incentives granted in any one year shall not exceed five percent (5%) of said income from marketing operations and other income, excluding those from money market placements, during that particular year; and, Provided, finally, That the distribution thereof shall be in such manner and/or amounts as may be approved by the Board.

Section 8. **Deputization of Commercial Attaches.** – The Corporation, in coordination with the Ministry of Trade and Industry, is hereby authorized to deputize the Commercial Attaches to act as its representatives in their respective areas of assignments to, among others, initiate and/or pursue trade opportunities, follow up on pending business activities including transactional activities and keep the Corporation informed of all opportunities and developments that will enhance the establishment of Philippine presence in that market and any other activity as may be authorized by the Ministry of Trade and Industry. For this purpose, said attaches shall be directed by the Corporation and be provided with appropriate support to carry out the assignment.

Such deputization shall be implemented in accordance with the proper guidelines jointly adopted by the Corporation and the Ministry of Trade and Industry for the different areas of assignment.

Section 9. **Franchise for Philippine Trade Houses.** – The authority to grant franchises to operate and maintain Philippine Trade Houses abroad is hereby vested in the Corporation. For this purpose, the Corporation shall determine the guidelines for the establishment and operation of said trade houses.

Section 10. Any provision of law, decree, order or regulation inconsistent with these orders are deemed revised, amended, superseded or repealed accordingly.

Section 11. This Order shall take effect immediately.

Done in the City of Manila this 29th day of December, in the year of Our Lord Nineteen Hundred and Eighty One.

(SGD.) FERDINAND E. MARCOS
President of the Philippines

By the President:

JOAQUIN T. VENUS, JR.
Deputy Presidential Executive Assistant

EXECUTIVE ORDER NO. 877

AUTHORIZING THE REORGANIZATION OF THE PHILIPPINE INTERNATIONAL TRADING CORPORATION CREATED UNDER PRESIDENTIAL DECREE NO. 1071, AS AMENDED

WHEREAS, it is the declared policy of the New Republic to pursue national development with renewed dedication and determination;

WHEREAS, there is a need to position and gear up the country's export marketing resources in anticipation of a recovery in the world economy;

WHEREAS, the Philippine International Trading Corporation, hereinafter referred to as the Corporation, is the vanguard of marketing Philippine exports worldwide;

WHEREAS, in order to accelerate and expand its exports, there is a need to upgrade the management and marketing expertise of the Corporation consistent with the requirements of international marketing;

WHEREAS, in the light of the foregoing, the reorganization of the Corporation becomes imperative;

WHEREAS, under Presidential Decree No. 1416, as amended, the President is empowered to undertake such organizational changes as may be necessary in the light of changing circumstances and developments;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, and the authority vested on me by Presidential Decree No. 1416, as amended, do hereby order and direct:

1. **Reorganization.** The Minister of Trade and Industry is hereby designated Chief Executive Officer of the Corporation with full powers to restructure and reorganize the Corporation and to determine or fix its staffing pattern, compensation structure and related organizational requirements. The Chairman shall complete such restructuring and reorganization within six (6) months from the date of this Executive Order. All personnel of the Corporation who are not reappointed by the Chairman under the new reorganized structure of the Corporation shall be deemed laid off; Provided, That personnel so laid off shall be entitled to the benefits accruing to separated employees under Executive Order No. 756 amending the Revised Charter of the Corporation.
2. **Functions of Chairman.** The Chairman of the Corporation shall have the following functions and powers:
 - a. Exercise all the powers incident to the functions of a Chief Executive Officer, including supervision and control over all personnel of the Corporation;
 - b. Review, develop, supervise and direct the export marketing thrusts and strategy of the Corporation;
 - c. Upon recommendation of the President of the Corporation, appoint personnel of

the Corporation in executive and senior management positions;

d. Call meetings of the Board of Directors and of the Executive Committee of the Corporation.

3. **Personnel Recruitment and Other Services.** In recognition of the special nature of its operation, the Corporation shall, in recruiting personnel and in availing of outside technical services, continue to be exempt from OCPC rules and regulations pursuant to Section 6 of Executive Order No. 756 and Section 28 of Presidential Decree No. 1071. In addition, the provision of Section 7 of Executive Order No. 756 is hereby reaffirmed.
4. **Repealing Clause.** All provisions of Presidential Decree No. 1071 and Executive Order No. 756, as well as of other laws, decrees, executive orders or issuances, or parts thereof, that are in conflict with this Executive Order, are hereby repealed or modified accordingly.
5. **Effectivity.** This Executive Order shall take effect immediately.

