

[LETTER OF IMPLEMENTATION NO. 59, January 16, 1978]

WHEREAS, to realize the objectives of Presidential Decree No, 175 and the regulations promulgated thereunder, it was found that there is need to amend such regulations:

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers in me vested by the Constitution, do hereby order the amendment of Letter of Implementation No, 23, as follows:

SECTION 1. Regulation 37 of Letter of Implementation No. 23 dated July 9, 1973 is hereby amended to read as follows:

"Regulation 37. Purchase of Shares of Stocks of Rural Banks - Samahang nayon and kilusang bayan (s) shall have the option to purchase government-held preferred shares of rural banks as well as common stocks therein.

For this purpose, samahang nayon (s) are authorized to utilize the sum of money existing under their barrio guarantee fund and barrio savings fund programs. In any case, any government-held preferred shares so purchased shall be converted to voting stocks.

SEC 2. Regulation 38 of the same Letter of Implementation is hereby amended to read as follows:

"Regulation 58. Establishment of Rural Banks. Subject to pertinent banking laws and "Central Bank rules and regulations, kilusang bayan (s) for credit may be converted as rural banks or private development banks while samahang nayon (s) and/or kilusang bayan (s) may establish rural banks in any province or locality as the needs of members would require, Such rural banks shall conduct business within the area of operation of the samahang nayon (s) and/or kilusang bayan (s). Such rural banks may receive deposits from the general public: Provided, That deposits from the general public shall in no case exceed the deposits of members of such rural banks. Such rural banks shall extend loans to their members, members of the samahang nayon (s) and/or kilusang bayan (s)."

SEC, 3. Regulation 4-7 of the same Letter of Implementation is hereby amended to read as follows:

"Regulation 47. Types of Kilusang Bayan - Kilusang bayan may fall under any of the following categories:

- a. Producers;
- b. Marketing;
- c. Credit;
- d. Consumers, and
- e. Service.