

[EXECUTIVE ORDER NO. 131, April 28, 2021]

ADJUSTING THE DIVIDEND RATE OF THE HOME GUARANTY CORPORATION PURSUANT TO SECTION 5 OF REPUBLIC ACT NO. 7656

WHEREAS, Republic Act (RA) No. 7656 requires all government-owned or -controlled corporations (GOCCs) to declare and remit at least fifty percent (50%) of their annual net earnings as cash, stock or property dividends to the National Government;

WHEREAS, RA No. 7656 provides that the President, upon the recommendation of the Secretary of Finance, may adjust the percentage of annual net earnings to be declared by a GOCC, in the interest of national economy and general welfare;

WHEREAS, pursuant to Executive Order (EO) No. 58 (s.2018), the Home Guaranty Corporation (HGC), including all its guarantee functions, programs, personnel, assets and liabilities, was merged with the Philippines Export-Import Credit Agency (PhilEXIM); the same EO also transferred all the guarantee-related functions, programs, funds, assets and liabilities of the Small Business Corporation, the administration of the Agricultural Guarantee Fund Pool, and the Industrial Guarantee and Loan fund to the PhilEXIM, which was thereafter renamed as the Philippine Guarantee Corporation (PHILGUARANTEE);

WHEREAS, pursuant to Section 2 of EO No. 58, the DOF declared the said merger, as well as the transfer of guarantee functions and funds to the PhilEXIM, as effective and fully implemented as of 31 August 2019; and

WHEREAS, pursuant to RA No. 7656, the Secretary of Finance has recommended the downward adjustment of the percentage of the net earnings that shall be declared by the HGC as dividends to the National Government for Calendar Year (CY) 2018, in order to support the capital position of the PHILGUARANTEE, as well as its plans and programs, in the interest of national economy and general welfare;

NOW, THEREFORE, I, RODRIGO ROA DUTERTE, President of the Republic of the Philippines, by virtue of the powers vested in me by the Constitution and existing laws, do hereby order:

Section 1. Adjustment of Dividend Rate. Pursuant to section 5 of RA No. 7656, the percentage of net earnings to be declared and remitted by the HGC to the National Government for CY 2018 is adjusted from at least fifty percent (50%) of its annual net earnings to 6.58%.

Section 2. Coverage. The adjusted dividend rate set forth in Section 1 of this Order is applicable only to the HGC for CY 2018

Section 3. Effectivity. This Order shall take effect immediately.