

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

FIFTEENTH CONGRESS

First Regular Session

HOUSE BILL NO. 680

INTRODUCED BY CONGRESSMAN PEDRO P. ROMUALDO

EXPLANATORY NOTE

The National Printing Office, formerly known as the Bureau of Printing is one of the remaining century-old agencies that we have. It was created under Philippine Commission Act No. 296 on November 7, 1901.

The head of the Bureau of Public Printing was then called Public Printer and by virtue of the Philippine Commission Act No. 1417 issued on November 01, 1905 was changed to Director of Printing. It was renamed several times and transferred several times from one government agency to another.

Under Executive Order No. 285 issued by President Corazon C. Aquino on July 25, 1987, the National Printing Office was created and attached to the Philippine Information Agency. It was later attached to the Office of the Press Secretary. On October 25, 2004, President Gloria Macapagal Arroyo issued Executive Order No. 378, identifying further the functions of the National Printing Office and relaxing the rule as to exclusivity of printing of materials from government agencies and allowing it to compete with the private sector. Government agencies can source their printing requirements outside of the National Printing Office when the printing services offered by the private sector is superior in quality and at a lower cost than what is offered by NPO and the private printing provider is flexible in terms of meeting the target completion time of the requesting agency.

The rationale of this proposal is to enhance the capability of the existing National Printing Office and converting it into a corporate entity to be known as the "National Printing Corporation". With a corporate personality, it can compete with private sector and work for the upgrade of its printing equipment and improve its printing technology.

The newly-invigorated National Printing Corporation will then be able to cope with the printing demands of various government agencies. With up-to-date

equipment, it can improve its services and increase its revenues thereby benefiting our economy.

With the foregoing premises, we earnestly request the early passage of this measure.



PEDRO P. ROMUALDO
Representative
Lone District of Camiguin

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**AN ACT
CREATING THE NATIONAL PRINTING CORPORATION, DEFINING
ITS POWERS, FUNCTIONS AND RESPONSIBILITIES AND FOR
OTHER PURPOSES**

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

ARTICLE I – TITLE, POLICY, AND DEFINITIONS

Section 1. *Title.* – This Act shall be known as the “National Printing Corporation Act”.

Section 2. *Declaration of Policy.* - It is hereby declared a policy of the State to promote the efficient management of government resources and enhance the capability of government agencies to meet their mandated functions through the upgrading of appropriate technology and equipment to ensure their unhampered growth and development.

Section 3. *Definition of Terms.* – The following terms are defined, as used in this Act:

- a) Corporation – shall refer to the “National Printing Corporation”;
- b) Accountable Forms – shall refer to forms with money value and those which are specialized for the requisitioning office or forms of general use by any department in the national government, local government units or government owned or controlled corporations;
- c) Specialized Forms – shall refer to forms with money value such as continuous forms with serial numbers, forms with peculiar or security features, forms with modulus numbering, forms requiring highly specialized paper or specific markings which the Corporation does not carry in stock and other forms which are not listed in the Corporation’s Official List;

- d) Standard Forms – shall refer to prescribed forms being printed by the Corporation of general use by any department of the national government, local government units, or government owned or controlled corporations; and
- e) Printed Matters – shall refer to other forms not falling under any of the described forms.

ARTICLE II - CREATION AND SITE OF PRINCIPAL OFFICE

Section 4. *Creation.* – There is hereby created a body corporate to be known as the “National Printing Corporation”, which shall be attached to the Office of the Press Secretary.

Section 5. *Principal Office.* – The Corporation shall have its principal office in Quezon City. It may also establish satellite branches to expedite the processing of requests from local government units and other government agencies.

ARTICLE III – FUNCTIONS, POWERS AND COMPOSITION OF BOARD OF DIRECTORS

Section 6. *Powers and Functions.* – The Corporation shall have the following powers and functions:

- a) To sue and be sued in its official name;
- b) To enter into contracts, acquire, purchase, hold, lease, transfer or dispose of property of any kind or nature necessary to carry out the purposes of this Act;
- c) Receive and administer donations, contributions, grants, bequests or gifts in cash or in kind from foreign governments, international agencies, private entities, and other sources related to the upgrading of its printing equipment or rehabilitation of its facilities;
- d) To adopt and use a corporate seal;
- e) To determine and keep its own system of accounts following the generally accepted principle of accounting, as well as the forms and contents of its contracts other business documents;
- f) To compete with the private sector on the bulk printing requirements of government agencies and may accept other government printing jobs including publications and information materials;
- g) To acquire, in any lawful manner, such personal or real property; or any interest therein, as it deems necessary or convenient in the transaction of its business; to hold, maintain, sell, lease, or otherwise dispose of such property or any interest or charges therewith; and
- h) Discharge other functions which may be deemed necessary or as may be provided by law related to the following specific functions:
 - i.) Printing, binding and distribution of all standard and accountable forms of the national, provincial, city and municipal governments including government owned or controlled corporations;
 - ii.) Printing of official ballots;
 - iii.) Printing of public documents such as the Official Gazette, General Appropriations Act, Philippine Reports, and development information materials of the Philippine Information Agency;

Section 7. *Composition of the Board of Directors.* – The corporate powers of the Commission shall be vested in and exercised by the Board of Directors. It shall be composed of seven (7) members who shall be appointed by the President of the Philippines. The Board shall be made up of the following:

- a) Four (4) members from the Government Sector; two of whom shall have ten (10) years technical and administrative experience in the publishing and mass media industry;
- b) Two (2) members from the Private Sector; one (1) of whom shall have at least (5) years experience in the publishing and mass media industry;
- c) One (1) member from the Academe, one of whom shall have at least five (5) years experience and familiarity in the operations of the print and publishing industry;

The first three (3) Directors to be appointed shall have a term of four (4) years each. The next two (2) Directors to be appointed shall have a term of three (3) years each and the remaining two (2) Directors to be appointed shall have a term of two (2) years each. Thereafter, the appointment shall be in accordance with the Corporation Law.

