

MANILA

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 449

REALIGNING THE ORGANIZATION OF THE BUREAU OF TREASURY

WHEREAS, on one hand, the Bureau of Treasury has assumed the fiscal agency function of the national government from the old Central Bank of the Philippines;

WHEREAS, on the other hand, the function of releasing Internal Revenue Allotments to local government units had been transferred to the Department of Budget and Management;

WHEREAS, the Bureau has decentralized its fidelity bonding of all accountable officers to the regional/provincial level;

WHEREAS, the Bureau has moved towards full computerization and networking with such projects as the implementation of the Automated Debt Auction which improved the processing of securities;

WHEREAS, in the light of these changes, there is an urgent need to restructure the functional groupings in the Bureau and thus enable it to perform more effectively its functions;

WHEREAS, under Section 78 of the General Provisions of Republic Act No. 8250 (General Appropriations Act for FY 1997), heads of departments, bureaus and agencies are directed to scale down, phase out or abolish activities no longer essential in the delivery of public services;

WHEREAS, under Section 76 of the General Provisions of Republic Act No. 8250, the President may direct changes in the organization and key positions in any department, bureau or agency;

NOW, THEREFORE, I, FIDEL V. RAMOS, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. Restatement of the functions of the Bureau of the Treasury. The Bureau of the Treasury, hereinafter referred to as the Bureau, shall have the following functions:

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1. Assist in the formulation of policies on borrowing, investment and capital market development;
2. Formulate adequate operations guidelines for fiscal and financial policies;
3. Assist in the preparation by government agencies concerned of an annual program for revenue and expenditure targets, borrowing levels and cash balances of National Government (NG);
4. Maintain books of accounts of cash transactions of the NG;
5. Manage the NG cash resources, collect advances made by NG and guarantee forward cover fees due NG, control and service its public debt, both foreign or domestic;
6. Issue, service, redeem government securities for the account of the NG as may be authorized by the President pursuant to law;
7. Administer the Securities Stabilization Fund by purchase and sale in the open market of government bills and bonds to increase the liquidity and stabilize the value of said securities in order to promote private investment in government securities;
8. Act as principal custodian of financial assets of the NG, its agencies and instrumentalities;
9. Bond all accountable public officials and employees pursuant to the provisions of the Public Bonding Law and issue appropriate guidelines therefor; and
10. Perform such other related functions as may be assigned to it by competent authorities.

SEC. 2. The Bureau shall be composed of the following organizational units:

1. **Office of the Treasurer of the Philippines** - The Bureau shall be headed by the **Treasurer of the Philippines (TOP)** who shall be appointed by the President upon the recommendation of the Secretary of Finance hereinafter referred to as the Secretary. The following Services shall directly assist the TOP in his functions:



- 1.1 **Legal Service**, which shall provide legal advice and opinion to the agency on matters involving statutes, laws, rules and regulations affecting the Bureau; act as counsel of the Bureau or the Treasurer of the Philippines in court litigation; take legal action against violators of Treasury regulations; handle the escheat of dormant accounts with banks pursuant to existing laws; and conduct investigation and hearing of administrative cases filed against Treasury personnel.
 - 1.2 **Internal Audit and Security Service**, which shall review and evaluate the control procedures for the purpose of ascertaining the adequacy, propriety and effectiveness of the control system; audit maturing coupon payments attached to Land Bank Bonds; formulate and enforce adequate security measures for Treasury officials, employees and properties; and provide escort and security services to the National Cashier when withdrawing cash from the Bangko Sentral ng Pilipinas and upon request, to other representatives of government agencies withdrawing cash from the National Treasury.
2. **Planning and Policy Subsector** - The Subsector shall be headed by a Deputy Treasurer of the Philippines who shall be appointed by the President upon the recommendation of the Secretary. It shall be composed of the following:
- 2.1 **Research Service**, which shall prepare, in coordination with various government agencies and instrumentalities of the NG, annual plans and programs with respect to inflows of funds from revenues and debt sources into the Treasury; formulate and recommend policies, plans and programs for the management of the NG's cash resources, domestic debt and financial assets; assess results of operations in relation to NG's cash, debt and financial asset policies, plans and programs; provide technical assistance and advice on matters pertaining to management of funds, flotation of government securities, fiscal programming, debt management, etc.; and conduct researches and policy studies aimed at improving the overall treasury management.

