

# [ PRESIDENTIAL DECREE NO. 242, July 09, 1973 ]

## **PRESCRIBING THE PROCEDURE FOR ADMINISTRATIVE SETTLEMENT OR ADJUDICATION OF DISPUTES, CLAIMS AND CONTROVERSIES BETWEEN OR AMONG GOVERNMENT OFFICES, AGENCIES AND INSTRUMENTALITIES, INCLUDING GOVERNMENT-OWNED OR CONTROLLED CORPORATIONS, AND FOR OTHER PURPOSES.**

**WHEREAS**, it is necessary in the public interest to provide for the administrative settlement or adjudication of disputes, claims and controversies between or among government offices, agencies and instrumentalities, including government-owned or controlled corporations, to avoid litigations in court where government lawyers appear for such litigants to espouse and protect their respective interests altho, in the ultimate analysis, there is but one real party in interest — the Government itself — in such litigations;

**WHEREAS**, court cases involving the said government entities and instrumentalities have needlessly contributed to the clogged dockets of the courts, aside from dissipating or wasting the time and energies not only of the courts but also of the government lawyers and the considerable expenses incurred in the filing and prosecution of judicial actions; and

**WHEREAS**, all the aforementioned offices, agencies, and instrumentalities are under the executive control and supervision of the President of the Philippines;

**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 and pursuant to Proclamation No. 1081, dated September 21, 1972 and General Order No. 1, dated September 22, 1972, as amended, do hereby order and decree:

**SECTION 1.** Provisions of law to the contrary notwithstanding, all disputes, claims and controversies solely between or among the departments, bureaus, offices, agencies and instrumentalities of the National Government, including government-owned or controlled corporations but excluding constitutional offices or agencies, arising from the interpretation and application of statutes, contracts or agreements, shall henceforth be administratively settled or adjudicated as *provided* hereinafter: *Provided*, That this shall not apply to cases already pending in court at the time of the effectivity of this Decree.

**SEC. 2.** In all cases involving only questions of law, the same shall be submitted to and settled or adjudicated by the Secretary of Justice, as Attorney General and ex officio legal adviser of all government-owned or controlled corporations and entities, in consonance with Section 83 of the Revised Administrative Code. His ruling or determination of the question in each case shall be conclusive and binding upon all the parties concerned.

**SEC. 3.** Cases involving mixed questions of law and of fact or only factual issues shall be submitted to and settled or adjudicated by:

- a. The Solicitor General, with respect to disputes or claims or controversies between or among the departments, bureaus, offices and other agencies of the