

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 4224



Introduced by: REPRESENTATIVE CELSO L. LOBREGAT

EXPLANATORY NOTE

The Supreme Court ruled in COCOFED, et.al., vs. Republic of the Philippines, GR # 177857-58 that coco levy funds and assets, which consist primarily of the 753,848,312 SMC shares and their accumulated dividends, are owned by the government in trust for the coconut farmers. It also ruled that said coco levy funds and assets are to be used exclusively for the benefit of all the coconut farmers and the development of the coconut industry. The funds are therefore public trust funds- with government as trustee for the beneficial owners who are the coconut farmers.

However, the Supreme Court decision does not provide for an administrative mechanism to ensure that the coco levy funds are managed prudently and properly as intended by law. The decision does not provide guidelines for the management and use of the coco levy funds for the benefit of the coconut industry and the coconut farmers. This is a dangerous situation for the coconut farmers who bore the burden of the coconut levy.

In fact, other sectors have started posturing to get their hands on the coconut levy funds. Worse, these "other sectors" are not even connected to the coconut industry, and the proposed use of the funds will not benefit the coconut industry and the coconut farmers.

Hence, there is a great need to constitute the coconut levy funds and assets into a Coconut Industry Trust Fund and provide the administrative structure that will manage the trust funds and ensure that its use will benefit the coconut industry and the coconut farmers. That structure is proposed to be a Foundation which will be called the Philippine Coconut Farmers Foundation.

This bill seeks to give teeth to the decision of the Supreme Court that the coconut levy funds and assets are to be used exclusively for the coconut industry and the coconut farmers.

In view of the foregoing, approval of this bill is earnestly sought.

A handwritten signature in cursive script, reading "Celso L. Lobregat".

CELSO L. LOBREGAT

Representative

Zamboanga City, 1st District

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AN ACT
CREATING THE COCONUT INDUSTRY TRUST FUND ACT
PROVIDING FOR ITS MANAGEMENT AND FOR OTHER PURPOSES

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

ARTICLE I

Sec 1. Title.- This Act shall be known as the “Coconut Industry Trust Fund Act.”

Sec. 2. Declaration of Policy- It is hereby declared to be the national policy to accelerate the development and vertical integration of the coconut industry, through the provision of adequate medium and long-term financing for capital investment in the industry, social services for the coconut farmers and assistance for the coconut farmer organizations by instituting a Coconut Industry Trust Fund capitalized with the coconut levy funds and assets and administered by a Philippine Coconut Farmers Foundation (PCFF).

Sec.3. Objectives- Pursuant to the above mentioned policy, this Act has the following objectives:

- a) Promote the steady, accelerated and orderly development and vertical integration of the coconut industry;
- b) Develop and establish coconut based farming systems including but not limited to the establishment of model coconut farms;
- c) Hasten and advance industrialization in the coconut industry and the diversification and proper utilization of coconut products and by-products;
- d) Promote the effective utilization and marketing of coconut products and by-products in the domestic and foreign markets and preserve the competitiveness and reliability

of the country as a major producer and supplier of said products;

- c) To increase production by expanding the planting and replanting program of coconut trees in strategic areas identified as having the most potential;
- f) Conduct scientific researches and investigations in all areas pertaining to agricultural, industrial, marketing and socio-economic aspect of the coconut industry and encourage the participation of small farm holders in research and technology;
- g) Encourage and promote the organization of coconut farmers cooperatives, associations, and organizations and provide them grants, credit and financing schemes; and
- h) Generate and disseminate information and communication to farmers, producers and other sectors to ensure the appreciation and adoption of appropriate technology and practices, inventions, as well as the proper awareness and correct understanding of issues and development in the coconut industry.

ARTICLE II

Sec 1. Creation of the "Coconut Industry Trust Fund".- There is hereby created a trust fund to be known as the Coconut Industry Trust Fund (CITF) from the funds and assets of the so-called coconut levy funds consisting of the 753,848,312 CIIF Preferred SMC shares and their accumulated dividends; the United Coconut Planters Bank (UCPB); the CIIF Oil Mills; the 14 Holding Corporations; the United Coconut Planters Life Assurance Corporation (COCOLIFE); and all their respective assets, subsidiaries or their cash equivalent if sold, and affiliates to the extent that the Supreme Court has ruled or may rule in other cases to be owned by the government in trust for the coconut industry and the coconut farmers.