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3. **Operations Subsector** - The Subsector shall be headed by a Deputy Treasurer of the Philippines who shall be appointed by the President upon the recommendation of the Secretary. It shall be composed of the following:
 - 3.1 **Asset Management Service**, which shall take charge of the effective management of the NG's cash receipts and disbursements; maximize the earnings of NG's fund and reduce cost through timely and proper investment of idle cash balances in high yielding interest account and prompt servicing of NG's obligations; administer effectively the Bond Sinking Fund (BSF) and Securities Stabilization Fund (SSF); see to it that collections due the Bureau that are received during the day are deposited with authorized government depository banks (AGDBs) on the same day; act as custodian of NG's holdings in government securities and other non-cash accounts and securities for safekeeping; see to it that national collections are accurately credited to the Savings Account of the TOP by AGDBs on the day the collections are received; and determine the correctness of interest credited by AGDBs to the TOP's account.
 - 3.2 **Liability Management Service**, which shall interlink revenue and expenditure operations of the government; render assistance on matters involving policy formulation and rationalization of public borrowings and management of borrowed funds; participate in the programming, structuring and timing of borrowing proposals in close coordination with the Bangko Sentral ng Pilipinas and the Department of Budget and Management; render assistance to government agencies, corporations and financial institutions on matters pertaining to loan proceeds; monitor data on availments of repayments and status of the public debts; and maintain inventory of documents on various public sector external liabilities transferred to the NG.
4. **Auxiliary Subsector** - The Subsector shall be headed by a Deputy Treasurer of the Philippines who shall be appointed by the President upon the recommendation of the Secretary. It shall be composed of the following:

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- 4.1 **Accounting Service**, which shall account for all receipts and disbursements of the national government, including national collections and budgetary expenditures, foreign and domestic obligations, backpays and emergency currency notes; compute guarantee fees and interest on advances and prepare billings/collection statements; account for the liabilities transferred to NG; maintain subsidiary ledger accounts; and prepare financial statements/reports.
- 4.2 **Administrative Service**, which shall be responsible for providing general housekeeping services in the Bureau, including the procurement of supplies, materials and equipment and maintenance of building premises, properties and assets; administration of personnel management programs involving the recruitment, selection and promotion of officials and employees; and conduct of training courses and seminars to enhance personnel benefits.
- 4.3 **Management Information Systems Service**, which shall provide support services to all operating units in the Bureau whose operational requirements call for the use of computers.
5. **Regional Offices** - These Offices shall include all Provincial/District Offices which shall report directly to the TOP. They shall be responsible for the examination of the books of accounts of national collecting officers and local treasurers, including the monitoring of reports of provincial offices; providing technical advice and support to government field representations in the implementation of laws, rules and regulations governing Treasury operations; recommending Fidelity Bond claims to the Treasurer of the Philippines for payment, chargeable against the Fidelity Fund; and consolidating daily reports on national collections and disbursements as submitted by provincial offices.

SEC. 3. Funding. Funds needed to carry out the provisions of this Executive Order shall be taken from funds available in the Bureau.

SEC. 4. Redeployment of Personnel. The TOP may redeploy officials and employees in the Bureau in accordance with the realigned functions herein prescribed. Said redeployment, however, shall not result in

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the dislocation of existing personnel nor in the diminution of rank and compensation and shall take into account pertinent Civil Service laws and rules.

SEC. 5. *Implementing Rules and Regulations.* Subject to the approval of the Secretary, the TOP shall prepare the rules and regulations to ensure the effective implementation of the provisions of this Executive Order.

On the basis of the organizational changes embodied in this Executive Order, the TOP shall submit a detailed organizational structure of the Bureau, including functional statements and staffing pattern for review and approval of the Department of Budget and Management.

SEC. 6. *Effectivity.* This Executive Order shall take effect immediately.

DONE in the City of Manila, this 17th day of October in the year of Our Lord, Nineteen Hundred and Ninety-Seven.



By the President:



RUBEN D. TORRES
Executive Secretary

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