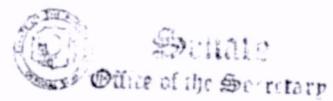


EIGHTEENTH CONGRESS OF THE)  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )



19 OCT 29 P1 :37

SENATE  
S.B. No. 1127

RECEIVED BY

Introduced by **SENATOR IMEE R. MARCOS**

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**AN ACT ESTABLISHING THE COCONUT TRUST FUND, PROVIDING FOR ITS MANAGEMENT AND UTILIZATION, RECONSTITUTING THE PHILIPPINE COCONUT AUTHORITY, AND FOR OTHER PURPOSES**

**EXPLANATORY NOTE**

Section 21, Article II of the 1987 Constitution provides that, "*the State shall promote comprehensive rural development and agrarian reform.*"

The Coco-Levy Fund is estimated to have accrued a total of 30 billion pesos in assets, along with 76 billion pesos in cash, following a series of Supreme Court rulings declaring that these amounts constitute "public fund" to be used only for the benefit of coconut farmers and the development of the coconut industry. In 2015, President Benigno Aquino III issued Executive Order 179 and 180 to disburse the fund. However, the Supreme Court declared the disbursement to be unconstitutional, saying that Congress must first enact a law to disburse the funds.

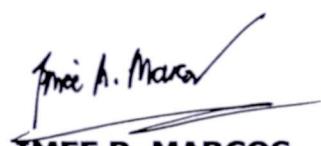
Making the decades-long suffering of the coconut sector endure, the price of *copra*, the main product of the Philippine Coconut Industry, have collapsed by almost 65% on the past 2 years, from PhP 39.06 per kilogram last January 2017 to PhP 13.73 per kilogram this June 2019, with some parts of Samar and Zamboanga reporting prices as low as PhP 7.80 per kilogram. Much of the decrease in value is due to low price of coconut oil in the world market, which already drove down the value of the country's coconut-related exports from US\$ 2.1 billion in 2017 to US\$ 1.6 billion in 2018 and is expected to further go down in 2019.

As if dismal market forces were not enough, Philippine Coconut Authority (PCA), the government agency established to manage the coconut industry, has been mired in controversy, allegations of corruption and ineptitude, and very little effective action. Finally, on December 2018, President Rodrigo Roa Duterte demanded the courtesy resignation of the five (5) members of the PCA board to reorganize the agency.

This bill seeks to reinvoke the PCA, safeguard with the Department of Finance (DOF) and the Privatization and Management Office (PMO) the Coco-Levy Assets, and finally initiate the distribution of the long-awaited coco-levy funds, if only

partially and very prudently. The cash collections shall remain at the Bureau of Treasury. A management group composed of the Department of Finance (DOF), the Bureau of Treasury (BTr), the Privatization and Management Office (PMO), the Philippine Coconut Authority (PCA), the Commission on Audit (COA), the Presidential Commission on Good Governance (PCGG), and farmer representatives will be constituted to manage and most conservatively invest the funds. The PMO, with the PCGG and COA's assistance, will assess, value, and dispose of assets. The PCA shall be modestly reconstituted as the Coconut Farmers and Industry Development Fund's implementing arm for the annual five billion pesos (PhP 5,000,000,000.00) of development projects annually. The consolidated and confirmed National Registry of Coconut Farmers will be the basis for the further five billion pesos (PhP 5,000,000,000.00) to be given as social assistance, livelihood, and job programs for small marginalized coconut farmers.

Given the abovementioned circumstances, the immediate passage of this bill is necessary.



Imee R. Marcos

**IMEE R. MARCOS**



EIGHTEENTH CONGRESS OF THE  
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**AN ACT ESTABLISHING THE COCONUT TRUST FUND, PROVIDING FOR ITS MANAGEMENT AND UTILIZATION, RECONSTITUTING THE PHILIPPINE COCONUT AUTHORITY, AND FOR OTHER PURPOSES**

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

1       Section 1. *Short Title.* – This Act shall be known as the "Coconut Farmers and  
2       Industry Development Act of 2019".

3

4       Section 2. *Declaration of Policy.* – The State shall prioritize the welfare of the  
5       coconut farmers, among the poorest and most vulnerable sectors in the rural areas,  
6       and to expedite the distribution of the coconut levy through the decades in order to  
7       attain increased farm productivity and income of coconut farmers through the  
8       rehabilitation, expansion, and modernization of the Philippine coconut industry.

