

**[ REPUBLIC ACT NO. 4540, June 19, 1965 ]**

**AN ACT AMENDING CERTAIN SECTIONS OF REPUBLIC ACT  
NUMBERED FOUR HUNDRED AND TWO, AS AMENDED.**

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

SECTION 1. Section one of Republic Act Numbered Four hundred and two, as amended, is hereby further amended to read as follows:

"SECTION 1. There is hereby granted to Clavecilla Radio System, hereinafter referred to as the grantees a franchise to establish, construct, maintain and operate in the Philippines, at such places as the grantee may select, subject to the approval of the Secretary of Public Works and Communications, stations for international telecommunications, domestic telecommunications, and stations for broadcasting, including television, and for the transmission and reception of messages, impressions, pictures, and signals by means of electricity, electromagnetic waves or any kind of energy, force, variations or impulses whether conveyed by wires, radiated through space or transmitted through other media, and for the handling of any and all types of telecommunication services, and to lease and/or acquire facilities, channels and/or circuits."

SEC. 2. Section eight of the same Act is hereby amended to read as follows:

"SEC. 8. The grantee shall keep a separate account of the gross receipts of the business transacted by it in the Philippines, and shall furnish to the Auditor General and the Treasurer of the Philippines a copy of such account not later than the fifteenth day of April of each year for the preceding year. For the purpose of auditing accounts so rendered to the Auditor General and National Treasurer, all of the books and accounts of the grantee, or duplicate thereof, so far as they relate to the business transacted in the Philippines, shall be kept in the Philippines, and shall be subject to the official inspection of the Auditor General or his authorized representatives, and the audit and approval of such accounts shall be final and conclusive evidence as to the amount of said gross receipts, except that the grantee shall have the right to appeal to the courts of the Philippines, under the terras and conditions provided in the laws of the Philippines."

SEC. 3. Section nine of the same Act is hereby amended to read as follows:

"SEC. 9. (a) The grantee shall be liable to pay the same taxes on its real estate, buildings, and personal property, exclusive of the franchise, as other persons or corporations are now or hereafter may be required by law to pay, except radio equipment, machinery and spare parts needed in