

## PRESIDENTIAL DECREE No. 572

### FURTHER AMENDING THE CHARTER OF THE PHILIPPINE NATIONAL OIL COMPANY (PNOC), AS PROVIDED FOR IN PRESIDENTIAL DECREE NO. 334, AS AMENDED, AND FOR OTHER PURPOSES.

WHEREAS, under Presidential Decree No. 334, as amended, the Philippine National Oil Company is expressly charged (a) to provide and maintain an adequate and stable supply of oil and petroleum products for the domestic requirements; (b) to promote the exploration, exploitation and development of local oil and petroleum sources; and (c) to foster oil or petroleum operation conditions conducive to a balance and sustainable growth of the economy; WHEREAS, it is imperative that the Philippine National Oil Company and its affiliated companies be granted adequate powers and incentives to enable it to attain expeditiously and efficiently its declared objectives.

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby decree and order the following:

**Section 1.** SECTION 13 of Presidential Decree No. 334 is hereby amended to read as follows:

“Sec. 13. Loans. The Company as well as an affiliate corporation in which it holds, owns and/or controls by itself or jointly with one or more Government owned or controlled corporations of at least seventy-five (75%) of the issued and outstanding shares of stock entitled to vote, when specifically authorized by the President of the Philippines, is hereby authorized to contract loans, credits, in any convertible foreign currency or capital goods, and indebtedness from time to time from foreign governments, or any international financial institutions or fund sources, or any other entities, on such terms and conditions it shall deem appropriate for the accomplishment of its purposes and to enter

into and execute agreements and other documents specifying such terms and conditions.

“The Republic of the Philippines, through the President of the Philippines or his duly authorized representative, may guarantee, absolutely and unconditionally, as primary obligor and not as surety merely, the payment of the loans, credits and indebtedness secured by the Company or any of its affiliate corporations, as provided above, which may be over and above the amount which the President of the Philippines is authorized to guarantee under Republic Act Numbered Sixty One Hundred Forty-Two, as amended, as well as the performance of all or any of the obligations undertaken by the Company or its affiliate corporations in the territory of the Republic of the Philippines pursuant to loan agreements entered into with foreign governments or any international financial institutions or fund sources.

“The loans, credits and indebtedness contracted under this subsection and the payment of the principal, interest and other charges thereon, as well as the importation of machinery, equipment, materials, supplies and services, by the Company and or any of its affiliate corporations as defined herein, paid from the proceeds of any loan, credit or indebtedness incurred under this Act, shall also be exempt from all direct and indirect taxes, duties, fees, imposts, and all other charges and restrictions, including import restrictions previously and presently imposed, and to be imposed by the Republic of the Philippines, or any of its agencies and political subdivisions.”

**Section 2.** Section 15 of Presidential Decree No. 334, as amended, is hereby further amended to read as follows;

“Sec. 15. Privileges and Incentives. The Company shall be entitled to all the incentives and privileges granted by law to private enterprises engaged in petroleum or oil operations.

“In addition the company shall be exempt from all taxes, duties, fees, imposts, and all other charged imposed directly or indirectly by the Republic of the

Philippines, its provinces, cities, municipalities and other government agencies and instrumentalities; provided that: the Company's affiliate corporations as provided in Section 13 hereof, as amended, shall be exempt only from all taxes, duties, fees, imposts, and all other charges imposed directly or indirectly by the Republic of the Philippines, its provinces, cities, municipalities and other government agencies and instrumentalities, on importations of aircrafts, vessels, tankers, barges and other floating structures, including any machinery, engines, motors, equipment, spare parts and materials thereof.

“Other government offices and other government-owned or controlled corporations shall extend whatever assistance may be needed by the Company or any of its affiliates and subsidiaries, including the details of its officials and employees to the Company or any of its subsidiaries on full time or part time basis under arrangements satisfactory to the Company or any of its subsidiaries and the other government office or corporation concerned. Said officials and employees, as well as the directors of the Company and its affiliates and subsidiaries, may receive allowances and other emoluments, notwithstanding the provision of any law to the contrary.

“The employees of the Company shall be entitled to all the retirement and insurance benefits and leave privileges of government employees. However, subsidiaries of the Company organized to undertake purely business ventures shall not as a matter of right, be subject to the provisions of the Government Service and Insurance System, as provided for under R.A. 186, as amended, as well as to many law, executive orders and decrees relating to leave of absences, retirement privileges, regular working hours, and other government employee benefits.”

**Section 3.** This Decree shall be effective as of the date of the effectivity of Presidential Decree No. 334.

Done in the City of Manila, this 5th day of November, in the year of Our Lord, nineteen hundred and seventy-four.

