

**[LETTER OF INSTRUCTION NO. 1525, February
06, 1986]**

TO: THE MINISTER OF FINANCE THE COMMISSION OF INTERNAL
REVENUE

WHEREAS, Presidential Decree No. 1931 rationalizes the duty and tax exemption privileges granted to government-owned or controlled corporations and their subsidiaries;

WHEREAS, the Home Development Mutual Fund (otherwise known as the Pag-I.B.I.G. Fund), hereinafter referred to as the Fund, was established by the Government as a system of employer-employee contributions for housing purposes to provide massive financing to help solve the housing problem that impedes national development, and in pursuit of the constitutional mandate for the State to establish, maintain and ensure adequate social services in the field of housing to guarantee the enjoyment by the people of a decent standard of living.

WHEREAS, as originally established by Presidential Decree No. 1530, the Fund is exempt from the payment of any and all forms of taxes, tariffs and duties, fees, imposts, assessments and other charges, and it was provided that no law thereafter enacted shall repeal such provision unless it is provided therein that the same is applicable to the fund by specifically stating its name;

WHEREAS, under Presidential Decree No. 1752 the Fund and all its assets, collections, receivables and increments, as well as all distributions therefrom, whether of contribution, ratable income of the Fund, or dividends paid to or received by the members thereof, or their heirs/beneficiaries, are exempt from the payment, of any and all forms of taxes, assessments and other charges;

WHEREAS, the outright withdrawal of the duty and tax exemption privileges of the Fund would cause the dislocation of its financial structure, thus jeopardizing the viability and operations of the savings generation and home-building program of the Government;

WHEREAS, in order to give meaning to the above-exemption privileges of the Fund under Presidential Decree No. 1530, as amended by Presidential Decree No. 1572, should be maintained;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the power vested in me by the Constitution and by Law, do hereby order and direct that:

1. Home Development Mutual Fund shall not be covered by Presidential Decree No. 1931, and shall continue to be exempt from the payment of any and all forms of taxes, assessments and other charges as provided in Presidential Decree No. 1530 and 1752.

2. This Letter of Instruction shall take effect immediately.

DONE in the City of Manila this 6th day of February, in the year of Our Lord, nineteen hundred and eighty six.