

[REPUBLIC ACT NO. 4199, June 19, 1965]

**AN ACT AMENDING SECTION THIRTEEN OF REPUBLIC ACT
NUMBERED SEVEN HUNDRED TWENTY, OTHERWISE KNOWN AS
THE RURAL BANKS ACT.**

*Be it enacted by the Senate and House of Representatives of the Philippines in
Congress assembled:*

SECTION 1. Section thirteen of Republic Act Numbered Seven hundred twenty is hereby amended to read as follows:

"SEC. 13. In an emergency or when a financial crisis is imminent, the Central Bank may give a loan to any rural bank against assets of the rural bank which may be considered acceptable by a concurrent vote of at least five members of the Monetary Board.

In normal times, the Central Bank may rediscount against paper evidencing a loan granted by a rural bank to any of its customers which can be liquefied within a period of two hundred and seventy days: *Provided, however,* That for the purpose of implementing a nationwide program of agricultural and industrial development, rural banks are hereby authorized, under such terms and conditions as the Central Bank shall prescribe, to borrow, on a medium or long-term basis, funds that the Central Bank or any other government financing institution shall borrow from the International Bank for Reconstruction and Development or other international or foreign lending institutions for the specific purpose of financing the above stated agricultural and industrial program. Repayment of loans obtained by the Central Bank of the Philippines or any other government financing institution from said foreign lending institutions under this section shall be guaranteed by the Republic of the Philippines."

SEC. 2. This Act shall take effect upon its approval.

Approved, June 19, 1965.



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