The Board shall elect a Chairman from among its members and shall meet regularly at least twice a month and may hold special meetings to consider urgent matters upon the call of the Chairman or the majority of its members. A majority shall constitute a quorum to transact business and the vote of at least a majority of the members present at a meeting at which there is a quorum shall be considered valid as a corporate act.

No member of the Board shall have financial, or a pecuniary interest, directly or indirectly, in any business contract or transaction entered into by the Corporation or any privilege granted by it. Neither shall a member have any interest, financial or otherwise, in any undertaking or business with an inherent conflict of interest with the Corporation.

ARTICLE IV – CAPITAL AND FISCAL ADMINISTRATION

Section 8. *Capitalization.* – The authorized capital stock of the Corporation shall be One billion pesos (P\ 1,000,000,000.00) divided into One million (1,000,000) shares with a par value of One thousand pesos per share, which shall be subscribed in full by the Government.

The initial paid-up capital shall be Two hundred million pesos (P\ 250,000,000.00) which shall be released from the funds of the Treasury upon the effectivity of this Act. The sums of Two hundred fifty million (P\ 250,000,000.00) pesos are authorized as paid-up capital in the General Appropriations Act for the second and third years following the date of effectivity of this Act, respectively.

The unpaid balance of the authorized capital stock shall be appropriated when deemed necessary by Congress in the subsequent years.

Section 9. *Source of Funds.* – The following shall constitute the sources of funds against which the operating expenses of the Corporation may be drawn:

- a) All revenues from printing and allied services operated or rendered by the Corporation, including remittances from agencies nationwide;

- b) Proceeds of grants, donations, disposal of assets and sale of obsolete forms and records, loans and other form of indebtedness entered into by the Corporation;
- c) Interest which may be earned on investments;
- d) Drawings on the capital or surplus of the Corporation.

Section 10. *Management of Funds.* – The Corporation may invest any of its funds not immediately required to be expended in meeting its obligations or in the discharge of its functions, in such secured notes, government securities, and other negotiable instruments that shall satisfy the guidelines prescribed by the Board.

All funds of the Corporation shall be deposited in such commercial and universal banks as may be accredited by the National Treasury as depository of government funds. The Board shall designate the official signatories of the Corporation with regards to the deposit or withdrawal of the Corporation's monies in such banks.

ARTICLE V – ADMINISTRATIVE PROVISIONS AND TAX EXEMPTIONS

Section 11. *Record of Transaction.* – The Corporation shall keep proper accounts and records of all its transactions and affairs, and shall exert all efforts to ensure that all payments made out of its moneys are correctly made and properly authorized, and that adequate control is maintained over the assets of, or in the custody of, the Corporation and the expenditures incurred by the Corporation. The Corporation shall be subject to audit by the Commission on Audit.

Section 12. *Exemption from Taxes, Customs and Tariff Duties.* – The importation of printing equipment, machineries, spare parts, accessories, and other materials, including supplies and services used directly in the operations of the printing system, not obtainable locally on favorable terms, shall be exempt from all direct and indirect taxes, custom duties, fees, imports, tariff duties, compensating taxes, wharfage fees and other charges and restriction, the provisions of existing laws to the contrary notwithstanding.

All obligations entered into by the Corporation and any income derived therefrom, including those contracted with private international banking and financial institutions shall be exempt from all taxes on both principal and interest.

Section 13. *Merit System.* – All officials and employees of the Corporation shall be selected and appointed on the basis of merit and fitness in accordance with civil service law, rules and regulations. The recruitment, transfer, promotion, and dismissal of all its personnel including temporary workers shall be governed by a merit system that will be established by the Corporation in compliance with existing laws, rules and regulations.

Section 14. *Coverage from GSIS.* – All employees of the Corporation shall be deemed and covered by the Government Service Insurance System and shall enjoy all the benefits provided under this System.

Section 15. *Abolition of the National Printing Office.* – The National Printing Office, formerly Bureau of Printing created on November 7, 1901 by the Philippine

Commission Act No. 296, as amended by the Philippine Commission Act No. 1417 is hereby abolished. All its budgetary appropriations, finances, properties, records, equipment, rights, chooses in action, and other assets as well as liabilities, are hereby transferred to the Authority.

All permanent officers and employees of the National Printing Office shall continue in Office as officers and personnel of the Corporation except those appointed which shall be on hold-over capacity until their successors have been appointed by the President. Permanent officials and employees who choose to leave government service, or who prefer to retire, if qualified for retirement, shall be given a Separation Incentive Package/Retirement Package, subject to existing separation/retirement laws, rules and regulations.

Section 16. – *Legal Counsel.* – The Office of the Government Corporate Counsel shall act as the external legal counsel of the Authority before any court of law or any quasi-judicial bodies of the government without prejudice of any deputation or designation that it may issue in favor of the in-house counsel of the Corporation.

Section 17. *Repealing Clause.* – Executive Order No. 285 (s. 1987), as amended by Executive Order No. 378 (2004) is hereby repealed. All laws, decrees, executive orders, rules and regulations, or parts thereof inconsistent with or contrary to the provisions of this Act are hereby repealed or modified accordingly.

Section 18. *Separability Clause.* – If any part or provision of this Act is held unconstitutional or invalid, other parts or provisions thereof, which are not affected, shall continue to remain in full force and effect.

Section 19. *Effectivity.* – This Act shall take effect fifteen (15) days following the completion of its publication in at least two (2) newspapers of general circulation.

Approved,