Immediately, upon the effectivity of this Act, the registered owners/stockholders of the assets/shares/corporations above-mentioned shall cause the transfer thereof to the Foundation created in Article III hereof.

They are hereby declared to be the special trust fund, with the government as trustee for the beneficial owners who are the coconut

farmers. The CITF shall not form part of the general fund of the government and shall be used only as provided by this Act.

Sec 2. Purposes and Uses of the Fund. The CITF shall be used only for the following:

1. To finance the developmental/ operating expenses of legitimate/recognized coconut farmer organizations including projects such as scholarships for the benefit of the deserving children of the coconut farmers and the establishment of coconut seedling nurseries and the farmers planting/replanting program;
2. To finance the establishment and operation of industries and commercial enterprises as well as research relating to the coconut industry;
3. To finance social services for the coconut farmers for their mutual assistance, protection and relief in the form of social benefits, such as life, medical, and accident insurance coverage of the coconut farmers;
4. In general, to finance the attainment of the objectives enumerated in Art. I Sec. 3 of this Act.

Sec. 3. Limitation of the Usage of the Fund. Subject to the provisions of sec. 4 hereof, only the income of the CITF shall be used and only for the purposes and uses provided in Sec. 2 hereof.

Sec. 4. Allocation of Income of the Fund. The net income of the CITF shall be allocated as follows:

- 5% of the net income of the Trust Fund shall be allocated for the administrative expenses of the PCFF;
- 25% of the net income of the Trust Fund shall be allotted back to the Trust Fund;
- 70% of the net income of the Trust Fund shall be used to fund the programs/ projects enumerated in sec. 2 hereof.

Sec. 5. Depository of the Fund.- Pursuant to Sec. 5 of P.D 755, the United Coconut Planters Bank (UCPB) as long as it is principally owned by the government and the coconut farmers shall be the depository of the CITF, the principal and income thereof, subject to the terms and conditions as the PCFF and the UCPB may stipulate. In the event the UCPB is sold to a private entity, PCFF shall choose the new depository of the CITF provided that the new depository shall be a government owned or controlled bank.

Sec 6. Investments of the CITF.- The CITF shall be invested or allowed to be invested by the PCFF only in the following:

- a. shares of stock of corporations which have been at least annually declaring dividends thereon for at least three (3) consecutive years;
- b. evidence of indebtedness of the Republic of the Philippines or any other governmental agency or corporation guaranteed by the Republic of the Philippines which pay interest quarterly/semi-annually;
- c. bonds, debentures, preferred shares or guaranteed stocks of any solvent corporation or institutions created or existing under the laws of the Philippines which pay interest quarterly/ semi-annually;
- d. time deposits and other investment products of reputable banking institutions that are non-speculative in nature and which pay interest quarterly/semi-annually.

ARTICLE III

Sec. 1. Creation of the Philippine Coconut Farmers Foundation. There is hereby created under the office of the President the Philippine Coconut Farmers Foundation (PCFF) which shall manage, administer, utilize or dispose certain assets of the Coconut Industry Trust Fund (CITF) established in Art. II Sec. 1 hereof. It shall be organized by the appointment of its 15-man Board of Trustees within 6 months from the effectivity of this Act.

Sec. 2. Principal Office. The PCFF shall have its principal place of business in Makati City, Metro Manila which shall be its domicile, and such branches or agencies or subsidiaries within or outside the

Philippines as may be necessary for the proper conduct of its operations.

Sec. 3. Purposes and Objectives- The PCFF shall have the following purposes and objectives:

- a. To fully tap the potential of the coconut farmers in order to maximize their production and give them greater responsibility in directing and developing the coconut industry;
- b. To accelerate the growth and vertical integration of the coconut industry and other related coconut products from the raw material stage to the semi-finished and finally, the finished product stage;
- c. To improve, develop and expand the marketing system;
- d. To ensure stable and better incomes for coconut farmers; and
- e. In general to promote the attainment of the objectives of this Act as provided in Art. I Sec. 3 and Art. II, Sec. 2 hereof.

