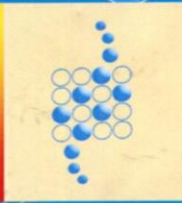


Compendium of **Philippine** **Science and Technology Laws**



Compiled by
DEPARTMENT LEGISLATIVE LIASON OFFICE
DEPARTMENT OF SCIENCE AND TECHNOLOGY
2017



Compendium of Philippine Science & Technology Laws

Compiled by

DEPARTMENT LEGISLATIVE LIAISON OFFICE
DEPARTMENT OF SCIENCE & TECHNOLOGY
(DLLO-DOST)

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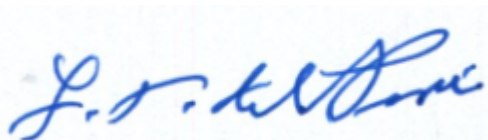
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A handwritten signature in blue ink, appearing to read "L. S. del Rosario", is centered on the page. The signature is written in a cursive style.

FOREWORD

“Prodesse scientia est populous” – to benefit the people through, and with science. Undeniably, science has defined our way of life. This may be through the continuous discovery and rediscovery of things; formulation of theories and the application of the knowledge generated which eventually, leads to inventions, innovations and continual improvement of products and services.

Looking back, science alone cannot initiate this discovery, invention and/or innovation. While it is true that “Necessity is the mother of invention;” but without an enabling environment shaped by various factors such as the laws enacted, policies, and/or rules established that nurture, support and sustain Science and Technology (S&T) endeavors, we may find life much challenging as we have enjoyed it today.

This Compendium is more than a collection of pieces of legislations and rules. As we browse each page, we are taken back in time from the Department’s humble beginnings until the most recent S&T endeavors either carried out by the Department itself and/or any of its attached agencies. We will also have a glimpse of our statesmen’s intent as it concretizes the Constitutional provision on the role of S&T as essentials for national development and progress. More importantly, the knowledge we will gain from our Science laws will guide us as we review, revise and amend them to make these relevant in the midst of ASEAN integration and globalization, while at the same time, make Filipinos feel and realize S&T in their lives.

To the hardworking people around this Compendium of Philippine Science & Technology Laws; who have created time and painstakingly do and redo this work, in order to make this one a reality, especially to the Department Legislative Liaison Office.

To all personnel and staff of DOST and all its attached agencies...

Congratulations! Together, we will advocate for more “Science for the People” policies and legislations.


FORTUNATO T. DELA PENA
Secretary



PREFACE

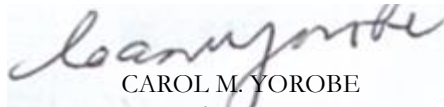
The Department is thankful to the legislature for enacting laws recognizing the vital role of Science and Technology (S&T) in improving the lives of Filipinos, whenever and wherever they may be. These laws serve as our enabling environment for us to generate new knowledge and skills, nurture and harness our citizen's talents especially in the various fields of S&T, as well as protect our intellectual property rights and secure our future, among others.

It is in this light, that the "Compendium of Philippine Science & Technology Laws" is launched. We highlight the recent legal developments and at the same time reflect on the wisdom of our statesmen.

Furthermore, this Compendium is more than a collation of laws. It is our ready-reference in our day-to-day transactions as it is a source of vital information about laws that shaped Philippine S&T.

We, therefore, invite our stakeholders, partners, researchers, students, the whole S&T Community and our colleagues to read the compendium.

We thank and congratulate the Department Legislative Liaison Office led by Ms. Lita S. Suerte Felipe, Head Legislative Liaison Officer, for spearheading this endeavor.


CAROL M. YOROBE
Undersecretary
for Scientific and Technical Services



ACKNOWLEDGMENT

"Let us not grow weary of doing good, for in due season we will reap, if we do not give up."

Galatians 6:9

In the work of any legislative liaison, knowledge of the political and legal system would be an advantage; however, one of the fundamental requirements that one should be equipped is the virtue of patience. Patient enough to communicate, listen, cascade, mediate and negotiate between and among various stakeholders especially from our top management (from the Executive Branch) to our dear statespersons in the Legislative Branch: the House of Representative (HOR) and the Senate.

