

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

FIFTEENTH CONGRESS
First Regular Session

House Bill No. 263

Introduced by Honorable Roilo Golez

EXPLANATORY NOTE

The government must encourage greater public participation in owning shares in the disposition of government corporations under the privatization program.

There are three (3) vital privatization objectives: revenue generation for the National Government, increase in economic/technical efficiency and to broaden public ownership of enterprises including the development of capital markets.

A careful perusal of the disposition schemes availed of would support the proposition that only those financially capable are able to make the necessary bids. Sales to investors have resulted in undue concentration of economic power in the hands of few groups or individuals. Certain economic elites end up concerning the disposition of assets for the scheme in itself is built in their favor. The reality of the matter is that no Juan de la Cruz can afford to bid a million or more.

This attendant bill merely rectifies this most favored arrangement by giving priority to securitized selling or public offer. We therefore give the proper signal in favor of wider ownership base of enterprises and uphold the long-standing principle prohibiting combinations in restraint of trade or unfair competition.

In fine, we set a play level field for Juan de la Cruz and hope for a day when Juan de la Cruz can command a better service and service is accorded him for he has a stake in the corporation, this in its sense is democratization of wealth and de-concentration of economic power thereby extensively enlarging the economic base of the country.

Approval of this bill is earnestly urged.



ROILO GOLEZ

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AN ACT
PROVIDING FOR PUBLIC SALE OF SHARES IN THE DISPOSITION OF GOVERNMENT
CORPORATIONS UNDER THE PRIVATIZATION PROGRAM

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

SECTION 1. Whenever government-owned and controlled corporations or any of their assets are privatized, it shall be through a public offering of not less than sixty (60) percent of its shares of stock: *Provided*, That no single person shall own, directly or indirectly, more than five (5) percent of the shares of stock of the corporation.

SEC. 2. Within sixty (60) days upon approval of this Act, the Asset Privatization Trust, in coordination with the Committee on Privatization, shall issue the necessary rules and regulations in conformance to this Act.

SEC. 3. All laws, decrees, orders, rules and regulations, and all other issuances, or parts thereof, which are inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 4. This Act shall take effect fifteen (15) days following its complete publication in at least two (2) national newspapers of general circulation.

Approved,