Sec. 4. Specific and General Powers- In order to carry out the purposes mentioned in the preceding Section, the PCFF shall have the following purposes:

- a. To invest in shares of stock corporations, at least sixty percent (60%) of the capital stock of which is owned by Filipinos for the purpose of financing the establishment, development and expansion of new and/or existing coconut industrial, financial and marketing enterprise with proven profitability or great profit potential;
- b. To organize subsidiaries for the purpose of constructing, establishing and operating coconut centrals or mills and other collateral and support enterprises which will enhance the development, integration and modernization of the coconut industry;
- c. To provide financing or grants for technical and economic research studies, promotional programs, scholarships and social benefits and industrial manpower development projects for the coconut industry and the coconut farmers;
- d. To enter into contracts and execute such other acts and exercise such powers as may be necessary to carry out the purpose of this Act;

- e. To provide funds for the implementation of Art. I Sec. 3 and Art. II Sec. 2 of this Act;
- f. To appoint the members of the Board of Directors of the companies/entities it administers/ manages enumerated in Sec. 1 Art. II of this Act.

Sec. 5. Composition of the Board of Trustees, Terms of Office, Compensation- The corporate powers of the PCFF shall be vested in a Board of Trustees to be appointed by the President of the Philippines consisting of fifteen (15) trustees, eight (8) of whom shall represent government sector, provided that the Philippine Coconut Authority (PCA) Administrator shall be a Trustee, and seven (7) of whom shall come from the coconut industry sector, provided that the three largest nationwide coconut farmers organizations, the Philippine Coconut Producers Federation, Inc. (COCOFED), The Philippine Association of Small Coconut Farmers Organizations (PASCFO) and the Pambansang Koalisyon ng mga Samahang Magsasaka at Manggagawa sa Niyugan (PKSMMN) shall have one nominee each. The depository bank—United Coconut Planters Bank (UCPB) subject to Sec. 5 of Art. II hereof shall have one nominee as well as the coconut industry umbrella organization United Coconut Associations of the Philippines, Inc. (UCAP). Other nationwide coconut farmer organizations duly recognized and accredited by the Philippine Coconut Authority may be represented in the Board, provided that in their absence, in the meantime, the COCOFED, PASCFO and PKSMMN shall jointly nominate such trustees.

Sec. 6. Term of Office- The members of the Board of Trustees shall have a term of office of six (6) years except those coming from the government sector whose term shall be co-terminus with their respective government position. The term of office of those appointed to replace these government Trustees shall also be co-terminus. In any case, they shall hold office only for a maximum of 6 years. The President may reappoint any of the private sector Trustees. Those appointed to replace a private sector Trustees shall serve only the remaining term of the vacating trustee.

Sec. 7. Powers of the Board of Trustees- Unless otherwise provided by law, the corporate powers of the PCFF shall be exercised, all business conducted and all property of the Foundation controlled and held by the Board of Trustees.

Sec. 8. Compensation of the Trustees- The Trustees shall receive no salaries except when serving as officers of the PCFF. They shall however receive for every board meeting per diems as fixed by the Board as well as monthly representation, transportation and other allowances. Their travel and board and lodging expenses incurred for every meeting shall be borne by the Foundation.

Sec. 9. Officers/ Professional Management of the PCFF- Except for the Chairman and Vice-Chairman, the PCFF shall be managed and operated by professional managers who have a record of proven competence and experience of at least five (5) years in their respective fields of competence in managing a corporation, for profit or non-profit, or a department or division thereof. These Officers are hereby classified as professional managers and shall be exempt from the rules and regulations of the Civil service Commission:

- a. Chairman
- b. Vice-Chairman
- c. The President/Chief Operating Officer
- d. Vice-President
- e. The Treasurer who is also the Chief Financial Officer
- f. The Corporate Secretary
- g. Comptroller/Internal Auditor
- h. Compliance Officer
- i. Chief Legal Counsel
- j. Such other officers as may be necessary and appointed by the Board of Trustees

Sec. 10. Powers and Duties of the Officers of the PCFF

1. **THE CHAIRMAN.** The Chairman of the Board who shall be a Trustee shall preside at all meetings of the Board of Trustees, in his absence or inability to do so preside, the meeting shall be presided over by the Vice-Chairman, in the absence of both, the President.

