

[EXECUTIVE ORDER NO. 312, April 23, 1971]

CREATING A DEBT CLEARING COMMITTEE TO EFFECT AN INTER-GOVERNMENT LIQUIDATION OF DOMESTIC AND FOREIGN DEBTS EITHER THROUGH CASH PAYMENT OR THROUGH OFFSETTING OF THE ACCOUNTS SUBSISTING AMONG THE NATIONAL GOVERNMENT, ITS AGENCIES AND INSTRUMENTALITIES, INCLUDING GOVERNMENT-OWNED OR CONTROLLED CORPORATIONS, AS WELL AS LOCAL GOVERNMENTS

WHEREAS, it is necessary to settle promptly indebtedness of the national government; government financial institutions; government-owned or controlled corporations, and local governments;

WHEREAS, to insure prompt payment of these indebtedness, it is necessary that coordination be maintained at all times among the various debtor-agencies, government financial institutions; government-owned or controlled corporations, and local governments on the one hand, and the fiscal authorities of the government on the other, in order that adequate measures can be effected to insure that the necessary funds are provided for the purpose;

WHEREAS, to ensure that adequate funds for the timely payment of these indebtedness are available it becomes imperative that the receivable and payable accounts subsisting among the national government and that of the various government financial institutions, government-owned or controlled corporations as well as that of local governments, be properly analyzed for the purpose of offsetting such accounts;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by law, do hereby order that the Joint Committee on Financial Management Improvement Program composed of the Secretary of Finance, the Auditor General and the Commissioner of Budget, created under Executive Order No. 54, dated December 8, 1966, serve as the Debt Clearing Committee in addition to its present functions and responsibilities.

SECTION 1. Functions and Responsibilities. – The Debt Clearing Committee herein created shall exercise the following functions and responsibilities:

(a) To establish a systematic procedure to be observed by debtor-government corporations and other entities or agencies, as well as local governments, to ensure the prompt settlement of their obligations;

(b) To draw up an effective program for the setting-off of receivable and payable accounts subsisting between the different bureaus or offices of the National Government; between provincial, municipal, city governments and the National Government and government-owned or controlled corporations and other