

EXECUTIVE ORDER NO. 495

CONVERTING THE PHILIPPINE SHIPPERS' COUNCIL, THE BOY SCOUTS OF THE PHILIPPINES AND THE GIRL SCOUTS OF THE PHILIPPINES INTO PRIVATE CORPORATIONS AND FOR OTHER PURPOSES

WHEREAS, consistent with the Government's Corporate Rationalization Program and upon the recommendation of the Department of Budget and Management pursuant to its mandate under Executive Order No. 5, series of 1986, and Executive Order No. 165, series of 1987, the conversion of the following government-owned or controlled corporations should be effected: (1) the Philippine Shippers' Council; (2) the Boy Scouts of the Philippines; and (3) the Girl Scouts of the Philippines;

WHEREAS, the Secretary of Justice, in Opinion No. 210, series of 1988, states that "the President may, in the implementation of the privatization program of the government, amend or repeal the charters of government-owned or controlled corporations pursuant to her delegated legislative authority under Section 22 of Proclamation No. 50, which remains to be operative until it is amended, repealed or revoked by Congress (Sec. 3, Art. XVIII, Constitution);"

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. Definition of Conversion. - For the purpose of this Executive Order, conversion shall refer to a variant of the divestment process by which, for the purpose of privatization, a government-owned or controlled corporation is abolished but exclusive authority is granted to certain private persons, usually the management thereof, to form a new and private corporation through registration with the Securities and Exchange Commission, with the same corporate name and essentially the same objectives, powers and functions but without government funding except that existing assets of the abolished corporation may be donated to the new corporation.

SEC. 2. Conversion. - The following government-owned or controlled corporations are hereby abolished subject to conversion:

- a. Philippine Shippers' Council;
- b. Boy Scouts of the Philippines; and

c. Girl Scouts of the Philippines.

SEC. 3. Details of Conversion. - The details of the dispositive actions of conversion as provided in the preceding section are prescribed in Annexes "A" to "C" attached hereto. These annexes shall form integral parts of this Executive Order.

SEC. 4. Notice or Consent Requirement. - If any reorganizational change authorized in this Executive Order or in any of the Annexes attached hereto is of such substance or materiality as to prejudice third persons with rights recognized by law or contract such that notice to or consent of creditors is required to be made or obtained pursuant to any agreement entered into with any of such creditors, such notice or consent requirement shall be complied with prior to the implementation of such reorganizational change.

SEC. 5. Separability. - If for any reason any section or provision of this Executive Order or of its Annexes is declared unconstitutional or invalid, the remainder of this Executive Order and its Annexes shall not be affected as long as such remaining sections or provisions can still subsist and be given effect in their entirety.

SEC. 6. Repeal. The following laws, presidential decrees and executive issuances:

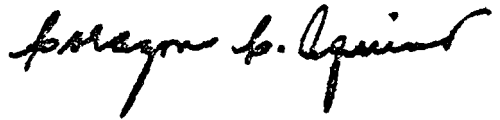
- a. Presidential Decree No. 165, series of 1973, Presidential Decree No. 833, series of 1975, and Presidential Decree No. 917, series of 1976, concerning the Philippine Shippers' Council;
- b. Commonwealth Act No. 111 and Presidential Decree No. 460, series of 1974, concerning the Boy Scouts of the Philippines; and
- c. Commonwealth Act No. 542, Republic Act No. 4375 and Presidential Decree No. 720, series of 1975, concerning the Girl Scouts of the Philippines.

shall be deemed repealed upon the registration of the new or successor private corporations with the Securities and Exchange Commission in accordance with the Corporation Code of the Philippines.

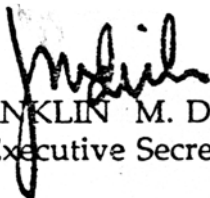
All other laws, rules, regulations and other issuances or parts thereof contrary to or inconsistent herewith are likewise hereby repealed or modified accordingly.

