



MEMORANDUM ORDER NO. 2012-11

CLASSIFYING THE CENTRAL BANK BOARD OF LIQUIDATORS (CB-BOL) AS EXCLUDED FROM THE COVERAGE OF REPUBLIC ACT NO. 10149

WHEREAS, Section 132 (e) of Republic Act (R.A.) No. 7653¹ states that all assets and liabilities of the Central Bank of the Philippines ("Central Bank") created under Republic Act No. 265, as amended, which were not transferred or assumed by the Bangko Sentral ng Pilipinas ("BSP") shall be retained, administered, disposed of and liquidated by the Central Bank itself;

WHEREAS, the Central Bank Board of Liquidators (CB-BOL) was created and formally constituted pursuant to its mandated task under Section 132 (e) of R.A. No. 7653 and Executive Order (E.O.) No. 169² which declared the continued existence of the Central Bank of the Philippines as the Central Bank Board of Liquidators;

WHEREAS, the CB-BOL was created in view of the abolition of the Monetary Board of the Central Bank so that the Central Bank shall continue to exist as a juridical entity for the limited purpose of administering, disposing and liquidating the assets and liabilities retained by it, but for a period not exceeding twenty-five (25) years or until such time that said assets have been disposed of and said liabilities have been liquidated;

WHEREAS, Section 4 of R.A. No. 10149 provides that the jurisdiction of the Governance Commission for GOCCs (GCG) shall cover "all GOCCs, GICPs/GCEs, and government financial institutions, including their subsidiaries, but excluding the Bangko Sentral ng Pilipinas, state universities and colleges, cooperatives, local water districts, economic zone authorities and research institutions;"

WHEREAS, Section 3 of R.A. No. 10149 defines the terms "GFIs", "GICPs/GCEs" and "GOCCs" as follows:

- (m) *Government Financial Institutions (GFI)* refer to financial institutions or corporations in which the government directly or indirectly owns majority of the capital stock and which are either (1) registered with or directly supervised by the Bangko Sentral ng Pilipinas; or (2) collecting or transacting funds or contributions from the public and places them in financial instruments or assets such as deposits, loans, bonds and equity including, but not limited to, the Government Service Insurance System and the Social Security System.

¹ Republic Act No. 7653, *The New Central Bank Act*, 14 June 1993.

² E.O. No. 169, *Declaring the Continued Existence of the Central Bank of the Philippines as the Central Bank Board of Liquidators, Prescribing its Powers and Functions Pursuant to the Provisions of Section 132 (E) of Republic Act No. 7653, and For Other Purposes*, 17 April 1994.

- (n) *Government Instrumentalities with Corporate Powers (GICP)/ Government Corporate Entities (GCE)* refer to instrumentalities or agencies of the government, which are neither corporations nor agencies integrated within the departmental framework, but vested by law with special functions or jurisdiction, endowed with some if not all corporate powers, administering special funds, and enjoying operational autonomy usually through a charter including, but not limited to, the following: x x x.
- (o) *Government-Owned or -Controlled Corporation (GOCC)* refers to any agency organized as a stock or non-stock corporation, vested with functions relating to public needs whether governmental or proprietary in nature, and owned by the Government of the Republic of the Philippines directly or through its instrumentalities either wholly or, where applicable as in the case of stock corporations, to the extent of at least a majority of its outstanding capital stock: *Provided, however,* That for purposes of this Act, the term "GOCC" shall include GICP/GCE and GFI as defined herein.

WHEREAS, based on the foregoing definitions as provided for in R.A. No. 10149, the CB-BOL is not clearly a GOCC, GICP/GCE or GFI as it is an entity that which exists only for purposes of administering, disposing and liquidating the assets and liabilities retained by the former Central Bank of the Philippines;

NOW, BE IT –


RESOLVED, that CB-BOL shall be classified as excluded from the coverage of RA No. 10149 considering that the same is not a GOCC, GICP/GCE or GFI and thus does not fall under the coverage of R.A. No. 10149;

RESOLVED FURTHER, that CB-BOL is excluded from the coverage of R.A. No. 10149 as the same shall only continue to exist for purposes of administering, disposing and liquidating the assets and liabilities retained by the Central Bank, as a juridical entity, for twenty-five (25) years or until all its assets and liabilities have been disposed of or liquidated;

RESOLVED FINALLY, the above stated classification of CB-BOL shall be subject to reclassification, pending any change in the situation and/or its circumstances, which would then bring it back within the coverage of R.A. No. 10149.

DONE, in the City of Manila, this 13th 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