The Chairman of the Board shall be the CHIEF EXECUTIVE OFFICER of the PCFF and shall have such other powers as may be prescribed by the Board:

- a. to preside at all meetings of the Board of Trustees;
 - b. to direct the implementation of the policies of the Board;
 - c. to take active supervision and control over the property, interest, business and affairs of the PCFF, and subject to the approval of the Board, may appoint, suspend or remove any appointive officer or employee whenever in his judgement it may become necessary to do so;
 - d. to present to the Board at any regular or special meeting or at such other times as it may require, a report on the state of the business of the PCFF;
 - e. To attend meetings of the Board, and render such assistance or advice as it may need concerning the state of the business of the PCFF.
2. **THE VICE-CHAIRMAN.** The Vice-Chairman who shall be a Trustee and who comes from the coconut farmers organizations shall have such powers and perform such duties as the Board of Trustees may from time to time prescribe and as may be delegated to him by the Chairman. In the absence of the Chairman, the Vice-Chairman shall act in his stead and shall perform any and all such powers and duties pertaining to the office.
3. **THE PRESIDENT.** The President who shall be elected by the Board shall be the CHIEF OPERATING OFFICER of the PCFF under the supervision of the Chief Executive Officer. Aside from those which may have been assigned to him by the Board, his powers and duties shall include the following:
- a. to implement the policies formulated by the Board;
 - b. to supervise, control and direct subordinate officers and employees in the discharge of their duties;
 - c. to ensure that operations of the PCFF comply with the rules and regulations of the Securities and Exchange Commission, Bureau of Internal Revenue, the Commission on Audit, Corporation Code, other laws and regulatory agencies;
 - d. to act as an Ex-Officio Member of all Committees of the Board;
 - e. to recommend salary adjustments, promotions of officers and staff;

- f. to sign documents representing the PCFF in all its transactions.

The President may delegate to any other officer any of his powers and duties whenever in his judgment such delegation is expedient and practicable.

4. **THE VICE-PRESIDENT.** The Board of Trustees may elect one or more Vice-Presidents who may or may not be members of the Board, whose powers and duties, in general, shall be determined by the Board. In the absence or inability of the President, the Board shall designate the Vice-President, to perform and discharge the powers and duties of the office of the President. If the Vice-Presidents are not members of the Board, the Board shall designate who among the Board members shall act in place of the President.

5. **THE TREASURER.** The Treasurer shall be elected by the Board and shall have the care and custody of the funds, securities and properties of the PCFF. He shall deposit all moneys and other valuable effects in the name and to the credit of the PCFF in the designated depository Bank, or with such other depositories as the Board may from time to time designate, and any funds so deposited shall be withdrawable only by checks or other instruments signed by duly authorized officers of the PCFF. He shall render to the Board of Trustees or the President whenever required an account of the financial condition of the PCFF and of all his transactions as Treasurer. He shall perform such other duties as the Board of Trustees may from time to time assign to him or are incident to his office. In the absence of the Treasurer or his inability to act, his duties shall be performed by such person as may be designated by the Board of Trustees.

6. **THE SECRETARY.** The Secretary who shall be elected by the Board must be a Filipino citizen, a lawyer of good standing and resident of the Philippines, shall have the following powers and duties:

- a. He shall keep accurate minutes of all meetings of the Board;
- b. He shall be custodian of the corporate seal, record, documents and papers of the PCFF;
- c. He shall perform such other duties as may be assigned to him from time to time by the Board or the Chairman, or the President, and such other duties incidental to his office;

- d. He shall prepare such reports and statements as are required by the Board and/or the President.

During the absence or inability of the Secretary, the Board shall select the person to act in his stead.

7. **THE COMPTROLLER/INTERNAL AUDITOR.** The Comptroller/Internal Auditor who shall be a Certified Public Accountant shall be elected by the Board and shall be directly responsible only to the Board of Trustees. He shall have the following duties, in addition to those which may be prescribed by the Board, to wit;

- a. To see to it that adequate records of all assets, liabilities and transactions of the PCFF are maintained and safeguarded;
- b. To see that adequate audits thereof are currently and regularly made;
- c. To pass upon all vouchers, payrolls and other accounts payable, and to determine that they are properly authorized and certified;
- d. To initiate and enforce measures and procedures relating to all accounting/auditing matters, including clerical and office methods, records, reports, to the end that the business of the PCFF shall be conducted in accordance with the law, lawful rules, regulations and directive of the Commission on Audit and with the maximum safety efficiency and economy;
- e. To assess the accuracy and reliability of the accounting and auditing systems, and certify such statements of financial condition/income statements as required by the Board or as requested by the President;
- f. To act as budget director and, in conjunctions with the other officers and heads of departments, to prepare annual budget covering all activities of the PCFF and to

submit the same to the Board before the calendar year begins;

- g. To attend meeting of the Board of Trustees and the standing committee when so required by the Chairman of the Board and to render such assistance and advice as the Chairman, President, or Board may desire concerning the books, accounts, and systems of financial transactions of the PCFF, and all its branches, and of any person, entity or Corporation in which the Foundation may be interested;
- h. In case of any defalcation, default or dereliction of duty coming to his knowledge at any time to notify at once the Chairman and the President.