9

10       Section 3. *Definition of Terms.* – The following terms shall mean:

11       a) "Coconut Farmer" shall refer to:

12           1) An owner of a coconut farm, that is not more than five (5) hectares, who:  
13              i. tills the land (owner-cultivator), or  
14              ii. does not till the land, but has control and supervision over the  
15              cultivation of the coconut farm;

1           2) A leaseholder or tenant who tills or supervises the cultivation of the farm; or  
2           3) A farm worker or laborer, whether seasonal or itinerant, engaged in the  
3           harvesting of the nuts and processing of copra as a major means of livelihood.

4           b) "*Coconut Levy Assets*" shall refer to any and all kinds of property, whether real  
5           or personal, tangible or intangible, wherever situated, which have been acquired  
6           through the Coconut Levy Funds as defined in this Section, including those assets that  
7           may be recovered in favor of the government, as well as the fruits, or income  
8           therefrom, including those acquired in exchange or substitution thereof. These shall  
9           include, among others, the following:

- 10           i. The shares of stock in the United Coconut Planters Bank (UCPB) that  
11           were determined to be owned by the government;
- 12           ii. The CIIF - Oil Mills Group which shall refer to the CIIF companies,  
13           namely: Southern Luzon Coconut Oil Mills; Cagayan de Oro Oil Co. Inc.;  
14           Iligan Coconut Industries, Inc.; San Pablo Manufacturing Corp.;  
15           Granexport Manufacturing Corp.; and Legaspi Oil Co, Inc., acquired by  
16           the UCPB using the CIIF;
- 17           iii. The CIIF Holding Companies which shall refer to the fourteen (14)  
18           holding companies; namely: Anglo Ventures Corporation; ASC  
19           Investors, Inc.; A.R.C. Investors, Inc.; AP Holdings, Inc.; Fernandez  
20           Holdings, Inc.; First Meridian Development, Inc.; Randy Allied  
21           Ventures, Inc.; Rock Steel Resources, Inc.; Roxas Shares, Inc.; San  
22           Miguel Officers Corps., Inc.; Soriano Shares, Inc.; Te Deum Resources,  
23           Inc.; Toda Holdings, Inc.; and Valhalla Properties Limited, Inc.; and
- 24           iv. The Converted SMC Series 1 Preferred Shares which shall refer to the  
25           753,848,312 preferred shares of stock in San Miguel Corporation  
26           (SMC), declared owned by the government, together with all the  
27           dividends declared, paid or issued thereon, as well as any increments  
28           thereto arising from, but not limited to, the exercise of pre-emptive  
29           rights; and
- 30           v. Remaining CIIF Block Shares which shall refer to the 33,133,266 shares  
31           of stock in SMC, sequestered by the PCGG in April 1986 and

representing 31% of the total outstanding capital stock of SMC or the proceeds of their sale.

3 c) "Coconut Levy Funds" shall refer to various funds generated from levies, taxes,  
4 charges, and other fees exacted or imposed pursuant to or in connection with the sale  
5 of *copra rececada* or its equivalent in other coconut products, and collected for the  
6 most part from coconut farmers, planters, millers, refiners, processors, exporters,  
7 desiccators and other end-users of *copra rececada* or its equivalent in other coconut  
8 products.

Specifically, the term shall refer to any or all the following:

- i. Coconut Investment Fund created under Republic Act No. 6260;
  - ii. Coconut Consumers Stabilization Fund, later renamed as the Coconut Industry Stabilization Fund, created under Presidential Decree No. 276;
  - iii. Coconut Industry Development Fund created under Presidential Decree No. 582;
  - iv. Coconut Industry Investment Fund created under Presidential Decree No. 1468; and
  - v. Coconut Reserve Fund under Presidential Decree No. 1468 and Presidential Decree No. 1842.

Section 4. *The Coconut Trust Fund.* – There is hereby created a "Coconut Trust

20     Fund," herein referred to as the "*Trust Fund*," which shall be capitalized, managed,  
21     invested, utilized, and accounted for in the manner provided in this Act. The Trust  
22     Fund shall be used exclusively for the benefit of the coconut farmers and the coconut  
23     industry. No portion of the Trust Fund shall be derived from the General Fund of the  
24     National Government.

The proceeds from the redemption of the Converted SMC Series 1 Preferred

27 Shares, its dividends declared, paid, or issued and all income or interest derived  
28 therefrom as of the effectivity of this Act, and any other cash Coconut Levy Asset, that  
29 are held by the BTr as a special account in the general fund and as an escrow account,  
30 and cash held by UCPB, as administrator of the Clif, shall form part of the Trust Fund.

