

BY THE PRESIDENT OF THE PHILIPPINES

ADMINISTRATIVE ORDER NO. 405

**AFFIRMING THE PAYMENT OF SALARIES AND ALLOWANCES OF  
GOVERNMENT PERSONNEL STATIONED ABROAD AT  
COLLECTION RATE**

**WHEREAS**, Republic Act No. 7157, otherwise known as the Philippine Foreign Service Act of 1991, was enacted to strengthen the Philippine foreign service by providing the personnel with, among other things, suitable and competitive salaries, allowances and benefits;

**WHEREAS**, the salaries and allowances of the Philippine foreign service personnel have been diminished by the increase in cost of living at the different foreign service posts caused by drastic changes in foreign currency conversion rates;

**WHEREAS**, certain Philippine foreign service posts, in an effort to minimize the adverse effects of the foreign currency fluctuations and bank charges for currency conversions, have sought refuge in the adoption of an *ad hoc* procedure of securing authorization from the Secretary of Foreign Affairs to pay the salaries and allowances of personnel at the foreign currency rates utilized in the conversion of the revenues collected at said posts;

**WHEREAS**, the payment of salaries and allowances at collection rate level has provided the flexibility by which government personnel assigned abroad are given fairly adequate means to live in a manner befitting their representative capacities and within the government's financial capability;

**WHEREAS**, there is a felt need to re-affirm and ratify the policies and procedures adopted by the Department regarding collection rates in the different foreign service posts;

**NOW, THEREFORE, I, FIDEL V. RAMOS**, President of the Philippines, by virtue of the powers vested in me by law, do hereby ratify and affirm:

1. The authority of the Secretary of Foreign Affairs to formulate, adopt and implement rates, policies, and procedures

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including those which are already being followed in different foreign service posts relating to the payment of salaries and allowances of foreign service personnel at collection rate; provided that such payments shall be made only out of collections.

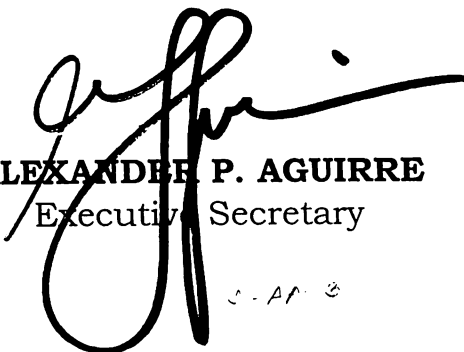
2. Foreign service posts which are currently applying the collection rate on an *ad hoc* basis may continue to do so until otherwise instructed by the President of the Republic of the Philippines upon the recommendation of the Secretary of Foreign Affairs.
3. This Executive Order shall take effect immediately.

**DONE** in the City of Manila, this **24th** day of **June** in the year of Our Lord, Nineteen Hundred and Ninety-Eight.



S.F.R. 4

By the President:



**ALEXANDER P. AGUIRRE**  
Executive Secretary

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