

# [ **PRESIDENTIAL DECREE NO. 214, June 16, 1973** ]

## **FURTHER AMENDING THE PHILIPPINE OVERSEAS SHIPPING ACT OF 1955.**

**WHEREAS**, one of the present needs of our country is a well-developed merchant marine that would more effectively assist in the development of our national economy;

**WHEREAS**, our shipping industry, facing fierce competition with the more advanced and developed shipping industries of other maritime countries, needs government assistance in its efforts at expansion;

**WHEREAS**, Republic Act No. 1407, otherwise known as "The Philippine Overseas Shipping Act of 1955," has for its objectives to encourage and assist the Philippine merchant marine, foster its development, provide financial assistance in its shipbuilding program and promote shipping in every way possible;

**WHEREAS**, Republic Act No. 6106, amending Republic Act No. 1407, which allows the mortgage of Philippine vessels to shipbuilders or lending institutions for the construction or purchase of ships on deferred payment basis, has been amended by inserting Section 11 1/2; and

**WHEREAS**, there are certain provisions in Section 11 1/2 which act as deterrents in the procurement of additional vessels;

**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 all 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, do hereby decree and order the amendment of Section 11 1/2 of Republic Act No. 6106 amending Republic Act No. 1407, as amended, as follows:

**"SEC. 11 1/2.** a) Any citizen of the Philippines or any association or corporation organized under the laws of the Philippines, at least seventy-five percent of the capital of which is owned by citizens of the Philippines, engaged or which shall engage exclusively in the overseas shipping business may, for the purpose of financing the construction, acquisition or purchase of vessels for use in overseas shipping, freely constitute a mortgage or any other lien or encumbrance on such vessels and its equipment, with any bank or other financial institutions, domestic or foreign.

"b) The instrument of mortgage, lien or encumbrance shall be recorded in the registry of vessels in the order of their reception and shall show:

1. The name of the vessels;
2. The name of the parties;
3. The time and date of reception of the instrument;
4. The interest in the vessel transferred or affected; and
5. The amount and date of maturity of any mortgage.