1 For this purpose, any provision of law to the contrary notwithstanding, the BTr and  
2 UCPB shall transfer any and all monies to the Trust Fund.

3

4 The Trust Fund shall thereafter be augmented with all proceeds from  
5 privatization or disposition of the Coconut Levy Assets remitted directly thereto by the  
6 Privatization and Management Office (PMO), in accordance with this Act, and all forms  
7 of income, interests, earnings, yields, or any monetary benefit derived prior to the  
8 privatization or disposition of any of the Coconut Levy Assets, any and all forms of  
9 income, interests, earnings, yields, or any monetary benefit derived from retained  
10 Coconut Levy Assets, and any and all forms of income, interests, earnings, yields, or  
11 any monetary benefit derived from the management of the Trust Fund, as provided  
12 in this Act.

13

14 Nothing in this Act shall be understood to prevent or prohibit any person, group,  
15 or entity from conveying to the BTr other properties and/or additional assets either  
16 for the use of the coconut industry or for purposes of privatization, in which case, the  
17 proceeds of such shall form part of the Trust Fund.

18

19 All dispositions or utilization of the Trust Fund or any portion thereof shall be  
20 in accordance with the Coconut Farmers and Industry Development Plan, as provided  
21 in Section 7 of this Act.

22

23 Section 5. *CocoTrust Management*. – The Department of Finance (DOF),  
24 Bureau of Treasury (BTr), Privatization and Management Office (PMO), Philippine  
25 Coconut Authority (PCA), Presidential Commission for Good Governance (PCGG), the  
26 Department of Agriculture (DA), the Commission on Audit (COA), (4) representatives  
27 from coconut farmers sectors in the PCA Board, and the representative of the coconut  
28 industry sector in the PCA board, shall herein after be constituted as the “*CocoTrust*  
29 *Management*”. The Secretary of the Department of Finance shall be the Chairman of  
30 the CocoTrust Management.

31

1           Section 6. *Functions of the CocoTrust Management.* - The CocoTrust  
2 Management shall manage and invest the Trust Fund with extraordinary prudence and  
3 responsibility. The Trust Fund shall be placed only in Philippine government securities  
4 to ensure the safety of the funds assure returns. The BTr is hereby designated as the  
5 depository of the Trust Fund. Immediately upon the effectivity of this Act, the BTr  
6 shall invest all cash Coconut Levy Assets under its administration in government  
7 securities that will provide the best possible return for the Trust Fund.  
8

9           For the purpose of the management and investment of the Trust Fund, the  
10 CocoTrust Management shall have the following powers and functions:

- 11           a. Approve disbursements from the Trust Fund, including the funding for:
  - 12           (i) the formulation of the Coconut Development Plan as stated in Section  
13           7, and
  - 14           (ii) the conduct of the inventory and audit of the Coconut Levy Assets,  
15           which shall be charged against the Trust Fund;
- 16           b. Exercise on behalf of the national government all rights and incidents of  
17           ownership to the coconut levy assets, including the right to vote, whether  
18           directly or through duly authorized nominees, shares of stock held in the name  
19           of the national government;
- 20           c. Approve or disapprove, on behalf of the national government and without  
21           need of any further approval by, or other action from any other government  
22           institution or agency, the sale, disposition, or dissolution of such assets, which  
23           shall be conducted by the PMO.
- 24           d. Issue policies, rules, and guidelines as may be necessary to implement the  
25           provisions of this Act;
- 26           e. Maintain records and accounts of all investments, receipts, disbursements  
27           and other transactions relating to the management, administration, and  
28           utilization of the Trust Fund; and
- 29           f. Exercise such other powers and functions, as may be necessary, to attain the  
30           objectives of this Act.

31  
32

1                   Section 7. *Coconut Development Plan.* - The CocoTrust Management  
2 shall prepare the Coconut Development Plan, herein referred to as the "Plan". The  
3 formulation of the Plan shall be guided by the following objectives: increased farm  
4 productivity and incomes of coconut farmers, intensive effort on intercropping and  
5 livestock raising, establishment of coconut-based enterprises, including integrated  
6 processing of coconut products and downstream products, rehabilitation and  
7 modernization of the coconut industry towards global competitiveness, and poverty  
8 alleviation and social protection that directly benefit coconut farmers, farm workers,  
9 and their families.