In the absence of the Comptroller/Internal Auditor or his inability to act, his duties shall be performed by such persons as by may be designated by the Board.

8. **COMPLIANCE OFFICER.** The Compliance Officer of the PCFF who shall be elected by the Board shall have the following duties, to wit:

- a. to oversee and coordinate the implementation of the PCFF's compliance system and to provide a compliance update, at least on a quarterly basis;
- b. to establish an effective and efficient regulatory program and coordinate its implementation;
- c. to report to the Board or to its various committees thru the President, all significant compliance issues requiring immediate corrective actions;
- d. to monitor compliance with the corporate governance manual;
- e. to disseminate new laws, rules and regulations upon receipt from regulatory bodies, provide highlights/synopsis/clarifications pertinent to new regulatory issuance in a timely and accurate manner;

- f. to serve as primary contact with the regulators and to review, consolidate and submit management replies to the findings/exceptions of regulatory bodies;
- g. to develop and maintain a constructive working relationship with regulatory agencies who will be called upon from time to time clarify specific provisions of laws, rules and regulations and to discuss/clarify compliance findings/exceptions;

9. CHIEF LEGAL COUNSEL. The Chief Legal Counsel shall be a member of good standing of the Integrated Bar of the Philippines (IBP). He shall be the chief legal adviser of the Board of Trustees and its officership and he shall liaise/coordinate with the Office of the Government Corporate Counsel (OGCC) and/or the Office of the Solicitor General (OSG) concerning legal issues that may affect PCFF for which the assistance of these offices may be necessary.

Sec. 11. Tenure of Office. Subject to the provisions of Sec. 6 hereof all executive officers shall hold office at the pleasure of the Board, and all other officers, agents and employees shall hold office for such time as provided for in their contracts of employments and if none is provided, at the pleasure of the Board.

Sec. 12. Other Officers. The Board of Trustees may appoint such other officers as may be deemed necessary provide for their powers and duties, and fix their compensation.

ARTICLE IV

Sec. 1. Members/Beneficiaries of the PCFF. The following are the minimum requirements to be defined as a coconut farmer and be a member of the Foundation:

- a. Coconut Farmer. - Any coconut farmer may apply as a Coconut Farmer Member/Beneficiary of the PCFF. A coconut farmer is a natural person, who:
 - 1. Owns and tills the coconut farm by himself and/or with the assistance of members of his family, or farm laborers;

2. Owns the coconut farm but does not till it by himself but with the assistance of farm laborers;
3. As lessee, usufructuary, who tills the coconut farm by himself and/or with the assistance of the farm laborers;
4. As mortgagee, who tills the coconut farm by himself and/or with the assistance of the farm laborers;
5. Harvests and processes the coconut product and is compensated in the form of the produce which he sells as his own; or
6. Works in the coconut farm and is compensated either in cash or in kind.

Sec. 2. All the coconut farmers of the Philippines who respond to the Ground Survey Authorized under this Act and who express their desire to be members shall be the member of the Foundation subject to the provisions of Sec. 1 thereof.

ARTICLE V

Sec. 1. Ground Survey. For purposes of determining the respective identities and addresses of coconut farmers who will be eligible to become member of the PCFF, a ground survey of coconut farmers (Ground Survey) under the supervision of the Philippine Coconut Authority (PCA) through its Coconut Development Officers who are stationed in all municipalities of the coconut regions of the country shall be conducted and completed within two (2) years after the appointment of the Board of Trustees of the Foundation subject to these rules:

a. There is hereby created a Ground Survey Working Committee ("Survey Committee") which shall be composed of:

1. An official representative of the PCA who shall act as the Chairman;
2. A representative of the COCOFED-Philippine Coconut Producers Federation, Inc.;
3. A representative of the Pambansang Koalisyon ng mga Samahang Magsasaka at Manggagawa sa Niyugan (PKSMMN); and

4. A representative of Philippine Association of Small Coconut Farmers Organizations (PASCFO).

- b. The Survey Committee shall, within thirty (30) days from the formal organization of the PCFF, meet to start the drafting of the rules and regulations to govern the conduct of the Ground Survey and the computerization of its results which shall be submitted for the approval of the Board of Trustees of the PCFF.