SEC. 7. Effectivity. - This Executive Order shall take effect immediately after fifteen (15) days following its publication in a national newspaper of general circulation or in the Official Gazette.

DONE in the City of Manila, this *6th* day of December in the year of Our Lord, nineteen hundred and ninety-one.



By the President:



FRANKLIN M. DRILON
Executive Secretary

Philippine Shippers' Council

The Philippine Shippers' Council was created as a non-stock and non-profit corporation under Presidential Decree No. 165, series of 1973, and further reorganized under Presidential Decree No. 833, series of 1975, and Presidential Decree No. 917, series of 1976, to improve the competitiveness of and expand Philippine exports, facilitate the movement of goods to, from and within the Philippines at reasonable and stable freight rates and other terms of shipment, and protect the interests of shippers and the national economy.

Pursuant to the Government's Corporate Rationalization Program and in view of the policy of the Government to correct the undue proliferation of government-owned or controlled corporations by reducing as much as possible the number of existing ones, the following are hereby directed:

SECTION 1. Abolition. - The Philippine Shippers' Council is hereby abolished.

SEC. 2. Incorporation. - The Board of Directors of the present Philippine Shippers' Council, by exclusive authority herein granted, shall, within thirty (30) days from the effectivity of this Executive Order, perform all acts necessary for the formation and registration of a private, non-stock and non-profit corporation with the Securities and Exchange Commission (SEC), which corporation shall have the same name, objectives, powers and functions as the present Philippine Shippers' Council. No other public or private groups or individuals shall be authorized to form, organize or operate directly or indirectly a corporation, partnership or association with the same or substantially the same name, objectives, powers and functions as the present Philippine Shippers' Council or its successor.

SEC. 3. Personnel. - Upon the dissolution of the Philippine Shippers' Council, its officers and employees shall continue to perform their respective duties and responsibilities in a holdover capacity and shall receive their corresponding salaries and other benefits, unless in the meantime they have been separated or retired from the service pursuant to existing laws, rules and regulations. Upon the registration of the newly-created private corporation with the Securities and Exchange Commission, the incumbents of the abolished corporation shall be deemed to have been separated from the

service and shall receive such termination benefits as they may be entitled to under existing laws, rules and regulations: Provided, That they shall have priority for appointment to the same or comparable positions in the newly-created private corporation.

SEC. 4. Disposition of Assets. - The assets of the Philippine Shippers' Council, net of liabilities, shall be transferred without consideration to the newly-created private corporation immediately after its registration with the SEC and shall thereby constitute as its capitalization. Should the liabilities exceed the assets, the same shall be paid in accordance with the provisions of the Civil Code of the Philippines on the concurrence and preference of credits.

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Boy Scouts of the Philippines

The Boy Scouts of the Philippines was created under Commonwealth Act No. 111, as amended by Presidential Decree No. 460, series of 1974, as a government corporation with an original charter. Though created by special law, it has been an "independent, voluntary, non-political, non-sectarian and non-governmental organization" as provided in Article II, Section (d) of its constitution and by-laws.

Under the international rules of scouting, accreditation of the Boy Scouts of the Philippines with the World Scout Committee may be withdrawn should it be proven that it has become a government organization. The Boy Scouts of the Philippines actually generates its funds through membership fees, supply service income, private properties, rentals and donations from the private sector and does not receive any subsidy or financial support from the Government. Its status can be clarified by the repeal of its original charter and its conversion into a private, non-stock and non-profit corporation duly registered with the Securities and Exchange Commission.

Pursuant to the Government's Corporate Rationalization Program and in view of the foregoing, the following are hereby directed:

SECTION 1. Abolition. - The Boy Scouts of the Philippines is hereby abolished.

