

# Presidential Decree No. 2030, s. 1986

Signed on February 4, 1986 (<https://www.officialgazette.gov.ph/1986/02/04/presidential-decree-no-2030-s-1986/>).

---

MALACAÑANG

MANILA

PRESIDENTIAL DECREE NO. 2030

PROVIDING FOR THE ORDERLY DISPOSITION OF CERTAIN ASSETS  
OF GOVERNMENT INSTITUTIONS

WHEREAS, the National Government, through the agency of various financial and other government institutions, has acquired or is otherwise the owner of a large number of assets in the industrial, manufacturing and commercial sectors of the economy which, as part of the economic recovery program adopted by the National Government, it has been deemed necessary and appropriate for the National Government to divest in a planned and orderly manner;

WHEREAS, as an integral part of this economic recovery program and in order to facilitate the reorganization of certain government financial institutions, it is necessary to relieve those institutions of assets which adversely affect their

financial viability and liquidity, and for the National Government to take over such assets and to assume the related liabilities of those institutions;

WHEREAS, it is the desire of the National Government to realize on such assets within the shortest possible time and, to such end, to dispose of such assets generally on terms that would permit immediate substantial cash returns to the National Government;

WHEREAS, it is also the desire of the National Government to retain, to the extent consistent with the foregoing objectives, industrial and other property in the Philippines for operation by Philippine nationals.

NOW, THEREFORE, I FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order and decree as follows:

## ARTICLE I

### The Asset Disposition Trust

Section 1. Creation of the Trust. (a) There is hereby created a body corporate to be known as the Asset Disposition Trust (herein referred to as the Trust) that shall, in trust for and for the benefit of the National Government, take title to, conserve and dispose of the assets described in and transferred to the Trust pursuant to Section 20 of this Decree.

(b) The capitalization of the Trust shall be One Hundred Million Pesos (₱100,000,000.00), which shall be paid in by National Government, chargeable against applicable appropriations in Batas Pambansa Blg. 879.

(c) The Trust shall have its principal place of business in Metropolitan Manila.

(d) The Trust shall be attached to the Ministry of Finance for policy and program

coordination.

(e) The Trust shall exist for a period of six years from the date of this Decree, and all assets held by it, all moneys and other property belonging to it, and all its liabilities outstanding upon the expiry of such period shall revert to and be assumed by the National Government.

Section 2. Responsibilities and Objectives. It shall be the responsibility of the Trust to administer the orderly disposition of assets transferred to and held by it pursuant to this Decree on terms and conditions deemed by it to be in the best interest of the National Government and in furtherance of the following objective:

To realize on assets held by the Trust as quickly as possible and, consistently therewith, to optimize the realizable values of such assets by (a) returning as many assets as possible to private sector ownership, structured so as to hold out realistic prospects of productivity and profitability; (b) rationalizing capacity, productivity, employment and like matters in the various sectors of the economy represented by such assets; and (c) liquidating those assets which show no prospect of becoming viable.

Section 3. Proceed of Realizations. All proceeds from the sale or other disposition of assets held by the Trust shall form part of the General Fund of the National Government and be remitted by the Trust to the National Treasury immediately upon receipt of such proceeds: Provided, however, That the Trust shall be entitled to retain such portion of the proceeds as may be necessary to maintain a revolving fund to be utilized for the payment of the fees and reimbursable expenses of the Asset Management Corporation and other external agencies referred to in Sections 14 and 16 hereof, and meeting the costs and expenses incurred by the Trust in the conservation and disposition of assets held by it, or otherwise in the performance of its responsibilities under

this Decree.

Section 4. Corporate Powers. The Trust is hereby authorized to adopt, alter and use a corporate seal which shall be judicially noticed; to make contracts; to lease or own real and personal property of any kind, and to sell or otherwise dispose of the same; to sue and to be sued; to borrow money and incur such liabilities as may be reasonably necessary to permit it to carry out the responsibilities imposed upon it under this Decree; to receive and collect interest, rent and other income from assets held by it and to possess and exercise in respect of such assets all rights, powers and privileges of ownership; to compromise and release claims or settled liabilities, and otherwise to do and perform any and all things that may be necessary or, proper to carry out the purposes of this Decree: Provided, That any borrowing by the Trust shall be subject to the prior approval of the Ministry of Finance; and Provided, That in the performance of its functions under this Decree, the Trust shall not itself directly undertake the conservation and disposition of the assets held by it under this Decree, or the management or marketing thereof, but for such purposes shall employ the Asset Management Corporation and the other external agencies referred to in Sections 14 and 16 hereof.

