

[PRESIDENTIAL DECREE NO. 252, July 21, 1973]

AUTHORIZING THE CREATION OF A PHILIPPINE INTERNATIONAL TRADING CORPORATION, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES.

WHEREAS, sustained national economic growth calls for a secure position in the growing world market for international trade;

WHEREAS, efforts at strengthening the external trade sector have been weakened by the continued inability to provide an organized body that can take advantage of economies of scale in bulk purchases, widescale shipping, marketing, centralized financing assistance and other export promotions services;

WHEREAS, existing trade assistance bodies in the private sector continue to operate on a small scale for a limited number of export products without regard to a larger rationalization of the national export industry called for by the national development program;

WHEREAS, while previous attempts have been made to provide a central body in aid of international trading for local producers, these bodies have not achieved their primary objectives by reason of their limited operations or other basic defects or weaknesses in their conception or organization;

WHEREAS, while developed economies have long relied on large trading houses either on a competitive basis or on an exclusive and monopolistic stale franchise, our economy has yet to adopt and benefit from such a trade assistance scheme;

WHEREAS, developing economies, especially within the neighboring Southeast Asian region, that have established government trade companies have acquired a significant advantage over Philippine trade in the world market;

WHEREAS, in view of the latest trends in the international market, it is imperative that the Philippines be sufficiently supported by such institutions and/or agencies that can endow her with the needed competitive capacity; and

WHEREAS, such an institution is a government-controlled international trading corporation that shall derive support and patronage from industry groups, warehouse/port facility owners, insurance companies, investment banks, commercial banks and individual exporters and importers;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, as Commander-in-Chief of all the Armed Forces of the Philippines, in recognition of the foregoing premises, do hereby order and decree into law the following:

ARTICLE I. Title of this Decree

This Decree shall be known as the Philippine International Trading Corporation Law.

ARTICLE II. Creation of a Philippine International Trading Corporation

There is hereby created a body corporate and politic to be known as the Philippine International Trading Corporation, hereinafter referred to as the Corporation, which shall be governed by the provisions of this Act. The Corporation shall have its principal place of business in the City of Manila and shall exist for a period of fifty years.

The initial authorized capital stock of the Corporation shall be twenty million (P20,000,000.00) pesos and shall be subscribed and paid up as follows:

(a) 60 per centum thereof or twelve million (P12,000,000.00) pesos shall be subscribed by the Republic of the Philippines and shall be paid for as follows:

(1) The amount of six million (P6,000,000.00) pesos shall be paid by the Republic of the Philippines. The sum of six million (P6,000,000.00) pesos is hereby set aside and appropriated for the purpose from the proceeds of the General Fund not otherwise appropriated.

(2) The amount of six million (P6,000,000.00) pesos shall be paid in three equal parts by the following government financial institutions:

Central Bank of the Philippines - two million (P2,000,000.00) pesos.

Philippine National Bank — two million (P2,000,000.00) pesos.

Development Bank of the Philippines - two million (P2,000,000.00) pesos.

(b) 40 per centum thereof, or eight million (P8,000,000.00) pesos shall be offered for subscription and payment to the public, subject to the following conditions:

1. That the shares of stock shall be sold at not less than the uniform par value of one hundred (P100.00) pesos.
2. That such disposition of shares of stock shall result in the equal distribution thereof, among individuals or organized traders, representing specific industries or products, without anyone stockholder owning more than 5 per centum of the 40 per centum of the authorized capital stock.

Each share of stock shall represent one vote and any agreement, contract, arrangement, scheme or plan that shall transfer voting rights to any person other than the stockholder is prohibited.

The voting power of all the stock of the Corporation owned and controlled by the Republic of the Philippines, shall be vested in the President of the Philippines, or in such person or persons as he may from time to time designate.

