

[ Act No. 2939, January 28, 1921 ]

**AN ACT TO AMEND CERTAIN PROVISIONS OF ACT NUMBERED TWENTY-SEVEN HUNDRED AND SEVENTY-SIX, ENTITLED, "AN ACT TO REGULATE THE CURRENCY SYSTEM OF THE PHILIPPINE ISLANDS AND TO ESTABLISH A RESERVE FUND FOR THE SAME, AMENDING THEREFOR CERTAIN PROVISIONS OF THE ADMINISTRATIVE CODE."**

*Be it enacted by the Senate and the House of Representatives of the Philippines in Legislature assembled and by the authority of the same:*

SECTION 1. Section one of Act Numbered Twenty-seven hundred and seventy-six is hereby amended by making sections sixteen hundred and twenty-one, paragraph (a), sixteen hundred and twenty-three, paragraph (f), sixteen hundred and twenty-four, and sixteen hundred and twenty-five of the Administrative Code, amended thereby, read as provided in the following sections:

SEC. 2. Paragraph (a) of section sixteen hundred and twenty-one of the Administrative Code, as amended by said section one of Act Numbered Twenty-seven hundred and seventy-six, shall hereafter read as follows:

"(a) To exchange on demand at the Insular Treasury in Manila for Philippine currency offered in sums of not less than ten thousand pesos or United States currency offered in sums of not less than five thousand dollars, drafts on the currency reserve fund deposited in the United States or elsewhere to the credit of the Insular Treasury, charging for the same a premium of three-quarters of one per centum for demand drafts and of one and one-eighth per centum for telegraphic transfers, and it is further made the duty of the Insular Treasurer to direct the depositaries of the funds of the Philippine Government in the United States to sell on demand, in sums of not less than ten thousand pesos, exchange against the currency reserve fund in the Philippine Islands, charging or paying for the same a premium of three-quarters of one per centum for demand drafts and of one and one-eighth per centum for telegraphic transfers, rendering accounts therefor to the Insular Treasurer and Insular Auditor. But the premium rate for drafts and telegraphic transfers in this paragraph mentioned may be temporarily increased or decreased by order issued by the Secretary of Finance should the conditions at any time existing, in his judgment, require such action, and the Governor-General, upon recommendation of the Secretary of Finance, may suspend for such time as he sees fit, the sale of exchange to any individual, firm, company or corporation, or he may require before selling any exchange, such proofs and affidavits as he deems sufficient that such exchange is needed in legitimate Philippine business and could not have been legitimately supplied by proceeds of Philippine exports."

SEC. 3. Paragraph (f) of section sixteen hundred and twenty-three of the Administrative Code, as amended by said section one of Act Numbered Twenty-seven hundred and seventy-six, shall hereafter read as follows:

"(f) When certificates mutilated or otherwise unfit for circulation shall be paid into the Insular Treasury, they shall not be reissued, but shall be retained in the Treasury for destruction, and, from time to time, when a sufficient amount shall have accumulated, the Secretary of Finance, and a committee of accountants to be designated by the Secretary of Finance shall, in the presence of the Treasurer and Auditor, after noting the amounts and denominations of such certificates, completely destroy the same by burning, and thereafter the Treasurer shall be credited on his accounts in accordance with this action. The credit allowed shall be based upon the written report of the committee of accountants, attested by the Secretary of Finance, and the Auditor for the Philippine Islands."

SEC. 4. Section sixteen hundred and twenty-four of the Administrative Code, as amended by said section one of Act Numbered Twenty-seven hundred and seventy-six, shall hereafter read as follows:

"SEC. 1624. *Currency Reserve Fund—How constituted.*— For the maintenance of the parity of the Philippine silver peso with the gold peso and for the exchange of Treasury certificates authorized by article six there is constituted in the Insular Treasury a continuing and reimbursable special fund to be denominated the currency reserve fund, which shall be maintained from the following sources:

"(a) From the silver pesos and gold coin of the United States and sold coin, states received in exchange for the Treasury certificates sold.

"(b) Proceeds of certificates of indebtedness.

"(c) Profits of seigniorage made by the Insular Government in the purchase of silver bullion and the coinage therefrom as well as the profits derived from the recoinage of Philippine coins of greater weight and fineness than those prescribed herein, and the issue of the Philippine pesos and the subsidiary and minor coins.

"(d) Profits from the sale of exchange by the Insular Government between the Philippine Islands and the United States.

"(e) Proceeds of forfeitures of silver coin or bullion the exportation or importation of which is attempted or effected contrary to law.

"(f) Interest or other profit from investment or deposit made from the currency reserve fund.

"(g) Premiums arising from the sale of interisland telegraphic transfers and demand drafts sold in Manila on provincial treasurers.

"(h) Other receipts derived by the Insular Government from the exercise of its functions, of furnishing a convenient and stable currency for the Islands.

"With the approval of the Secretary of Finance, the Treasurer of the Philippine Islands may substitute for any part of the money paid into the currency reserve fund, gold coin of the United States equal in value, and