

MALACAÑANG
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 31

DIRECTING ALL GOVERNMENT LENDING FINANCIAL INSTITUTIONS
TO IMPLEMENT THE SUGAR RESTITUTION LAW

WHEREAS, Republic Act No. 7202 authorizes the restitution of losses suffered by sugar producers from Crop Year 1974-1975 up to Crop Year 1984-1985 due to the actions of government-owned and controlled agencies;

WHEREAS, for loan accounts incurred by sugar producers from Crop Year 1974-1975 up to Crop Year 1984-1985, Section 3 of the same Act directs and authorizes government lending financial institutions to condone interest charged in excess of twelve per cent (12%) per annum, including penalties and sur-charges and to liberalize the terms of payment on the principal and interest of the recomputed loans;

WHEREAS, it is necessary to immediately implement the restitution program to revitalize the sugar industry;

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

SECTION 1. The Philippine National Bank, the Republic Planters Bank, the Development Bank of the Philippines, and other government-owned and controlled financial institutions shall, individually or collectively, immediately formulate and implement a comprehensive program for the immediate write off from their respective books of interest in excess of twelve per cent (12%) per annum and all penalties and surcharges due from sugar producers on account of loan obligations they incurred from Crop Year 1974-1975 up to and including Crop Year 1984-1985.

The said financial institutions shall coordinate with sugar producers concerned to facilitate the recomputation of their loan obligations, which shall be payable in accordance with the schedule prescribed under Section 3(b) of Republic Act No. 7202.

SECTION 2. In cases, however, where sugar producers have no outstanding loan balance with said financial

institutions as of the date of effectivity of R.A. No. 7202 (i.e., the sugar producers have fully paid their loans either through actual payment or foreclosure of collateral, or the sugar producers have partially paid their loans and after the recomputation of the interest charges, they end up with excess payments to said financial institutions), the sugar producers cannot claim from said financial institutions refund of interest in excess of twelve per cent (12%) per annum but instead, they may submit claims for reimbursement of such excess payments with the implementing agency that shall be designated to implement Section 2 of R.A. No. 7202.


SECTION 3. The respective Presidents or their equivalent of the said financial institutions shall be responsible for carrying out the provisions of this Order. They shall submit to the Executive Secretary, as soon as practicable, a compliance report, which shall include a summary of the actions taken pursuant to this Order.

SECTION 4. This Executive Order shall take effect immediately.

DONE in the City of Manila, this 29th day of October in the year of Our Lord, Nineteen Hundred and Ninety Two.



By the President:



EDELMIRO A. AMANTE, SR.
Executive Secretary