

# [ Commonwealth Act No. 606, August 22, 1940 ]

## **AN ACT TO REGULATE THE TRANSFER OF VESSELS AND OF SHIPPING FACILITIES AND TO PROVIDE PENALTIES FOR THE VIOLATION THEREOF.**

*Be it enacted by the National Assembly of the Philippines:*

SECTION 1. No person, corporation, association, or entity whatsoever shall, without the approval of the President of the Philippines: (a) transfer to or place under any foreign registry or flag any vessel owned in whole or in part by a citizen of the Philippines or by a corporation organized under the laws of the Philippines; or (b) sell, mortgage, lease, charter, deliver, or in any manner transfer, directly or indirectly, to any person not a citizen of the United States or of the Philippines, (1) any such vessel or any interest therein, or (2) any vessel registered the laws of the Philippines or bearing a certificate t. Philippine registry, or any interest therein, or (3) any shipyard, drydock, shipbuilding or ship-repairing plant or facilities, or any interest therein; or (c) enter into any contract, agreement, or understanding, to construct a vessel within the Philippines for or to be delivered to any person not a citizen of the United States or of the Philippines or to be placed under any foreign registry or flag, without expressly stipulating that such construction shall not begin while this Act is in full force and effect; or (d) make any agreement or effect any understanding whereby there is vested in or for the benefit of any person not a citizen of the United States or of the Philippines, the controlling interest or the majority of the voting power in a corporation which is organized under the laws of the Philippines, and which owns any vessel, shipyard, drydock, or ship-building or ship-repairing plant or facilities; or (e) cause or procure any vessel constructed in whole or in part within the Philippines, which has never cleared for any foreign port, to depart from a port of the Philippines before it has been registered under the laws of the Philippines.

SEC. 2. Whoever violates or attempts or conspires to violate any of the provisions of section one of this Act shall be guilty of an offense and shall be punished by a fine of not more than five thousand pesos or by imprisonment for not more than five years, or by both: Provided, That, if such violation is committed by a corporation the directors approving such action, and the manager, managing director or the person charged with the management of such corporation shall be criminally responsible therefor.

SEC. 3. Any vessel, shipyard, drydock, ship-building or ship-repairing plant or facilities, or interest therein, sold, mortgaged, leased, chartered, delivered, or transferred, or agreed to be sold, mortgaged, leased, chartered, delivered, or transferred in violation of any of the provisions of section one of this Act, and any stocks, bonds, or other securities, sold or transferred in violation of any such provisions, or any vessel departing in violation of the provisions of subsection (e) of the aforesaid section shall be forfeited to the Government of the Philippines.

SEC. 4. Any sale, mortgage, lease, charter, delivery, transfer, or agreement therefor, made in violation of section one of this Act shall be void, whether made within or without the Philippines, and any consideration paid therefor or deposited in connection therewith shall be recoverable at the suit of the person who has paid or