ARTICLE III. Purposes and Powers of the Corporation

The Corporation is hereby vested with the following purposes and powers:

SECTION 1. To provide a formal institutional framework for the promotion of foreign trade and the development of domestic industries by carrying on the following interrelated functions and activities:

- a. engaging in and handling for Philippine and third country enterprises, through methodologies, systems, devices, and facilities intended to achieve economies of scale and better terms of trade for Philippine businesses, both foreign procurement as well as foreign marketing and distribution;
- b. arranging for or establishing comprehensive facilities for handling all phases of warehousing, and developing and operating physical facilities for the collection, processing and distribution of cargoes and other commodities;
- c. obtaining or arranging more comprehensive protection for activities undertaken or commodities dealt with by the Corporation by monitoring or coordinating risk insurance services from existing institutions or supplementing the same;
- d. employing, utilizing, monitoring trade promotions services, facilities and activities that are available or are being undertaken by other government or private agencies;
- e. promoting, organizing and reorganizing, whenever warranted, production enterprises and industrial establishments, and collaborating and associating in joint ventures with any person, association, company or entity, whether domestic or foreign, in the fields of production, marketing, procurement and such other related businesses; and
- f. providing technical, advisory, investigatory, consultancy and management services with respect to any and all of the foregoing functions, activities and operations of the Corporation.

SEC. 2. To engage in and carry on the business of dealership, brokerage, manufacture and distribution of commodities, products, goods, wares, merchandise, machineries and equipment and in connection therewith, to purchase, borrow, acquire, hold, exchange, sell, distribute, lend, mortgage, pledge or otherwise dispose of, import or export, process, or turn to account in any lawful manner, commodities, products, goods, wares, merchandise and other articles of commerce and interest therein or instruments evidencing rights to acquire such interests and to guarantee any and all obligations relating to transactions made on any board of trade, commodities exchange, or similar institutions, and to do any and all things which may be useful in connection with or incidental to the conduct of such business.

SEC. 3. To build, make, construct, maintain, purchase, sell, charter, deal in and with, own, lease, pledge and otherwise dispose of all modes of transportation, together with all components, tools, machinery and appliances appurtenant thereto, as are utilized in the transport of goods and merchandise by air, land or sea.

SEC. 4. To carry on the business of public and private warehousing and all the business necessarily or impliedly incidental thereto, and to further carry on the business of general warehousing in all its several aspects; to construct, hire, purchase, operate and maintain any means or conveyances for the transportation to and from storage, by air, land, or water, of any and all products, goods, wares, merchandise or manufactured articles; to issue certificates, warrants and receipts, negotiable or otherwise, to persons warehousing goods with the Corporation, and to make, negotiate or secure advances or loans upon the security of such stored merchandise and products or otherwise; to construct, purchase, take on lease,

develop, operate or otherwise acquire any wharf, pier, dock, warehouse, storage room or other facilities, rights, franchises, premises deemed capable of being advantageously used in connection with the business of the Corporation, and to rent, lease, hypothecate and convey the same, and generally to carry on and undertake any and all business undertaking, transaction or operation commonly carried on or undertaken by warehousemen.

SEC. 5. In consonance with the express objective of the Decree, to compel, subject to the approval of the President, all exporters and importers of selected commodities as may be included in a listing to be prepared periodically by the Board of corporation in coordination with and upon concurrence by the Board of the National Economic Development Authority, to course all their trading activities through the Corporation until such time as such commodities shall have been deleted from the list.

SEC. 6. To act as shipping agent and ship broker, to handle ship husbanding and ship chandlery, and to engage in any aspect of the business of longshoring, lighterage, stevedoring, freight forwarding, packing and carting, and conveying.

SEC. 7. To borrow, raise, or obtain funds to support or carry out its objects and purposes and/or to arrange financing or equipment credit or any kind of financial or material assistance for its own account or its clients from private or governmental sources or from international public or private lending institutions and to secure any or all of the same, to the extent that may be required, by any lawful guarantee or counter-guarantee, by pledge, mortgage, or deed or trust, or by creating or suffering to exist a charge, lien, or encumbrance, general or special, upon its revenues and/or assets, and likewise by similar guarantees, pledges, mortgages, liens and other security arrangements to secure the performance by the Corporation of any obligation or liability it may undertake for itself or for other companies or enterprises in which it may be interested.

