

[REPUBLIC ACT NO. 245, June 12, 1948]

**AN ACT AUTHORIZING THE SECRETARY OF FINANCE TO
BORROW TO MEET PUBLIC EXPENDITURES AUTHORIZED BY
LAW, AND FOR OTHER PURPOSES.**

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

SECTION 1. In order to meet public expenditures authorized by law or to provide for the purchase, redemption, or refunding of any obligations, either direct or guaranteed, of the Philippine Government, the Secretary of Finance, with the approval of the President, after consultation with the Monetary Board, is authorized to borrow from time to time on the credit of the Republic of the Philippines such sum or sums as in his judgment may be necessary, and to issue therefor evidences of indebtedness of the Philippine Government.

Such evidences of indebtedness may be of the following types:

- a. Treasury bills issued on a discount basis and payable at maturity without interest. Treasury bills may be offered for sale either on a competitive basis or at a fixed rate of discount and may be made payable at any date not later than one year from the date of issue.
- b. Interest-bearing certificates of indebtedness having maturities not exceeding eighteen months from the date of issue.
- c. Interest-bearing notes having maturities of not less than one nor more than five years from the date of issue.

The Secretary of Finance, in consultation with the Monetary Board, shall prescribe the form or forms, the interest and discount rates, the denominations, maturities, negotiability, convertibility, call and redemption features, and all other terms and conditions of issuance, placement, sale, servicing, redemption, and payment of all evidences of indebtedness issued under the authority of this Act: *Provided, however,* That with respect to treasury bills, certificates of indebtedness, and notes, such terms and conditions shall be within the limitations prescribed in subsections (a) through (c) of the preceding paragraph: *And provided, further,* That the actual issue, placement, servicing, and redemption of such securities shall be done through the Central Bank of the Philippines, as provided in sections one hundred and twenty-two, one hundred and twenty-three and one hundred and twenty-four of the Central Bank Act.

The evidences of indebtedness issued under the authority of this section may be made payable, both as to principal and interest, in any readily convertible foreign currency.

Nothing in this section shall be interpreted to mean that the Secretary of Finance, in