Done in the City of Manila, this 18th day of February, in the year of Our Lord, nineteen hundred and eighty three.

(SGD.) FERDINAND E. MARCOS
President of the Philippines

By the President:

JUAN C. TUVERA
Presidential Executive Assistant

EXECUTIVE ORDER NO. 1067

**AUTHORIZING CORPORATE CHANGES IN CAPITAL DISTRIBUTION AND
COMPENSATION STRUCTURE OF THE
PHILIPPINE INTERNATIONAL TRADING CORPORATION
CREATED UNDER PRESIDENTIAL DECREE NO. 1071, AS AMENDED**

WHEREAS, there is a need to restructure the ownership of the Philippine International Trading Corporation and to increase its paid-up capital to accelerate and expand its international marketing capability;

WHEREAS, under Section 4 of Executive Order No. 756, full powers are delegated to the Board of Directors to “reorganize the structure of the Corporation in accordance with its expanded role in the development of Philippine trade, with such officers and employees as may be needed and determine their competitive salaries and reasonable allowances and other benefits to effectively carry out its powers and functions”;

WHEREAS, in view of the special and commercial nature of operations of PITC, under Section 6 of Executive Order 756, the Corporation shall continue to be exempt from the application of the rules and regulations of the Office of Compensation and Position Classification or any such similar agencies that may be established hereafter;

WHEREAS, the operations of PITC are unique, critical and commercial in nature and require maximum flexibility to enable the Corporation to respond immediately to commercial opportunities;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution and the authority vested on me by Presidential Decree No. 1071 and Executive Orders 756 and 877, as amended, do hereby order and direct:

Section 1. **Authorized Capital Stock.** - The provisions of Section 3 of Presidential Decree No. 1071, otherwise known as "The Revised Charter of the Philippine International Trading Corporation" notwithstanding, the Board of Directors is empowered to restructure the ownership of the Corporation and increase the authorized capital stock which may be subscribed and paid up by additional infusion of equity by the National Development Company or by the disposition of shares to other entities.

Section 2. **Capital Distribution.** - The unpaid balance of the shares allocated to the National Government amounting to P74,000,000.00 are transferred to and assumed by the National Development Company which shall be fully subscribed and paid-up after the issuance of this order. The paid-up shares of the National Government amounting to P6,000,000.00 are likewise transferred to the National Development Company.

Section 3. **Compensation Policies.** - The compensation policies including allowances, merit increases and other employee benefits for all officers and employees adopted by the Board of Directors are hereby approved in accordance with PD Nos. 1177 and 1597. Any

future changes approved by the Board that may be deemed necessary shall not require any referral to or approval by any other authority, agency or office.

Section 4. **Repealing Clause.** - Any provisions of law, decree, order or regulation inconsistent with this Order are deemed revised, amended, superseded or repealed accordingly.

Section 5. **Effectivity.** - This Order shall take effect immediately.

Done in the City of Manila this 25th day of November, in the year of our Lord, nineteen hundred and eighty five.

(SGD.) FERDINAND E. MARCOS
President of the Philippines

By the President:

JUAN C. TUVERA
Presidential Executive Assistant

**RELEVANT EXCERPT FROM
EXECUTIVE ORDER NO. 133
REORGANIZING THE DEPARTMENT OF TRADE AND INDUSTRY, ITS
ATTACHED AGENCIES, AND FOR OTHER PURPOSES**

“Section 16. **Line Corporate Agencies and Government Entities.**

(d) Philippine International Trading Corporation. This Corporation, which shall be supervised by the Undersecretary for International Trade, shall only engage in both export and import trading on new or non-traditional products and markets not normally pursued by the private business sector; provide a wide range of export oriented auxiliary services to the private sector; arrange for or establish comprehensive systems and physical facilities for handling the collection, processing, and distribution of cargoes and other commodities; monitor or coordinate risk insurance services for existing institutions; promote or organize, whenever warranted, production enterprises and industrial establishments and collaborate or associate in joint venture with any person, association, company, or entity, whether domestic or foreign, in the fields of production, marketing, procurement, and other related businesses; and provide technical, advisory, investigatory, consultancy, and management services with respect to any and all of the functions, activities, and operations of the corporation. “

APPROVED in the City of Manila, Philippines, this 27th day of January, in the year of Our Lord, Nineteen Hundred and Eighty Seven.

(SGD.) CORAZON C. AQUINO
President of the Philippines

By the President:

JOKER P. ARROYO
Executive Secretary