

[LETTER OF INSTRUCTIONS NO. 1308, April 12, 1983]

TO: The Governor, Central Bank
The Minister of Budget and Management
The Secretary General, KKK National Secretariat
The National Treasurer of the Philippines

Pursuant to government policies of accelerating the implementation of the Kilusang Kabuhayan at Kaunlaran as the centerpiece of development, the following instructions are hereby declared:

1. A KKK Guaranty Fund is hereby established as a special account in the Central Bank of the Philippines to guarantee payments of KKK projects. The KKK Guaranty Fund shall have an initial amount of US\$100 Million from the proceeds of the Economic Support Fund.
2. The Fund shall include the establishment of a liquidity system, interest subsidy system and an insurance system. The guarantee system shall likewise extend to trading of mortgages by floating asset-backed bonds and/or availing of the Central Bank rediscounting facility provided that the Fund, existing laws to the contrary notwithstanding shall qualify for and have access to the discounting mechanism of the Central Bank under Circular B Section 87/88 of the Central Bank Act.
3. The KKK National Secretariat shall oversee the operations and administration of the Fund in accordance with the KKK Guaranty Program guidelines and shall thereby effect the necessary coordination with relevant government and private financial parties. The KKK Processing Center Authority is hereby empowered to operate the KKK Guarantee Systems and accordingly is hereby authorized to establish working relationships with the public and private financial institutions for the implementation of the program.

For immediate compliance.

(Sgd.) FERDINAND E. MARCOS
President of the Philippines

April 12, 1983

