

[PRESIDENTIAL DECREE NO. 590, November 28, 1974]

AMENDING SECTION FIFTEEN OF PRESIDENTIAL DECREE NO. 129, ENTITLED "GOVERNING THE ESTABLISHMENT, OPERATION AND REGULATION OF INVESTMENT HOUSES."

WHEREAS, there are existing firms, the majority interest in which is owned by foreigners, which have made substantial contribution to capital formation in the Philippines during the past decades;

WHEREAS, the said firms are deterred by present statutory constraints on citizenship from continuing to engage in the guaranteed underwriting of securities;

WHEREAS, the said firms possess the resources and expertise to contribute significantly to increased capital formation in the country;

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

SECTION 1. Section 15 of Presidential Decree No. 129, entitled "Governing the Establishment, Operation and Regulation of Investment Houses" is hereby amended to read as follows:

"SEC. 15. *Transitory provisions.* — Existing enterprises which are operating as Investment Houses shall, within one year following the approval of this Decree, comply with the requirements hereof, except with respect to the filing of an information sheet which shall be complied with within six months as provided in the last paragraph of Section 4 of this Decree.

"A corporation duly licensed as a securities dealer or broker, the majority of the voting stock of which is not owned by citizens of the Philippines or majority of the members of the Board of which are not citizens of the Philippines, and which has been actually engaged in the guaranteed underwriting of securities of other corporations for a period of at least five years prior to the effectivity of this Decree, may continue to engage in guaranteed underwriting for a period of five years from the date of this Decree or until the expiration of the corporate existence of the corporation, whichever event comes first, without being required to register as an Investment House as hereinabove provided: *Provided, however,* That said corporation shall be subject to such rules and regulations as may be promulgated by the Securities and Exchange Commission and the Central Bank for the purpose."

SEC. 2. All laws, decrees, orders, rules and regulations inconsistent herewith are hereby repealed and or modified accordingly.

SEC. 3. This Decree takes effect immediately.

Done in the City of Manila, this 28th day of November, in the year of Our Lord, nineteen hundred and seventy-four.