

MALACANANG
RESIDENCE OF THE PRESIDENT
OF THE PHILIPPINES
-MANILA

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 312

CREATING A DEBT C... TO EFFECT AN
INTER-GOVERNMENT LIQUIDATION OF DOMESTIC AND
FOREIGN DEBTS EITHER THROUGH CASH PAYMENT OR
THROUGH OFFSETTING OF THE ACCOUNTS SUBSISTING
AMONG THE NATIONAL GOVERNMENT, ITS AGENCIES
AND INSTRUMENTALITIES, INCLUDING GOVERNMENT-
OWNED OR CONTROLLED CORPORATIONS, AS WELL AS
LOCAL GOVERNMENTS.

WHEREAS, it is necessary to settle promptly
indebtedness of the national government; government
financial institutions; government-owned or con-
trolled corporations, and local governments;

WHEREAS, to insure prompt payment of these
indebtedness, it is necessary that coordination be
maintained at all times among the various debtor-
agencies, government financial institutions; go-
vernment-owned or controlled corporations, and lo-
cal governments on the one hand, and the fiscal au-
thorities of the government on the other, in order
that adequate measures can be effected to insure
that the necessary funds are provided for the pur-
pose;

WHEREAS, to ensure that adequate funds for the
timely payment of these indebtedness are available
it becomes imperative that the receivable and pay-
able accounts subsisting among the national govern-
ment and that of the various government financial
institutions, government-owned or controlled cor-
porations as well as that of local governments, be
properly analyzed for the purpose of offsetting
such accounts,

NOW, THEREFORE, I, FERDINAND E. MARCOS, Pre-
sident of the Philippines, by virtue of the powers

vested in me by law, do hereby order that the Joint Committee on Financial Management Improvement Program composed of the Secretary of Finance, the Auditor General and the Commissioner of Budget, created under Executive Order No. 54, dated December 8, 1966, serve as the Debt Clearing Committee in addition to its present functions and responsibilities.

SECTION 1. Functions and responsibilities. -

The Debt Clearing Committee herein created shall exercise the following functions and responsibilities:

- (a) To establish a systematic procedure to be observed by debtor-government corporations and other entities or agencies, as well as local governments, to ensure the prompt settlement of their obligations;
- (b) To draw up an effective program for the setting-off of receivable and payable accounts subsisting between the different bureaus or offices of the National Government; between provincial, municipal, city governments and the National Government and government-owned or controlled corporations and other government financial institutions in accordance with the provisions of R. A. No. 3871 and GAO General Circular No. 91, dated November 11, 1964;
- (c) To determine and provide fund sources for the settlement of the indebtedness of debtor-government corporations and other debtor-entities and local governments concerned, on the basis of cash flows to be submitted; and
- (d) To perform such other functions as may be necessary to attain the purpose of this Executive Order.

SECTION 2. Exercise of Authority. - In order to exercise the authority granted it under this Executive Order, the Debt Clearing Committee is hereby authorized to prepare and issue such rules and regulations as it considers necessary for the effective discharge of its responsibilities and the exercise of its powers.

SECTION 3. Frequency of meeting. - The Debt Clearing Committee shall convene once every month and as frequently as may be necessary to discharge its responsibilities;

SECTION 4. Creation of a Debt Clearing Unit. - For the technical support of the Committee, the Public Debt Management Division of the Department of Finance, in addition to its present functions and duties, shall serve as the Debt Clearing Unit for the settlement of all indebtedness contemplated to be settled under this Order. It shall be assisted by such personnel that may be detailed from any department, bureau, office or agency.

SECTION 5. Authority to Secure Data. - The Debt Clearing Committee and the Debt Clearing Unit are hereby authorized to secure data and information directly from all government offices, agencies, corporations and entities and to consult with officials and personnel thereof, on matters related to the above functions.

SECTION 6. Cooperation with Committee. - The Committee may call upon any department, bureau, office, agency or any instrumentality of the Government for such assistance as it may need in the performance of its functions.

This Order shall take effect immediately.

Done in the City of Manila, this 23rd day of April, in the year of Our Lord, nineteen hundred and seventy-one.

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

By the President:

(SGD.) ALEJANDRO MELCHOR
Executive Secretary