Section 5. Exemption from Taxation. The provisions of any law to the contrary notwithstanding, the Trust and all assets held by it under this Decree shall be exempt from all income and other taxes, fees, charges, imposts, duties and assessments imposed by the National Government or any provincial, municipal or city government of any subdivision or authority thereof or therein, including but not limited to stock transfer taxes, capital gains taxes and registration fees.

## ARTICLE II

### Board of Trustees

Section 6. Board of Trustees. The powers and functions of the Trust shall be

exercised by a Board of Trustees, which shall be composed of five members, as follows:

(i) the Minister of Finance, who shall be Chairman of the Board of Trustees and who, if unable to attend a meeting, shall designate a Deputy Minister to attend as his alternate;

(ii) the Director-General of the National Economic and Development Authority, who, if unable to attend a meeting, shall designate a Deputy Director-General of the Authority to act as his alternate;

(iii) the Director-General of the Office of Budget and Management, who, if unable to attend a meeting shall designate the Deputy Director-General of the office to act as his alternate; and

(iv) two members from the private sector to be appointed by the President of the Philippines and who shall serve for the period specified in Section 1 (e).

Section 7. Qualifications. No person shall be appointed member of the Board of Trustees unless he is of good moral character, of unquestionable integrity and responsibility and of recognized business competence. No director, officer, consultant or stockholder of corporations constituting or having an interest in assets held by the Trust and no director or officer of a government institution from whom such assets are to be acquired by the Trust pursuant to this Decree may be appointed members of the Board of Trustees. The Chairman or the other members of the Board or their alternates shall not sit on the board of directors or otherwise participate in the direct management of corporations constituting assets transferred to the Trust.

Section 8. Vacancies. (a) The President of the Philippines may remove any member of the Board of Trustees if the member is guilty of acts that are

fraudulent, unlawful or manifestly opposed to the purposes of this Decree or if the member ceases to be qualified to become a member of the Board of Trustees under Section 7 of the Decree.

(b) Any vacancy in the Board of Trustees created by the death, resignation or removal of a member from the private sector shall be filled by the appointment by the President of the Philippines of a new member, who shall serve for the unexpired portion of the term of the previous member.

Section 9. Meetings. The Board of Trustees shall meet as frequently as is necessary to discharge its responsibilities, but shall meet at least once every two months. The presence of three members shall constitute a quorum, and the concurrence of three members during a meeting at which a quorum is present shall be necessary for any decision by the Board of Trustees.

Section 10. Per Diems. Each member of the Board of Trustees or his alternate shall receive a per diem of one thousand pesos (₱1,000.00) for every meeting attended: Provided, That each member and his alternate shall not in the aggregate receive more than five thousand pesos in any single month; and Provided, further, That the President of the Philippines may from time to time so adjust the amount of per diems and the maximum aggregate amount payable to each member and his alternate as the President may in his discretion deem appropriate.

Section 11. Exercise of Authority. In the exercise of the authority granted to it under this Decree, the Board of Trustees shall:

(i) issue such internal rules and regulations as the Board of Trustees may deem necessary or convenient for the proper discharge of its functions:

(ii) enter into management and such other contracts as may be appropriate with

the Asset Management Corporation and the other external agencies referred to in Sections 14 and 16 hereof on such terms and conditions as the Board of Trustees may deem to be in the best interest of the National Government;

(iii) make available for disbursement by the Asset Management Corporation and such other external agencies such funds as may be mutually agreed upon as necessary for working capital or capital expenditures for the purpose of preserving, maintaining and putting into marketable condition the assets of the Trust; and

(iv) appoint, remove and fix the remuneration of personnel of the Trust: Provided, That the Trust shall not hire and maintain its own personnel except to the extent deemed by the Board of Trustees to be absolutely necessary for the discharge of its responsibilities and only with the prior approval of the Minister of Finance, and, as far as practicable, shall avail itself of the services of the personnel seconded or detailed from other government offices.

Section 12. Legal Counsel. The Minister of Justice shall be the ex officio legal adviser to the Trust: Provided That the Trust may engage the services of external legal counsel.

Section 13. Liability. Any member of the Board of Trustees or employee of the Trust who wilfully violates this Decree or who is guilty of gross negligence in the performance of his duties or who shall disclose information of a confidential nature concerning the operation of the Trust or use such information for personal gain or to the detriment of the National Government, the Trust or third parties, shall be held liable for any loss or injury suffered by the National Government or the Trust as a result thereof, without prejudice to the application of such penalties and sanctions as may imposed under applicable law.