10

11                 *Provided that,* the Plan shall consider the feedstock demand for biofuels and  
12 other existing policies on the use of coconuts. The Plan shall provide the criteria for  
13 targeting beneficiaries, indicators in determining the attainment of the  
14 abovementioned objectives, and mechanisms for monitoring and evaluating impact of  
15 the different components of the program.

16

17                 The Plan shall also include strategic and inclusive training programs dedicated  
18 for our coconut farmers based from a comprehensive review of existing training  
19 programs. Programs relating to planting, replanting, fertilization, research and  
20 development, market promotion, farm-to-market roads, and direct lending, shall be  
21 funded through regular appropriations.

22

23                 The Plan shall provide a funding requirement or allocation for the  
24 implementation of any and all the programs and projects to be funded by the Trust  
25 Fund, which shall be itemized or broken down on a project-to-project basis: *Provided*  
26 *that:*

- 27                 a.         For projects which are recurring, or to be implemented on a regular  
28                   basis, the allocation shall indicate the annual amount that may be  
29                   required to implement said project;
- 30                 b.         For projects that are to be implemented or concluded within a period of  
31                   time, the allocation shall indicate the total fund that may be required for

the implementation of the whole project, itemized according to the phases or stages of said project; and

- c. That all projects shall be evaluated based on financial returns and increased farmers income.

5 Within one hundred eighty (180) days from the effectivity of this Act, the Plan  
6 shall be submitted to the President, as endorsed by the DOF, for approval. Any  
7 amendment or revision to the Plan shall require the approval of the President.

9           Section 8. *Accounting, Inventory, and Audit of Coconut Levy Assets.* – Within  
10 thirty (30) days from the effectivity of this Act, the Presidential Commission on Good  
11 Government shall conduct a complete accounting and inventory of the Coconut Levy  
12 Assets, including the amount, value, description, and nature of such funds, properties,  
13 assets, records, choses in action, and other rights, claims, or causes of action  
14 pertaining thereto, as well as the investments, disbursements and expenditures  
15 relating to the Coconut Levy Funds and submit a report to the Office of the President,  
16 Commission on Audit (COA), and the BTr.

18 The COA shall audit the accounting and inventory of the Coconut Levy Assets  
19 prepared by the PCGG, for the purpose of, among others, determining the  
20 completeness and accuracy of the inventory, existence of the subject assets,  
21 reasonableness of the asset valuation, and tracing the flow of the Funds.

Within sixty (60) days from the submission of the accounting and inventory of the Coconut Levy Assets, the COA shall submit to the BTr its audit report, together with a complete list of the Assets, their valuation, and the empirical basis and the methodologies employed for the said valuation. The BTr shall, within fifteen (15) days from its receipt of the audit report, publish the same in at least two (2) newspapers of general circulation.

29  
30       Section 9. *Reconveyance and Valuation of the Coconut Levy Assets.* –  
31      Immediately upon the effectivity of this Act, the PCGG, the government  
32      representatives to the boards of sequestered or surrendered corporations and any

1 government agency or person having any Coconut Levy Asset in its administration,  
2 authority, custody or control which have been finally declared by the Supreme Court  
3 as belonging to the government, shall perform or cause the performance of the  
4 following:

5

- 6 a. Reconvey title over the Coconut Levy Assets to the Republic of the  
7 Philippines; and
- 8 b. Deliver for safekeeping all stock certificates and other evidence of ownership  
9 to the PMO.

10

11 The PCGG is hereby vested with full and complete powers and prerogatives to  
12 determine transfer values and related valuations at which the Coconut Levy Assets  
13 shall be transferred and conveyed to the PMO pursuant to the mandate of this Act and  
14 upon reasonable consultation with the COA or a third-party appraiser. *Provided that,*  
15 any valuation approved by the PCGG for purposes of the transfer to the PMO shall not  
16 be deemed a condonation, waiver, or extinguishment of any obligation by any third  
17 party whose vested rights may be impaired by such transfer.

18

19 Section 10. *Privatization of the Coconut Levy Assets.* – Pursuant to the direction  
20 and policies set in the Plan, the PCGG shall arrange the transfer of Coconut Levy Assets  
21 to be privatized to the PMO. In addition to its powers, duties and functions under  
22 Executive Order No. 323 (S. 2000), the PMO, shall, for and in behalf of the National  
23 Government, take title to, possession of, conserve, provisionally manage, and dispose  
24 of the Coconut Levy Assets.

