

[**PRESIDENTIAL DECREE NO. 1992, October 31, 1985**]

GRANTING AN INCENTIVE FOR THE RESUMPTION OF OPERATIONS OF FORECLOSED INDUSTRIAL FACILITIES AND OTHER ASSETS

WHEREAS, the properties and other assets of several industrial corporations have been foreclosed, particularly by creditor government financial institutions, to partially satisfy the said corporations' outstanding obligations to the Government;

WHEREAS, foreclosure has left the debtor corporations with virtually no equity and operating assets;

WHEREAS, thousands of industrial workers and their families have been dislocated and unemployed for a long time as a result of the shutdown of operations occasioned by the default of the borrower corporations and the subsequent foreclosure of their mortgaged properties;

WHEREAS, it is essential to the national economic recovery in general and to the general welfare of displaced industrial workers in particular that the operations of foreclosed industrial facilities and other assets should be resumed:

WHEREAS, certain government financial institutions have actually been able to resume the operation and management of the foreclosed properties of borrower corporations, but are now saddled with huge tax obligations to the Government relative to the ownership, operation, foreclosure and transfer of the defaulting borrowers' assets;

WHEREAS, these creditor institutions and borrower corporations are presently not in a position to pay their tax obligations in full to the Government;

WHEREAS, the general welfare of thousands of industrial workers and ultimately the success of the national economic recovery efforts, would be jeopardized if the Government does not support the viability of the entities concerned;

WHEREAS, one way of ensuring the viability of entities who resume the operation and management of foreclosed properties, would be to forego the tax obligations of the creditor institutions and the borrower corporations to the Governments;

WHEREAS, in the view of the present economic emergency, there is a need to act expeditiously to preserve and promote the general welfare of thousands of industrial workers and to ensure national economic recovery;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby decree:

SECTION 1. Government financial institution who are able, directly or through a subsidiary or subsidiaries, to resume the operation and management of the foreclosed properties of borrower industrial corporations, shall be exempt from the payment of all taxes, fees and charges of whatever kind and nature, whether national or local, that are due by reason of the foreclosure and transfer to the said institutions of the assets of the defaulting borrower, as well as the subsequent transfer of the same assets to the said institutions' subsidiary or subsidiaries.