## ARTICLE III

## The Asset Management Corporation

Section 14. Creation. (a) The National Government through the National Development Company shall and is hereby authorized to organize under the provisions of the Corporation Code an asset management corporation (herein referred to as the Asset Management Corporation) to perform the functions contemplated in this Decree, and to subscribe to and hold up to fifty percent (50%) of the authorized capital stock of the Asset Management Corporation.

(b) The National Government, through the Minister of Finance, shall invite and arrange for the investment in the remaining equity of the Asset Management Corporation by an international financial institution or institutions of which the Philippines is a member and by other appropriate investors, whether foreign or domestic, such investments to be made on terms that shall be mutually agreed between such institution or institutions and the National Government.

Section 15. Management Contract. The Trust and the Asset Management Corporation shall enter into a management contract providing for (i) the management, conservation and disposition of assets transferred to the Trust under Section 20 hereof and referred by the Trust to the Asset Management Corporation, (ii) the development, for consideration of the Trust, of programs for the disposition of such assets, and (iii) the negotiation of terms and conditions of each disposition, in each case such disposition to be subject to the prior approval of the Trust. The contract shall define the functions and authority of the Asset Management Corporation, establish general guidelines and policies for the management, conservation and disposition of assets of the Trust and contain such other terms as may be necessary for the effective discharge of the responsibilities of the Asset Management Corporation as contemplated in this Decree. In respect of each disposition of assets of the Trust referred by the Trust to the Asset Management Corporation, the Trustees shall approve or



disapprove the recommendations of the Asset Management Corporation. A disposition approved by the Trustees shall be final and shall not require nor be subject to prior approval or ratification by any other Government agency.

Section 16. Use of Other External Agencies. Within thirty days or such longer period as may be agreed by the Trust from date of receipt by the Asset Management Corporation of a copy of the instrument referred to in Section 20(c), executed by the President of the Philippines and describing assets transferred to the Trust, the Asset Management Corporation shall determine and advise the Trust which of the assets so described would more appropriately be conserved and disposed of by entities other than the Asset Management Corporation, and the Trust, upon receipt of such advice, shall refer such assets to government or private institutions and other agencies (whether specifically formed for the purpose or otherwise and whether alone or in conjunction with financial institutions of the kind contemplated by Section 14(b)) for conservation and disposition.

Section 17. Payments in Foreign Currency. (a) The investment of an international financial institution in the Asset Management Corporation shall be registered with the Central Bank of the Philippines and, upon such registration, shall, together with dividends and other income that may accrue thereon, be remittable from the Philippines in foreign currency.

(b) The Asset Management Corporation may, subject to the prior approval of the Central Bank of the Philippines, agree to pay fees in foreign currency to such international financial institution under management, consultancy or similar contract with the Asset Management Corporation, and to reimburse foreign currency expenses of such institutions in connection with services provided under such contracts in foreign currency.

Section 18. Immunities and Privileges. (a) Any international financial institution

of which the Philippines is a member investing in and taking part in the operation of the Asset Management Corporation contemplated in this Decree and the officers and employees of such institution doing work in or in connection with the Asset Management Corporation (whether as officers of such corporation or otherwise) shall not thereby be deemed to have waived, and shall in the performance of such acts continue to enjoy, all immunities and privileges granted to each of them by law or treaty, including without limitation immunity from legal process and immunity from taxation.

(b) Any international financial institution of which the Philippine is a member, by virtue solely of its participation in the equity and activities of the Asset Management Corporation, shall not be deemed to be transacting or doing business in the Philippines, and in any case shall be exempt from qualification, registration or other requirements imposed by law upon foreign corporations transacting or doing business in the Philippines.

Section 19. Status of Asset Management Corporation. Provided that the shares of stock held by the National Government in the Asset Management Corporation, whether through the National Development Company or otherwise, do not exceed fifty percent (50%) of the outstanding capital stock of such corporation or do not exceed fifty percent (50%) of the outstanding voting capital stock of such corporation, the Asset Management Corporation shall not be deemed to be a government-owned or controlled corporation for any purpose.

## ARTICLE IV

### Operational Provisions

Section 20. Transfer of Assets. (a) There shall be transferred to and vested in the Trust such assets of government institutions as may from time to time within the period of one year from the date of this Decree be identified by the

President of the Philippines, upon the recommendation of the Minister of Finance, as appropriate for divestment in accordance with the provisions of this Decree. Such assets shall include: (i) receivables and other obligations due to government institutions under credit, lease indemnity and other agreements together with all collateral security and other rights (including but not limited to rights in relation to shares of stock in corporations or to exercise voting powers in relation thereto and rights to appoint directors of corporations or otherwise engage in the management thereof) granted to such institutions by contract or operation of law to secure or enforce the right of payment of such obligations; (ii) real and personal property of any kind owned or held by government institutions, including shares of stock in corporations, obtained by such government institutions, whether directly or indirectly, through foreclosure or other means, in settlement of such obligations; and (iii) shares of stock and other investments held by government institutions.