Thinking about my experiences as a legislative liaison, I may say that the success of legislative advocacy can be compared to an expectant mother - from its conception (bill drafting), development (deliberations), and delivery (enactment); which is laborious, painstaking, stressful and toxic. However, rewarding in the end, inspiring us to do more like our MC (Magna Carta) benefits.

At this point, like an expectant mother the success of the delivery largely depends on the people around her. In the same light, in behalf of the DOST-DLLO, I would like to thank my DOST Family headed by my boss Secretary Fortunato T. Dela Pena; together with our immediate supervisor Undersecretary for S&T Services, Dr. Carol M. Yorobe; Undersecretary for Research & Development Rowena Cristina L. Guevara for endorsing this endeavor, with all the Undersecretaries and Assistant Secretaries both past and present; as well as the entire DOST System: Councils, S&T Service Institutes, Research and Development Institutes and Advisory Bodies, especially to the DOST-Special Projects Division and the National Research Council of the Philippines (NRCP) headed by Dr. Marieta B. Sumagaysay for mentoring us in this endeavor. Second, gratitude is also extended to our legislators, as well as their Committee Secretariats, staff and other personnel in both Houses of Congress (HOR and Senate) as far as the earliest Congressional Session, I could remember; which if I list down all their names, may comprise a separate chapter or more. Nevertheless, I would like to personally acknowledge them for inspiring us to come up with this Compendium: Hon. Rep. Pantaleon "Bebot" D. Alvarez, Speaker of the House of Representatives; Hon. Sen. Aquilino Martin "Koko" D. Pimentel, Senate President; Hon. Rep. and S&T Chair Erico Aristotle C. Aumentado, and Hon. Sen. and S&T Chair Benigno "Bam" Aquino.

Unknown to many, the DLLO is also thankful to the unwavering support of the Presidential Legislative Liaison Office (PLLO) headed by Secretary Adelino "Addy" B. Sitoy together with the entire PLLO System, with whom we share experiences, draw inspirations from and help one another in our LLS function.

Emphatically, I would like to thank my colleagues both past and present at the DLLO especially to my present DLLO family: Garry, Mark, Helen, Mcuy and Princess including the DOST drivers for bearing with me, and the joys and hassles of (DLLO) life. Gratitude is also extended to our family members for understanding our task and responsibility at hand.

Right now, I beg your indulgence if there is any person whom I, together with the DLLO, failed to mention.

To the One Above, finally, whom all glory and praises belong, may bless and keep us all. Enjoy! Happy Reading!

 LSF

MESSAGES



OFFICE OF THE SENATE PRESIDENT
AQUILINO "KOKO" PIMENTEL III
PDP LABAN

MESSAGE

Greetings to the officials, managers, and employees of the Department of Science and Technology as you complete the **2nd Edition of the Compendium of Science & Technology Laws.**

Modern society is built on the equation of science and technology plus law and order equals progress. Through laws, we ensure that research and development remain within ethical bounds, are supported by the government, and their results disseminated to the greatest possible benefit of all Filipinos. Awareness of these laws would tremendously benefit our scientists.

In publishing this compendium, you help build a Philippine society which is JUST and FAIR, which SAVES and SHARES, which is SCIENTIFIC and OBJECTIVE, which is PEACEFUL and DEMOCRATIC, which is EDUCATED and HEALTHY, and which is, most of all, HAPPY and FREE, with overflowing LOVE OF GOD and COUNTRY.

I wish you success and urge you to always use your KOKOte in deciding what is best for our country!



A. Pimentel III
AQUILINO "KOKO" PIMENTEL III

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Republic of the Philippines
House of
Representatives
Quezon City, Metro Manila



MESSAGE

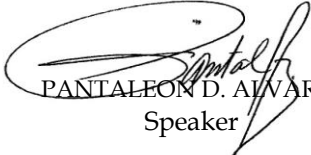
My warmest congratulations to the Department of Science and Technology (DOST) as you launch your second edition of the *Compendium of Science & Technology Laws*.

I laud the DOST for serving as the premier science and technology body in the country which directs, leads and coordinates all scientific and technological efforts to attain maximum economic and social benefits for the people. With the publication of your *Compendium*, the DOST will be able to provide a historical documentation of laws and executive issuances on the development of science and technology in the country aimed at strengthening our scientific and technological capabilities.

We in the 17th Congress recognize the valuable contributions of DOST in providing better, smarter and inexpensive solutions to address major national concerns – especially in the areas of agricultural productivity, climate change and improving the quality of life for all. My colleagues and I look forward to aiding your continuous efforts to harness science, technology and innovation in the attainment of national change and social transformation.