- c. Simultaneously, the Survey Committee shall also prepare the Budget for the Ground Survey and the computerization of the results thereof which prepared budget shall be submitted to the Board of Trustees of the PCFF for its final approval.

- d. The results of the survey shall be computerized under the Office of the Corporate Secretary of the PCFF for the preparation of the Membership Book of the PCFF and for use of the Board of Trustees in the determining the viability, sustainability and impact of development projects for the benefit of coconut farmers submitted for its approval and financing.

- e. The results of the Ground Survey may also be used by the PCA and the UCPB in the discharge of their statutory functions.

- f. Thereafter, the Board of Trustees may require periodical ground surveys of coconut farmers for the purpose of updating the Membership Book of the PCFF and such other purposes as the Board of Trustees may deem appropriate. The PCFF shall provide a mechanism for the admission of new members as a result of new ground surveys.

Sec. 2. Use of Survey Results - The results of the survey herein authorized shall become the official list of coconut farmers in the country and the official member of the Foundation. Only these farmers shall be recipients, and beneficiaries of any all projects/programs that the PCFF directly or through their own farmers' organization may undertake.

Sec. 3. Contents of Survey. - The survey shall among others, identify the coconut farmer either as landowner, landowner tiller, tenant, lessee, mortgagee, trustee, or worker either paid in cash or in kind. The coconut farmer shall also be asked to which coconut farmer

organization they belong and whether they agree to be a member of the PCFF.

Sec. 4. Identification Cards. - All the surveyed coconut farmers shall be issued the PCFF's tamper-proof Membership IDs which shall indicate the category of coconut farmer and the mother coconut farmer organization to which they belong.

Sec. 5. Survey Committee Rules. - The Survey Committee shall promulgate the rules and regulations for the survey and prepare the necessary survey forms which shall observe the provisions of this Article.

Sec. 6. Funds For the Survey. - The PCFF shall appropriate the Funds necessary to conduct the ground survey herein authorized from the funds authorized by this Act to be used for the PCFF's projects and programs.

Sec. 7. The Survey Committee may seek assistance from the National Statistics Office in the formulation and implementation of its survey methodologies, analysis and computerization.

ARTICLE VI

Sec. 1. Commission on Audit. - The funds and disbursements of the PCFF shall be subject to the rules and regulations of the Commission on Audit.

ARTICLE VII

Sec. 1. Exemption from Civil Service Rules. - The officers and employees of the PCFF shall be exempt from the rules and regulations of the Civil Service Commission. Further, they shall be exempt from the Salary Standardization Law (RA 6758) as well as the Law on Compensation in Govt. Corporations (RA 10149).

ARTICLE VIII

Sec. 1. The PCFF may sell any of its trust fund assets. Any sale however shall be by open and transparent public bidding and pursuant to the existing rules and regulations on the disposition of government assets.

Sec. 2. All the proceeds of any sale authorized under this act shall form part of the capital trust fund (CITF).

Sec. 3. Any sale authorized under this Act shall respect and shall not result in the diminution of the rights of private, non-sequestered stockholders of any of the assets of the CITF subject of the sale. Said private, non-sequestered stockholders may however be invited to sell their assets separately to the winning bidder at mutually agreed terms and conditions.

Sec. 4. Intervention in the sale process by any person or group, who have no interest in the coconut levy funds, shall not be allowed.

ARTICLE IX

Sec. 1. Immediately upon the effectivity of this Act, the parties to Sandiganbayan Case #033 and its subdivided complaints shall sit down and negotiate an Amicable Settlement of the cases which shall result in the lifting of the sequestration of corporations/assets subject matter of said cases.

Sec. 2. The Amicable Settlements resulting in the implementation of Sec. 1 hereof shall be jointly submitted by the parties to the Sandiganbayan for approval and subsequent dismissal of the cases.

Sec. 3. Intervention in the process by any person or group who are not parties to the cases shall not be allowed.

ARTICLE X

Sec. 1. Repealing Clause - All laws, decrees, executive orders, rules and regulations and other issuances or parts thereof, inconsistent with the provisions of this Act, are hereby repealed or modified accordingly. PD 1468 in so far as it is suppletory to this Act shall remain in effect.

Sec. 2. Separability Clause - If any part or provision of this Act is declared unconstitutional, other parts or provisions thereof which are not affected thereby shall continue to be in full force and effect.

Sec. 3. Effectivity - This Act shall take effect upon its publication in at least two (2) national newspapers of general circulation.

Approved.