(b) The President of the Philippines, on behalf of the National Government, may and is hereby authorized to assume the obligations of government institutions on terms and to the extent determined by the President, on the recommendation of the Minister of Finance, to be warranted by the transfer of assets from such institutions pursuant to this Decree.

(c) The President of the Philippines shall identify assets to be transferred to the Trust as aforesaid in an appropriate instrument describing such assets or identifying the loan or other transactions giving rise to the receivables, obligations and other property constituting assets to be transferred. Such instrument shall upon execution by the President constitute the operative act of transfer of the assets described therein.

(d) Nothing in this Decree shall:

(i) impair the rights of creditors of any of the government institutions involved;

(ii) affect the rights of the National Government to pursue the enforcement of any claim of a government institution in respect of or in relation to any asset transferred hereunder;

(iii) in relation to any debt hereby assigned and transferred to the Trust of which a government institution is the original creditor, give rise to any novation or requirement to obtain the consent of the debtor; and

(iv) in relation to any share of stock or any interest therein, give rise to any claim by any other stockholder for enforcement of rights of pre-emption or of first refusal or other similar rights, the provision of any law to the contrary notwithstanding.

(e) Government institutions, as referred to in this Decree, shall mean government-owned or controlled corporations, financial or otherwise, whether organized by special charter or under general law.

Section 21. Deeds of Assignment. (a) Each government institution from which assets are to be transferred pursuant to this Decree shall and is hereby directed to execute, promptly at the request of the Trust (but in no event later than thirty days after the issuance by the President of the Philippines of the relevant instrument referred to in Section 20(c) hereof, or such longer period as may be specified by the Trust), a deed of assignment in favor of the Trust, which shall, in annexes thereto, describe, account by account, the nature and extent of such assets and to deliver to the Trust such agreements, instruments, records and other papers in respect of such assets as may be deemed by the Trust to be reasonably necessary or appropriate. Each such deed of assignment shall constitute the Trust the attorney-in-fact of the government institution to enable the Trust to take such action and do such things as may be necessary or desirable to consolidate and perfect the title of the Trust to such assets.

(b) A copy of such deed of assignment, together with excerpts from its annexes describing particular property to be transferred, certified to be true by the Secretary of the Trust before a notary public or other official authorized by law to administer oaths, shall provide sufficient basis to registers of deeds, transfer agents of corporations and other persons authorized to issue certificates of titles, shares of stock and other evidence of title to issue new certificates, shares of stock or other instruments evidencing title to the assets so described to and in the name of the Trust.

Section 22. Interim Responsibility for Transferred Assets. During the period prior to receipt by a government institution of notice from the Trust that arrangements for the management to assets transferred from such government institution under this Decree have become effective, such government institution shall be responsible for administering such assets for and on behalf of the Trust.

Section 23. Incontestability. Any determination by the Trust that the terms on which an asset is to be sold or otherwise disposed of are consistent with the objectives in this Decree and in the best interest of the National Government shall be conclusive, and such determination shall be evidenced by the execution by the Trust of the contract of sale or other conveyance covering the disposition for which such determination is required. The validity of any sale or disposition concluded by the Trust under this Decree shall, except for fraud, breach or material misrepresentation on the part of the purchaser, be incontestable and be binding and enforceable against the National Government and all third parties.

Section 24. No Injunctions. The provisions of any law to the contrary notwithstanding, no restraining order, temporary or permanent injunction shall be issued by any court, agency or body for the purpose of preventing the Trust,

its agents or employees (i) from taking possession of, consolidating title to or disposing of, assets transferred to the Trust pursuant to this Decree or (ii) from foreclosing upon security or exercising any other right or remedy available to the Trust under law or contract (including without limitation under Section 25 hereof) to enforce the payment of obligations acquired by the Trust hereunder. No restraining order, temporary or permanent injunction shall be issued by any court, agency or body to prevent any purchaser of assets sold by the Trust pursuant to this Decree from taking possession of, taking or consolidating title to or disposing of, such assets except where the restraining order, temporary or permanent injunction is sought by the Trust itself on the grounds of fraud, breach or material misrepresentation on the part of the purchaser.