May DOST achieve its vision to serve as a reservoir of scientific and technological world-class solutions that empower Filipinos.

Mabuhay!


PANTALEON D. ALVAREZ
Speaker



MESSAGE

Our heartfelt congratulations to the Department of Science and Technology (DOST) for its publication of the second edition of its Compendium of Science and Technology (S&T) laws.

Successfully hurdling great difficulties during the last 15 long years since the publication of its first edition in 2002, the Department, now under the able leadership of Secretary Fortunato T. dela Peña, takes pride in presenting the second edition of its Compendium. Comprehensively, it includes pertinent laws enacted from 2003 to the present. It also covers pending science bills listed in the S&T legislative agenda of priorities, notable among them being the bill on the strengthening of the Balik-Scientist Program.

Through the Compendium, historical documentation of science laws and executive issuances in the Philippines will be made available to the public. Thus, the development of science and technology from day one to the present is now easily traceable.

Indeed, a reliable guide in the formulation of science policies and the enactment of related legislations aimed at strengthening the scientific and technological capability of the Philippines is now updated. Inevitably, S&T-based economic development will result therefrom.

More power to the Department! More power to Secretary dela Peña and all who labored hard to realize the project!




ADELINO B. SITO

Secretary
Presidential Adviser on Legislative Affairs
& Head, PLLO
March 15, 2017



Greetings from the Senate!

Congratulations on successfully publishing the second edition of the Compendium of Science & Technology Laws!

Since the establishment of the National Science Development Board in 1958, our government has been dedicatedly encouraging and providing support to Filipino scientists.

In the current climate of connectedness, we have all the more opportunity to harness the talent of Filipino scientists and inventors as they discover and develop new innovations that are globally relevant.

Whether it is creating computer chips, designing saltwater-powered lamps, or developing new varieties of rice, Filipino scientists have always been at the forefront of global scientific research and development.

We are confident that Filipino innovations will continue to flourish through your continued service, with the help of various private and government partners.

You can always count on our support at the Senate as we work together to propel Science and Technology forward, toward building a better, stronger and more resilient Philippines.

In the spirit of building the nation,

Bam Aquino
BAM AQUINO



HON. ERICO ARISTOTLE C. AUMENTADO
Representative, 2nd District, Bohol
Chairman
Committee on Science and Technology

MESSAGE

I extend my warmest greetings to the Department of Science and Technology (DOST) as you complete the second edition of the Compendium of Science and Technology Laws.

The presence of science and technology is more evident as we go through our everyday lives. It is through the utilization of technology that the provision of government services has become more efficient and effective. Science and Technology are essential for national development and progress.

We, in the Committee on Science and Technology greatly appreciate your work and initiative towards this compendium of laws which can serve as guide in crafting of science policies and legislations for this Seventeenth Congress. This landmark documentation highlights the enactment of significant science and technology laws that will improve the quality of life of the people and enjoy the benefits of good life and ensure countryside development in the future.

I wish to take this opportunity to thank the Honorable Secretary Fortunato de la Pena and his DOST family in its continuing contribution in strengthening the country's scientific and technological capability of the members of the House of Representatives towards a more responsive and meaningful legislation.

I trust that the DOST will be able to raise awareness not only in the public, but more importantly in our government officials and possible science and technology advocates, on the need to step up and provide all out support to research and development as our 1987 Constitution mandates the State to give its priority.

Be assured that the House of Representatives Committee on Science and Technology under my leadership will support your worthy endeavors.


ERICO ARISTOTLE C. AUMENTADO

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CREATION OF DOST & ITS AGENCIES

“Originally established as the National Science and Development Board (NSDB) on 13 June 1958, DOST was reconstituted as the National Science and Technology Authority (NSTA) on 17 March 1981 with the vision of “A competent and competitive science and technology community with a social conscience.”