25

26 In the discharge of its mandate, the PMO is hereby empowered to; (i)  
27 implement the marketing and disposition program of the Coconut Levy Assets; (ii)  
28 execute and deliver, on behalf of the National Government, deeds of sale, contracts,  
29 trust instruments, and other legally operative documents as may be necessary or  
30 appropriate to convey title to, take possession of and conserve, such assets; (iii)  
31 engage external expertise as may be necessary in the fulfillment of its tasks under this  
32 Act; and (iv) to adopt internal rules and regulations in relation to the marketing and

1 disposition of the Coconut Levy Assets. Any and all sales and other modes of  
2 privatization or disposition shall not be considered final unless approved or ratified by  
3 the President.

4

5       The PMO is hereby accorded discretionary powers regarding the preparation of  
6 the privatization plans and policies of the Coconut Levy Assets transferred to it. The  
7 PMO is empowered to enter into sales through public bidding, negotiated sale, lease,  
8 or any form of divestment or transmission of rights over the Coconut Levy Assets,  
9 including a partnership with the private sector in the management or operation of the  
10 Coconut Levy Assets prior its actual sale or disposition.

11

12       Prior to the implementation of any privatization plan, the PMO shall have the  
13 following powers:

- 14           (i) Require any one or more of the subject corporations to adopt and  
15           implement cost-reduction measures to enhance the viability, and  
16           therefore the disposability of such corporations to potential buyers  
17           including measures requiring personnel retrenchment plans or other forms  
18           of corporate downsizing;
- 19           (ii) Direct any of the subject corporations to submit to the PMO, within fixed  
20           timetables, such reports and information as the PMO may require in the  
21           exercise of its ownership, administrative, and disposition; and
- 22           (iii) Cause the subject corporations to undergo rehabilitation, merger,  
23           consolidation, spin-off, or other corporate acts of reformatory nature, as  
24           it may deem necessary or desirable to expedite the disposition and  
25           privatization under this Act.

26       Any provision of law to the contrary notwithstanding, all proceeds or receipts  
27 from the sale of Coconut Levy Assets, except portions thereof for reimbursable  
28 custodianship and operational expenses, shall be remitted to the Coconut Farmers and  
29 Industry Trust Fund.

30

31       Section 11. *Philippine Coconut Authority (PCA).* – The PCA, an independent  
32 public corporation created under Presidential Decree No. 1468, shall be reconstituted

1 and expanded to include coconut farmers in the implementation the Coconut Farmers  
2 and Industry Development Plan.

3

4 The composition of the PCA Board is hereby amended and the same shall now  
5 be composed of the following:

6

7 (a) Six (6) representatives from the Government which shall be the following:  
8 Department of Agriculture (DA) Secretary as Chairperson; DOF Secretary as  
9 Vice Chairperson; and as members, the Department of Budget and  
10 Management (DBM) Secretary, the Department of Social Welfare and  
11 Development (DSWD) Secretary, PCA Administrator, and the National  
12 Statistician; and

13 (b) Four (4) representatives from the coconut farmers sector, divided into one (1)  
14 representative each from Luzon and Visayas, and two (2) representatives from  
15 Mindanao, as members. *Provided that*, the four (4) representatives from the  
16 coconut farmers sector must be Filipino citizens, registered with the National  
17 Coconut Farmers Registry, have considerable experience and reputable track  
18 record in promoting coconut farmers interests and welfare, and nominated by  
19 coconut farmers organizations or cooperatives that are active for the past three  
20 (3) years in farmer organization and development or community enterprise  
21 development. They shall be appointed by the President from a list of four (4)  
22 nominees for each island grouping. They shall each hold a term of three (3)  
23 years and may be reappointed once. Any appointment to fill the vacancy arising  
24 from death, removal, retirement or resignation of the representative of the  
25 coconut farmer sector shall only be for the unexpired term. Within thirty (30)  
26 days following the effectivity of this act, the Board shall promulgate a  
27 nomination and screening process of nominees as representatives of the  
28 coconut farmers sector in the board, in consultation with coconut farmers  
29 organizations.

30 (c) One (1) representative from the coconut industry sector who have considerable  
31 experience and reputable track record. *Provided that*, the representative of the  
32 coconut industry sector must be a Filipino Citizen, have considerable experience

1 and reputable track record in the coconut industry, and is nominated by a  
2 coconut industry organization that is active for the past three (3) years. He/she  
3 shall be appointed by the President from a list of six (6) nominees. He/she shall  
4 hold a term of three (3) years and may be reappointed once. Any appointment  
5 to fill the vacancy arising from death, removal, retirement or resignation of the  
6 representative of the coconut industry sector shall only be for the unexpired  
7 term. Within thirty (30) days following the effectivity of this Act, the Board shall  
8 promulgate a nomination and screening process of nominees as representatives  
9 of the coconut farmers sector in the board, in consultation with coconut industry  
10 organizations.