Section 25. Receiverships. Without prejudice to any other remedy or course of action available to the Trust or the Asset Management Corporation acting on behalf of the Trust, the Securities and Exchange Commission shall, in addition to the jurisdiction and powers conferred on it by Presidential Decree No. 902-A, upon petition filed ex-parte by the Trust or the Asset Management Corporation on behalf of the Trust, appoint a receiver nominated by the Trust or the Asset Management Corporation on its behalf to take over the management and custody of the properties of a corporation in which the Trust holds equity, or whose obligations have been acquired by the properties of a corporation in which the Trust holds equity, or whose obligations have been acquired by the Trust under this Decree, or which holds assets subject to liens in favor of the Trust, in cases where such equity, obligations or liens have been referred by the Trust to the Asset Management Corporation for conservation and disposition and there is imminent danger of dissipation, loss, wastage or destruction of assets or other properties or paralyzation of business operations of such corporation which may be prejudicial to the interest of its stockholders, creditors, the general public or the National Government or where appointment of a receiver has been stipulated by the parties to a real or chattel mortgage or

other agreement as an aid to foreclosure thereof. Such receiver shall have all powers of a regular receiver under the provisions of the Rules of Court and of a management committee, board or body under section 6(d) of P.D. 902-A.

Section 26. Reporting Requirements. The Trust shall at least on an annual basis submit to the President of the Philippines and to the Batasang Pambansa a report on the status of its asset disposition program, which report shall include a description of the individual assets disposed of, the purchasers thereof, the consideration received therefor and the agreed terms of payment.

## ARTICLE V

### Miscellaneous Provisions

Section 27. Separability Clause. Any portion or provision of this Decree that may be declared unconstitutional shall not have the effect of nullifying the other provisions thereof: Provided, however, That such remaining portions can still stand and be given effect in their entirety to accomplish the objectives of this Decree.

Section 28. Repealing Clause. All laws, decrees, including Presidential Decree No. 2012, executive orders, rules and regulations, or parts thereof, inconsistent with any of the provisions of this Decree are hereby repealed or modified accordingly.

Section 29. Effectivity. This Decree shall take effect immediately.

DONE in the City of Manila, this 4th day of February, in the year of Our Lord, nineteen hundred and eighty-six.

(Sgd.) **FERDINAND E. MARCOS**

President of the Philippines

By the President:

(Sgd.) JUAN C. TUVERA

Presidential Executive Assistant

Source: **CDAasia** ([www.cdasia.com](http://www.cdasia.com))

## RESOURCES

- [PDF] [Presidential Decree No. 2030, February 4, 1986](http://www.officialgazette.gov.ph/downloads/1986/02feb/19860204-PD-2030-FM.pdf)  
(<http://www.officialgazette.gov.ph/downloads/1986/02feb/19860204-PD-2030-FM.pdf>)

This entry was posted under [Executive Issuances](https://www.officialgazette.gov.ph/section/laws/executive-issuances/) (<https://www.officialgazette.gov.ph/section/laws/executive-issuances/>), [Presidential Decrees](https://www.officialgazette.gov.ph/section/laws/executive-issuances/presidential-decrees-executive-issuances/) (<https://www.officialgazette.gov.ph/section/laws/executive-issuances/presidential-decrees-executive-issuances/>) and tagged [Executive Issuances](https://www.officialgazette.gov.ph/tag/executiveissuances/) (<https://www.officialgazette.gov.ph/tag/executiveissuances/>), [Ferdinand E. Marcos](https://www.officialgazette.gov.ph/tag/ferdinand-e-marcos/) (<https://www.officialgazette.gov.ph/tag/ferdinand-e-marcos/>), [Ferdinand E. Marcos Executive Issuance](https://www.officialgazette.gov.ph/tag/ferdinand-e-marcos-executive-issuance/) (<https://www.officialgazette.gov.ph/tag/ferdinand-e-marcos-executive-issuance/>), [Ferdinand E. Marcos Presidential Decree](https://www.officialgazette.gov.ph/tag/ferdinand-e-marcos-presidential-decree/) (<https://www.officialgazette.gov.ph/tag/ferdinand-e-marcos-presidential-decree/>), [Presidential Decrees](https://www.officialgazette.gov.ph/tag/presidential-decrees/) (<https://www.officialgazette.gov.ph/tag/presidential-decrees/>). Bookmark the [permalink](https://www.officialgazette.gov.ph/1986/02/04/presidential-decree-no-2030-s-1986/) (<https://www.officialgazette.gov.ph/1986/02/04/presidential-decree-no-2030-s-1986/>).



REPUBLIC OF THE PHILIPPINES

All content is in the public domain unless otherwise stated.