

[PRESIDENTIAL DECREE NO. 119, January 29, 1973]

AMENDING FURTHER CERTAIN SECTIONS OF REPUBLIC ACT NUMBERED FOUR THOUSAND NINETY-THREE, AS AMENDED, OTHERWISE KNOWN AS THE "PRIVATE DEVELOPMENT BANKS' ACT"

WHEREAS, there were pending before Congress prior to the promulgation of Proclamation No. 1081, dated September 21, 1972, urgent banking measures proposing amendments to Republic Act No. 4093, as amended, otherwise known as "The Private Development Banks' Act," which are vital to the national development program of the Government;

WHEREAS, an extensive survey and study of the banking and credit system had been undertaken for the purpose of assessing its adequacy in Philippine economic growth, and of facilitating the savings-investment process in development; and

WHEREAS, the result of the survey was an integrated set of recommendations which were accepted, with modifications by the monetary authorities, and made the basis for this Decree to effect reforms in the banking system, and to render monetary and credit policies more responsive to the requirements of economic development;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers in me vested by the Constitution as Commander-in-Chief of the Armed forces of the Philippines, and pursuant to Proclamation No. 1081, dated September 21, 1972, and General Order No. 1, dated September 22, 1972, as amended, and in order to effect the desired changes and reforms in the social, economic, and political structure of our society, do hereby order and decree the amendment of Republic Act No. 4093, as amended, as follows:

SECTION 1. Section four of Republic Act Numbered Four thousand ninety-three, as amended, is hereby amended to read as follows:

"SEC. 4. A private development bank shall be organized in the form of a stock corporation and its paid-up capital shall not be less than four million pesos for Class A, two million pesos for Class B, and one million pesos for Class C: *Provided*, That at least seventy per cent of the voting stock subscribed by the private sector shall be owned and held by citizens of the Philippines, except where a new bank is established as a result of the consolidation of existing private development banks in any of which there are foreign-owned voting stocks at the time of consolidation: *Provided, however*, That the Monetary Board may, with the approval of the President of the Philippines, reduce the required minimum percentage of Philippine ownership prescribed herein from seventy percent (70%) to sixty percent (60%); *Provided, further*, That if said subscription of private shareholders to the initial capitalization of a private development bank cannot be secured or is not available, the Development Bank of the Philippines on representation of the said private shareholders and with the approval of its Board of Governors shall, within thirty days from date of approval by the Board of Governors, and after