



Office of the President of the Philippines

GOVERNANCE COMMISSION

FOR GOVERNMENT OWNED OR CONTROLLED CORPORATIONS

Room 479, Mabini Hall, Malacañang Compound, Manila, Philippines 1005

MEMORANDUM ORDER NO. 2012 - 12

CLASSIFYING LANBANK OF THE PHILIPPINES'S OVERSEAS SUBSIDIARIES AND REMITTANCE OFFICES AS DISSOLVED/LIQUIDATED/INACTIVE GOCCs

WHEREAS, the **LANDBANK OF THE PHILIPPINES (LBP)** was organized and incorporated by virtue of Republic Act 3844 on 08 August 1963, as a Government Financial Institution with original charter;

WHEREAS, **LBP REMITTANCE COMPANY, U.S.A.** is a wholly owned subsidiary of LBP and licensed on 31 May 2000 by the Commissioner of Financial Institutions, Department of Financial Institutions, State of California to engage in the business of "receiving money for the purposes of transmitting it or its equivalent to foreign countries"; and has ceased receiving money for the purposes mentioned, and the *Order Regarding Surrender of License* of LRC was released by the State of California, Department of Financial Institutions on 13 September 2011.

WHEREAS, **LBP FINANCIAL SERVICES S.P.A. ITALY** is a wholly owned LBP financial services subsidiary officially registered with the Chamber of Commerce and Industry Handycraft and Agriculture of Rome as a "joint-stock company" on 18 June 1996, with the "exclusive purpose of performing services of taking investments, providing payment services and brokering payment and currency exchange both in the national territory, as well as between Italy and abroad;" and that the voluntary closure of LBP Financial Services S.p.A. Italy was approved through LBP Board Resolution No. 11-0029 on 10 January 2011.

WHEREAS, **LBP TAIWAN REPRESENTATIVE OFFICE** was set up for the purpose of coordinating with LBP's remittance partners in Taiwan, "without carrying out the business of a bank as contemplated within the context of the Philippine banking system;" and that the Taiwan's Ministry of Economic affairs approved Landbank's letter notice of closure of LBP Taiwan Representative Office on 15 June 2011, effective on 4 October 2011.

WHEREAS, **LBP SINGAPORE REPRESENTATIVE OFFICE** was set up for the purpose of coordinating with LBP's remittance partners in Singapore, "without carrying out the business of a bank as contemplated within the context of the Philippine banking system;" and that the Monetary Authority of Singapore granted its approval for the closure of LBP Singapore Representative Office on 11 April 2011;

WHEREAS, at present all of the abovementioned LBP overseas subsidiaries and remittance offices no longer hold office nor have any personnel in their employ;

WHEREAS, pursuant to Section 5 of R.A. No. 10149, the Commission is mandated to determine whether a GOCC, GICP/GCE or GFI should be reorganized,

merged, streamlined, abolished or privatized, or to provide for the classification of GOCCs to "guide the GCG in exercising its powers," thus:

SEC. 5. Creation of the Governance Commission for Government-Owned or -Controlled Corporations.—There is hereby created a central advisory, monitoring, and oversight body with authority- to formulate, implement and coordinate policies to be known as the Governance Commission for Government-Owned or -Controlled Corporations, hereinafter referred to as the GCG, which shall be attached to the Office of the President. The GCG shall have the following powers and functions:

(a) ***Evaluate the performance and determine the relevance of the GOCC, to ascertain whether such GOCC should be reorganized, merged, streamlined, abolished or privatized***, in consultation with the department or agency to which a GOCC is attached. For this purpose, the GCG shall be guided by any of the following standards:

(1) The functions or purposes for which the GOCC was created are no longer relevant to the State or no longer consistent with the national development policy of the State;

(2) The GOCC's functions or purposes duplicate or unnecessarily overlap with functions, programs, activities or projects already provided by a Government Agency;

(3) The GOCC is not producing the desired outcomes, or no longer achieving the objectives and purposes for which it was originally designed and implemented, and/or not cost efficient and does not generate the level of social, physical and economic returns *vis-à-vis* the resource inputs;

(4) ***The GOCC is in fact dormant or nonoperational***.

(5) The GOCC is involved in an activity best carried out by the private sector; and

(6) The functional, purpose or nature of operations of any group of GOCCs require consolidation under a holding company. x x x.

(b) Classify GOCCs into: (1) Developmental/Social Corporation; (2) Proprietary Commercial Corporations; (3) Government Financial, Investment and Trust Institutions; (4) Corporations with Regulatory Functions; and (5) Others as may be classified by the GCG, without prejudice to further subclassifications in each category and/or any other classification based on parameters as it may find relevant or material such as, but not limited to, industry type. The classification shall guide the GCG in exercising its powers and functions as provided herein;

x x x.

WHEREAS, in order to properly account for all the original one-hundred-fifty-eight (158) GOCCs, GFIs, GICPs/GCEs turned-over to the Commission by Congress, as well as those which have been accounted for since the constitution of the Commission, the GCG has included as classification in **ANNEX A – CLASSIFICATION OF GOCCs BY SECTORS**, of those which have been abolished, dissolved or have become inactive under "**DISSOLVED/LIQUIDATED/INACTIVE**", which is undertaken through the issuance of a M.O. pursuant to a formal memorandum submitted to the Commission;

NOW, BE IT –

RESOLVED, that Land Bank of the Philippines' overseas subsidiaries and remittance offices, namely:

LBP REMITTANCE COMPANY U.S.A.

LBP FINANCIAL SERVICES S.P.A. ITALY

LBP SINGAPORE REPRESENTATIVE OFFICE

LBP TAIWAN REPRESENTATIVE OFFICE

shall be classified as "DISSOLVED/LIQUIDATED/INACTIVE" under the Commission's **ANNEX A – CLASSIFICATION OF GOCCS BY SECTORS.**

DONE, in the City of Manila, this 24th day of September in the year of our Lord, Two Thousand Twelve.

BY AUTHORITY OF THE COMMISSION:


CESAR L. VILLANUEVA
Chairman


MA. ANGELA E. IGNACIO
Commissioner


RAINIER B. BUTALID
Commissioner