11 Members as mentioned in subparagraph (a) shall be considered as *ex officio*  
12 members of the Committee.

13

14       Section 12. *Coconut Farmers Registry.* – The Philippine Statistics Authority  
15 (PSA), in coordination with the PCA, and the Department of Agriculture, shall be  
16 responsible for the preparation of the Coconut Farmers Registry which shall thereafter  
17 be referred to as the "*Registry*". On a nationwide basis, the PSA shall register farmers  
18 in the Registry using a standardized targeting system. It shall conduct a regular  
19 revalidation of the Registry every two (2) years. Initially, the Registry shall be  
20 constituted from the Registry System for Basic Sectors in Agriculture (RSBSA) under  
21 the DBM and the National Coconut Farmers Registry System (NCFRS) under the PCA.  
22 The PSA shall, within six (6) months from the effectivity of this act, complete the  
23 Registry. Nothing in this Act shall be understood to prohibit the PSA from using any  
24 other registry system or coordinating with another government agency in the  
25 preparation of the Registry.

26

27       A Local Verification Committee shall be created in every municipality or city  
28 composed of the local city/municipality agricultural officer, a representative from the  
29 PCA-accredited local coconut cooperative, and the barangay captain from the  
30 barangay. The Local Farmers Verification Committee shall be tasked to ensure that  
31 the Registry satisfies the eligibility requirements set forth under this Act.

32

1           Section 13. *Annual Disbursement from the CocoTrust Fund.* - The annual  
2 amount of ten billion pesos (P 10,000,000,000.00) shall be released from the Trust  
3 Fund, to be utilized as follows:

4

5           (a) Fifty percent (50%) – Industrial development projects for the coconut  
6 industry, such as new vegetable oil product development, establishment  
7 of state-of-the-art mills, setting up new oleo-chemical factories, and  
8 other similar programs and efforts towards large-scale industrial  
9 development of the industry to be implemented by the PCA in  
10 accordance with the Plan; and

11

12           (b) Fifty Percent (50%) – Social protection to coconut farmers through social  
13 assistance, health and life insurance, job development, and other labor  
14 market interventions including micro, small, and medium enterprise's  
15 (MSMEs) grants and loans.

16

17           Section 14. *Human Resource and Industrial Development for the Coconut  
18 Industry.* – The PCA, in coordination with the Technical Education and Skills  
19 Development Authority (TESDA) shall endeavor to establish coconut industry farm  
20 schools in every coconut producing province to support and enlarge the trained human  
21 resource pool of coconut farmers and help them become more productive, more  
22 competitive and adept to intercropping with such alternative farm crops such as cacao,  
23 coffee, banana and other suitable activities as livestock raising. Further, industrial  
24 processing and product development of coconut shall be undertaken by the PCA in  
25 partnership with State Universities and Colleges and other research institutions.

26

27           Section 15. *Reportorial Requirements.* –The PMO shall, on a semi-annual basis,  
28 submit to the President and to Congress a report on the status of disposition of the  
29 Coconut Levy Assets, which shall include, among others, a description of the individual  
30 assets as disposed of, their purchasers, consideration, and the terms of payment  
31 agreed upon.

32

1       The PMO shall, within three (3) months following the closure of books at the  
2 end of each fiscal year, submit a comprehensive annual report to the President and  
3 Congress the status of its privatization efforts and its disposition program for the  
4 Coconut Levy Assets, which shall include the items described in the immediately  
5 preceding paragraph.

6

7       Section 16. *Suppletory Application of Republic Act No. 10149.* – The provisions  
8 of Republic Act No. 10149, otherwise known as the "GOCC Governance Act of 2011",  
9 insofar as they are not inconsistent with the provisions of this Act, shall apply  
10 suppletorily.

11

12       Section 17. *Separability Clause.* – If any provision of this Act is declared invalid  
13 or unconstitutional, the other provisions not affected by such declaration shall remain  
14 in full force and effect.

15

16       Section 18. *Repealing Clause.* – All laws, executive orders, administrative  
17 orders, and rules and regulations inconsistent with this Act are hereby repealed or  
18 amended accordingly.

19

20       Section 19. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after  
21 its complete publication in the Official Gazette or in two (2) newspapers of general  
22 circulation.

23

24                  *Approved,*  
25