

[MEMORANDUM ORDER NO. 30, October 25, 2018]

DIRECTING THE ABOLITION OF THE PHILIPPINE SUGAR CORPORATION (PHILSUCOR) AND FOR OTHER PURPOSES

WHEREAS, the Philippine Sugar Corporation (PHILSUCOR) is a government- owned and controlled corporation (GOCC) created on 14 November 1983 under Presidential Decree (P.D.) No. 1890, primarily to provide financing in the acquisition, rehabilitation, and/or expansion of sugar mills, refineries, and other related facilities used in the manufacture, packing, storage, distribution, and shipment of sugar and its by-products and derivatives;

WHEREAS, Republic Act (RA) No. 10659, also known as the Sugarcane Industry Development Act of 2015, gives the Sugar Regulatory Administration (SRA) the authority to extend financial assistance through socialized credit to sugarcane stakeholders;

WHEREAS, at present, much of the financing needs of sugar mills are already being provided by private banking and financing institutions in addition to the lending facilities offered by the Development Bank of the Philippines and the Land Bank of the Philippines;

WHEREAS, pursuant to Section 5 (a) of RA No. 10149, or the "GOCC Governance Act of 2011," the Governance Commission for GOCCs (GCG) has recommended the abolition of PHILSUCOR on the following grounds: (a) PHILSUCOR's functions or purposes duplicate or unnecessarily overlap with the functions, programs, activities or projects of the SRA and government financial institutions; and (b) PHILSUCOR is no longer effectively performing the objectives and purposes for which it was originally created;

NOW, THEREFORE, the following are hereby ordered:

SECTION 1. Abolition of PHILSUCOR. PHILSUCOR is hereby abolished.

SECTION 2 Liquidation of Assets and Settlement of Liabilities. The assets of PHILSUCOR shall be liquidated to settle its outstanding liabilities in accordance with applicable laws, rules and regulations.

SECTION 3. Compensation for Affected Officials and Personnel. Affected officials and personnel of PHILSUCOR, whether regular or contractual personnel, may avail themselves of the separation benefits below, in addition to retirement or separation benefits allowed under existing laws:

Years In Service

First 20 years

20 years and 1 day to 30 years

Rates

1.0 x Basic Monthly Pay (BMP) x No. of years

1.25 x BMP x No. of years