

[EXECUTIVE ORDER NO. 23, September 18, 1998]

ADJUSTING THE DIVIDEND RATES OF SELECTED GOVERNMENT-OWNED AND/OR CONTROLLED CORPORATIONS ON THEIR 1997 NET EARNINGS PURSUANT TO SECTION 5 OF REPUBLIC ACT NO. 7656

WHEREAS, Section 1 of Republic Act No. 7656 provides that:

"Section 1. Declaration of Policy. It is hereby declared the policy of the State that in order for the National Government to realize additional revenues, government-owned and/or controlled corporations, without impairing their viability and the purposes for which they have been established, shall share a substantial amount of their net earnings to the National Government."

WHEREAS, to support the viability and mandate of government-owned and/or controlled corporations (GOCCs), the liquidity, retained earnings position and medium-term plans and programs of these GOCCs were considered in the determination of the reasonable dividend rates of such corporations on their 1997 net earnings;

WHEREAS, pursuant to Section 5 of RA 7656, the Secretary of Finance recommended the adjustment on the percentage of annual net earnings that shall be declared by the Land Bank of the Philippines (LBP) and National Electrification Administration (NEA) in the interest of national economy and general welfare;

NOW THEREFORE, I, JOSEPH E. ESTRADA, President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

Section 1. The percentage of net earnings to be declared and remitted by the LBP and NEA as dividends to the National Government as provided for under Section 3 of Republic Act No. 7656 is adjusted from at least fifty percent (50%) to the rate specified hereunder:

1. Land Bank of the Philippines - 30% (cash)
2. National Electrification Administration - 25% (cash)

Sec 2. The adjusted dividend rates provided for under Section 1 are only applicable on 1997 net earnings of the concerned government-owned and or controlled corporations.

Sec 3. This Executive Order shall take effect immediately.