



MEMORANDUM ORDER NO. 2024-05

DEACTIVATION OF THE CORREGIDOR FOUNDATION, INC. (CFI)

WHEREAS, the Corregidor Foundation, Inc. (CFI) was incorporated under the Securities and Exchange Commission (SEC) as a non-stock, non-profit corporation on 28 October 1987 with a purpose to maintain and preserve war relics on Corregidor Island and the development of its potentials as an international and local tourists destination, and to that end and purpose, to promote and encourage the recovery, collection, preservation, restoration and protection of materials and objects, including land and buildings, forming part or otherwise depicting the historic character and role of the island fortress in the defense of the country's territorial integrity and sovereignty, such as but not limited to maps, sketches, drawings, flags, documents, books and military armaments, equipment and facilities;

WHEREAS, pursuant to Section 5(a) of Republic Act (R.A.) No. 10149 or the "GOCC Governance Act of 2011," the Governance Commission for GOCCs (GCG) has the power to "[e]valuate 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";

WHEREAS, under GCG Memorandum Circular (M.C.) No. 2015-02, a GOCC may be deactivated and thereafter classified as In-Active/Non-Operational whenever it meets any of the grounds for abolition under R.A. No. 10149;

WHEREAS, a deactivated GOCC formally ceases to be a going concern and shall have no power or competence to enter any contract or transaction that seeks to pursue its ordinary course of business, and is deemed under evaluation for formal abolition under the provisions of R.A. No. 10149;

WHEREAS, the GCG has determined that CFI is not producing the desired outcomes, is no longer achieving the objectives and purposes for which it was originally designed and created, and is not cost efficient and does not generate the level of social, physical and economic returns vis-à-vis the resource inputs, CFI's functions or purposes duplicate or unnecessarily overlap with functions, programs, activities or projects already provided by other government agencies, and CFI's functions or purposes for which it was created are no longer relevant to the State or no longer consistent with the national development policy of the State;

WHEREAS, in accordance with the declared policy of the State that government assets and resources are used efficiently, the GCG has determined that it is in the best interest of the State to deactivate CFI in the interim, pending its formal abolition;

NOW, BE IT –

RESOLVED, CFI is hereby ordered deactivated;

RESOLVED FURTHER, all positions in CFI are considered abolished, *provided*, that the Board of Directors of CFI is authorized to retain a skeletal transition team to undertake residual tasks, such as maintenance of records and assistance in the settlement of legal issues and pending obligations with respect to CFI's contracts and other outstanding accounts. CFI shall issue the Notice of Termination to all affected officers and employees within thirty (30) days from the issuance of this Order.

RESOLVED FURTHER, in accordance with GCG M.C. No. 2015-02, the deactivation of CFI shall have the following legal effects:

- (a) The Deactivated GOCC formally ceases to be a going concern and shall have no power or competence to enter into any contract or transaction, which seeks to pursue its ordinary course of business;
- (b) The Governing Board shall undertake measures to wind-down the affairs of the GOCC and to preserve its assets to await the final disposition thereof;
- (c) The GOCC shall maintain any personnel it may have to assist in the winding-down of the corporate affairs, and no further hiring of any personnel shall be allowed;
- (d) The GOCC ceases to be entitled to a Corporate Operating Budget (COB), nor avail of the benefits provided for in the GOCC Sector, such as Collective Negotiation Agreement (CNA), Performance-Based Bonus (PBB), and Performance-Based Incentives (PBI);
- (e) The GOCC is deemed under evaluation for formal abolition under the provisions of R.A. No. 10149.

RESOLVED FURTHER, that the Tourism Infrastructure and Enterprise Zone Authority (TIEZA) shall take on the administration, operation and management of Corregidor Island from CFI, holding all CFI assets in trust until its final disposition;

RESOLVED FURTHER, the Board of Directors of TIEZA shall take all proper and necessary steps to protect the interests of the government in connection with the deactivation of CFI, including the preservation of its assets;

RESOLVED FURTHER, that CFI shall coordinate with TIEZA to explore the possibility of re-employment of affected CFI personnel in TIEZA, subject to compliance with established qualification standards set by the latter;

RESOLVED FURTHER, that CFI shall coordinate with the Commission on Audit (COA), Securities and Exchange Commission (SEC), Department of Labor and Employment (DOLE), and such other agencies as may be necessary, to ensure smooth implementation of this Order in accordance with existing laws, rules, and regulations;

RESOLVED FINALLY, that CFI and TIEZA shall submit a Final Report to GCG upon completion of the implementation of its deactivation.

DONE in the City of Makati, this _____ day of 26 MAR 2024 2024.

ATTY. MARIUS P. CORPUS
Chairman

RALPH G. RECTO
DOF Secretary

AMENA H. PANGANDAMAN
DBM Secretary

ATTY. BRIAN KEITH F. HOSAKA
Commissioner

ATTY. GERALDINE MARIE B. BERBERABE-MARTINEZ
Commissioner