



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS

First Regular Session

House Bill No. 2340



Introduced by Hon. Rozzano Rufino B. Biazon

EXPLANATORY NOTE

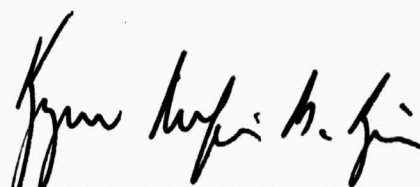
From 1994 to 1998, the government owed the veterans a total amount of P10.9 billion in arrears in the payment of their pensions – a staggering obligation that, in the light of the country's economic standing, may be quite difficult to fulfill.

This bill seeks to address this problem and at the same time demonstrate the government's sincerity in caring for our veterans through the issuance of "Certificates of Indebtedness" which can be used by the veterans as payments for goods and services from the government. It is hoped that through this measure the government will be able to fulfill its responsibility to the veterans in a manner that would not be too "heavy in the pocket," so to speak, due to its staggered nature.

In the past when the country needed them, these veterans did not think twice about serving the country. They have sacrificed much in defense of the State and our treasured freedom – bleeding and suffering, enduring the pain and loneliness of being away from their families and losing lives among their ranks.

The urgency of this measure needs no further elaboration, for the heroism, sacrifices, age, health and economic conditions of the veterans speak for themselves. The pension arrears have to be enjoyed now by the veterans, and also in the most convenient way possible for the government.

In light of the foregoing, the passage of this bill is earnestly requested.


ROZZANO RUFINO B. BIAZON
Representative
Lone District, Muntinlupa City

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AN ACT
PROVIDING FOR THE PAYMENT THROUGH VETERANS BONDS OF ARREARS IN
THE VETERANS PENSIONS MANDATED BY REPUBLIC ACT NO. 7696, AND FOR
OTHER PURPOSES

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

SECTION ONE. Purpose. – The Treasurer of the Republic of the Philippines is hereby authorized to issue Certificates of Indebtedness in different series with annual maturity equivalent to twenty percent (20%) of the total government arrears in the veterans pension as mandated by R.A. No. 7696, covering the amount to be paid every year during the consecutive years 1994 to 1999, respectively. The issuance of the certificates to individual qualified recipients shall be completed within a period of six (6) months and commencing thirty (30) days after the approval of this Act.

SECTION 2. Nature. - The Certificate of Indebtedness shall earn a coupon rate based on the prevailing market interest rates at the time each series is issued and redeemable upon maturity date stipulated thereon. The Certificates of Indebtedness shall not be subject to impoundment by the Office of the President.

SECTION 3. Usage. – The Certificate of Indebtedness shall be bearer-issued negotiable instruments to be accepted as payments for, but not limited to, the following goods and services such as:

- (a) Rice from the National Food Authority;
- (b) Real Estates Taxes;
- (c) Tuition and other school fees;
- (d) Amortization of housing loans;
- (e) Utility bills for power, water and telephone;
- (f) Hospital bills;
- (g) Shares of stocks in government-owned or controlled corporations under privatization; and
- (h) Purchase or lease of farm lands; among others.

The Certificates of Indebtedness shall be accepted as eligible bank liquidity and statutory reserves.

SECTION 4. Procedures. – The Philippine Veterans Affairs Office (PVAO) is hereby mandated to submit immediately the list of eligible recipients for each year during the period

1994 to 1999 to the Treasurer of the Philippines to determine the amount of the Certificate of Indebtedness to be issued to individual qualified recipient under each series.

SECTION 5. Creation of the Sinking Fund. – The Philippine Veterans Bank is hereby designated as the agent of the Treasurer of the Philippines for the distribution and redemption of the Certificates of Indebtedness. For this purpose, the Treasurer of the Philippines shall establish annually a sinking fund equivalent to twenty percent (20%) of the total arrears, for the settlement or redemption of the Certificates of Indebtedness issued under each series upon maturity to be deposited in the said bank. Such sinking fund shall be managed by the Treasurer of the Philippines to earn at the rate necessary such that the fund shall at least equal the total face value of the outstanding and issued Certificates of Indebtedness.

SECTION 6. Automatic Appropriations. – A standing annual appropriation is hereby made out of the General Funds in the National Treasury not otherwise appropriated for such sum as may be necessary to provide for the sinking fund created in the preceding section: *Provided*, That upon maturity of the Certificate of Indebtedness, the annual interest earned by such fund shall form part of the amount of arrears to be appropriated in accordance with section 4 hereof. The obligation to be entered in the books of accounts of the government by reason hereof shall be the face value of the issued and outstanding Certificates of Indebtedness.

SECTION 7. Separability Clause. – If for any reason, any section or provision of this Act is declared unconstitutional or invalid, the other sections or provisions hereof which are not effected thereby, shall continue in full force and effect.

SECTION 8. Repealing Clause. – All acts, decrees, orders, executive orders, instructions, rules, and regulations or parts thereof inconsistent with the provisions of this Act are repealed or modified accordingly.

SECTION 9. Effectivity. – This Act shall take effect fifteen (15) days following its publication in the Official Gazette or at least two (2) national newspapers of general circulation.

Approved.