SEC. 2. Incorporation. - The National Executive Board of the Boy Scouts of the Philippines, by exclusive authority herein granted, shall, within thirty (30) days from the effectivity of this Executive Order, perform all acts necessary for the formation and registration of a private, non-stock and non-profit corporation with the Securities and Exchange Commission (SEC), which corporation shall have the same name, objectives, powers and functions as the present Boy Scouts of the Philippines. No other public or private groups or individuals shall be authorized to form, organize or operate directly or indirectly a corporation, partnership or association with the same or substantially the same name, objectives, powers and functions as the present Boy Scouts of the Philippines or its successor.



SEC. 3. Personnel. - Upon the dissolution of the Boy Scouts of the Philippines, its officers and employees shall continue to perform their respective duties and responsibilities in a holdover capacity and shall receive their corresponding salaries and other benefits, unless in the meantime they have been separated or retired from the service in accordance with existing laws, rules and regulations. Upon the registration of the newly-created private corporation with the Securities and Exchange Commission, the incumbents of the abolished corporation shall be deemed to have been separated from the service and shall receive such termination benefits as they may be entitled to under existing laws, rules and regulations: Provided, That they shall have priority for appointment to the same or comparable positions in the newly-created private corporation.

SEC. 4. Disposition of Assets. - The assets of the Boy Scouts of the Philippines, net of liabilities, shall be transferred without consideration to the newly-created private corporation immediately after its registration with the SEC and shall thereby constitute as its capitalization. Should the liabilities exceed the assets, the same shall be paid in accordance with the provisions of the Civil Code of the Philippines on the concurrence and preference of credits.

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Girl Scouts of the Philippines

The Girl Scouts of the Philippines was created under Commonwealth Act No. 542, as amended by Republic Act No. 4375 and Presidential Decree No. 720, series of 1975, as a government corporation with an original charter. It is a member of the World Association of Girl Guides and Girl Scouts. To comply with the requirements of membership therein, the Girl Scouts of the Philippines has to be self-governing, independent, non-political, non-sectarian and voluntary and must not receive any financial support, subsidy or appropriation from the Government. Its status can be clarified by the repeal of its original charter and its conversion into a private, non-stock and non-profit corporation duly registered with the Securities and Exchange Commission.

Pursuant to the Government's Corporate Rationalization Program and in view of the foregoing, the following are hereby directed:

SECTION 1. Abolition. - The Girl Scouts of the Philippines is hereby abolished.

SEC. 2. Incorporation. - The Central Board of the Girl Scouts of the Philippines, by exclusive authority herein granted, shall, within thirty (30) days from the effectivity of this Executive Order, perform all acts necessary for the formation and registration of a private, non-stock and non-profit corporation with the Securities and Exchange Commission (SEC), which corporation shall have the same name, objectives, powers and functions as the present Girl Scouts of the Philippines. No other public or private groups or individuals shall be authorized to form, organize or operate directly or indirectly a corporation, partnership or association with the same or substantially the same name, objectives, powers and functions as the present Girl Scouts of the Philippines or its successor.

SEC. 3. Personnel. - Upon the dissolution of the Girl Scouts of the Philippines, its officers and employees shall continue to perform their respective duties and responsibilities in a holdover capacity and shall receive their corresponding salaries and other benefits, unless in the meantime they have been separated or retired from the service in accordance with existing laws, rules and regulations. Upon the registration of the newly-created private corporation with the Securities and Exchange Commission, the

* Implication of Proc #50
w/c is a law *
investigation & bill

incumbents of the abolished corporation shall be deemed to have been separated from the service and shall receive such termination benefits as they may be entitled to under existing laws, rules and regulations: Provided, That they shall have priority for appointment to the same or comparable positions in the newly-created private corporation.

SEC. 4. Disposition of Assets. - The assets of the Girl Scouts of the Philippines, net of liabilities, shall be transferred without consideration to the newly-created private corporation immediately after its registration with the SEC and shall thereby constitute as its capitalization. Should the liabilities exceed the assets, the same shall be paid in accordance with the provisions of the Civil Code of the Philippines on the concurrence and preference of credits.

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