SEC. 8. To provide financial accommodations to its clients, and maintain with or for customers accounts with respect to commodities and/or securities including margin accounts and to do such things as may be requisite or appropriate or incidental to the maintenance of such accounts.

SEC. 9. To act as agents or brokers in the business of marine, fire, life, accident and fidelity insurance, in the business of giving protection to principals and employers and any other kind or class of insurance in all its branches;

SEC. 10. To establish, maintain, operate or conduct branch businesses or offices for the transaction of business for itself and on behalf of other persons, firms, corporations, or other entities, either domestic or foreign, and to act as manufacturers' agents, commission merchants, merchandise brokers, insurance, shipping and transport agents, or in any other representative capacity for persons, firms, corporations or other entities, either domestic or foreign, for the investment, loan payment, transmission or collection of money, commodities or securities and for the purchase, sale, improvement, development, and management of property including business concerns and undertakings and generally to transact and undertake an agency business, whether in respect of any commercial or financial matters.

SEC. 11. To undertake or contract for researches, studies and surveys on such matters as business and economic conditions of various countries, including the

structure of their commodities and financial markets, the institutional arrangements for mobilizing investments thereat, the legal and tax constraints and incentives obtaining therein^ to promote products overseas through holding of trade fairs, exhibits and the like, coordinating with the Department of Trade in undertaking such activities.

SEC. 12. To acquire an interest in or to enter into partnership, amalgamate with or enter into other arrangements for sharing profits, mutual assistance or cooperation with any person or company carrying on or about to carry on or engage in any business transaction, operation or work capable of being conducted so as to purchase, take or otherwise acquire and hold shares of stock or other securities of or interest in any such company and to sell, hold and re-issue with or without guarantee or otherwise deal with the same.

SEC. 13. Subject to the limitations established by law, to acquire by purchase, subscription, exchange, assignment, gift, or otherwise, and to sell, assign, transfer, exchange, mortgage, pledge, and deal in and with, and otherwise, to enjoy and dispose of, any bonds, debentures, promissory notes, shares of capital stock and/or other securities and/or obligations, created, negotiated or issued by any corporation, association, or other entity, foreign or domestic, and while the owner thereof, to exercise all the rights, power and privileges of ownership, including the right to receive, collect and dispose of, any and all dividends, interest and income, derived therefrom, and the right to vote on any shares of the capital stock and upon any bonds, debentures and/or other securities, having voting power so owned.

SEC. 14. To cause or allow the legal title to or any legal or equitable interest in any business or any other real or personal property acquired or carried on by the Corporation to remain or be vested or registered in the name of any other person or entity whether upon trust for or as agent or nominee of the Corporation or upon such other terms and conditions which may be determined to be necessary or expedient by the Board of Directors of the Corporation.

SEC. 15. To acquire by purchase or lease, or otherwise, lands and interest in lands and to own, hold, improve, develop and manage any real estate so acquired and to erect or cause to be erected on any lands owned, held or occupied by the Corporation, buildings or other structures with their appurtenances, and to rebuild, enlarge, alter or improve any buildings or other structures now or hereafter erected on any lands so owned, held or occupied.

SEC. 16. To purchase, own, hold, or otherwise acquire such machineries, equipments, tools, materials, supplies, or other parts as maybe necessary, convenient or appropriate for any of the purposes for which the Corporation is formed.

SEC. 17. To invest and deal with the funds of the Corporation in such manner as may be deemed proper, in order not to make such funds idle and unproductive pending their full utilization for the principal objects and purposes for which the Corporation has been organized.

SEC. 18. To apply for, register, purchase or otherwise acquire, or obtain a lien, on or interest in, any patent, patent rights, licenses, designs, processes, trademarks, trade names, distinctive marks, inventions and improvements thereof, and concessions which may appear likely to be advantageous or useful to the Corporation or its clients; to use, exercise or otherwise turn to account said property