With the agency's elevation to full cabinet stature by virtue of Executive Order 128 signed on 30 January 1987, the functions and responsibilities of DOST expanded to among others:

- *Pursue the declared state policy of supporting local scientific and technological effort*
- *Develop local capability to achieve technological self-reliance*
- *Encourage greater private sector participation in research and development*

As the premiere science and technology body in the country charged with the twin mandate of providing central direction, leadership and coordination of all scientific and technological activities, and of formulating policies, programs and projects to support national development.” (<http://www.dost.gov.ph>)

Likewise, the provisions of Philippine Constitution¹, being the highest law of the land are inculcated in every DOST programs; especially in:

**Article II,
Section 17** The State shall give priority to education, science and technology, arts, culture, and sports to foster patriotism and nationalism, accelerate social progress, and promote total human liberation and development.

**Article XII,
Section 14** The sustained development of a reservoir of national talents consisting of Filipino scientists, entrepreneurs, professionals, managers, high-level technical manpower and skilled workers and craftsmen in all fields shall be promoted by the State. The State shall encourage appropriate technology and regulate its transfer for the national benefit.

**Article XIV,
Section 10** Science and technology are essential for national development and progress. The State shall give priority to research and development, invention, innovation, and their utilization; and to science and technology education, training, and services. It shall support indigenous, appropriate, and self-reliant scientific and technological capabilities, and their application to the country's productive systems and national life.

**Article XIV,
Section 11** The Congress may provide for incentives, including tax deductions, to encourage private participation in programs of basic and applied scientific research. Scholarships, grants-in-aid, or other forms of incentives shall be provided to deserving science students, researchers, scientists, inventors, technologists, and specially gifted citizens.

**Article XIV,
Section 12** The State shall regulate the transfer and promote the adaptation of technology from all sources for the national benefit. It shall encourage the widest participation of private groups, local governments, and community-based organizations in the generation and utilization of science and technology.

**Article XIV,
Section 13** The State shall protect and secure the exclusive rights of scientists, inventors, artists, and other gifted citizens to their intellectual property and creations, particularly when beneficial to the people, for such period as may be provided by law.

¹ Borja, Fidel Thaddeus I. et. al.. “DLLO Compendium on DOST-related laws.” Received by Fortunato T. De La Peña, October 2, 2017 (date received)

CHAPTER I

ACT NO. 156

AN ACT PROVIDING FOR THE ESTABLISHMENT OF GOVERNMENT LABORATORIES FOR THE PHILIPPINE ISLANDS

By the authority of the President of the United States, be it enacted by the United States Philippine Commission, that:

SECTION I. A biological laboratory, a chemical laboratory and laboratories for the production of vaccine virus and serums and prophylactics shall be established and maintained by the Government of the Philippine Islands.

SEC. 2. The biological laboratory shall be situated at Manila, and shall afford adequate facilities for investigation into, and scientific report upon, the causes, pathology and methods of diagnosing and combating the diseases of man and of domesticated animals, and of animals utilized for food and of plants useful to man, as well as for such other biological work as may be deemed necessary by the Board of Health of the Philippine Islands, the Forestry Bureau, the Bureau of Agriculture or any other department or bureau of the government.

SEC. 3. The chemical laboratory shall be situated in Manila, and shall afford adequate facilities for investigation into and report as to the purity of foods and drinks; as to the composition and properties of gums, resins, drugs, herbs or other plant products of known or supposed commercial value; as to soils or fertilizers; as to the minerals and minero-medicinal waters of the Philippine Islands; and for such other chemical investigation as may be deemed necessary by the Board of Health for the Philippine Islands, the Department of Public Instruction, the Forestry Bureau, the Mining Bureau, the Bureau of Agriculture, the Customs Service, or any other department or bureau of the government.

SEC. 4. Laboratories for the production of vaccine virus and of serums and prophylactics shall be established and maintained at Manila and at such other points in the Archipelago as the Board of Health for the Philippine Islands may advise and the central legislative body of the Islands may determine upon.

SEC. 5. There shall be a Superintendent of Government Laboratories, at a salary of four thousand dollars (\$4,000) per year. He shall have charge of the construction and equipment of all government laboratories for the Philippine Islands, and of the purchase of all apparatus, supplies and books which may be authorized for use in connection with such laboratories. He shall cause to be prepared and shall recommend to the central legislative body of the Islands as a basis for appropriation:

- (a) Plans for a suitable building for the installation of the biological laboratory, the chemical laboratory and a reference library;
- (b) Plans for such laboratories for the manufacture of vaccine virus, serums and prophylactics as may hereafter be authorized;
- (c) Detailed estimates of the cost of constructing such laboratory buildings;

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- (d) Detailed estimates of the cost of properly equipping the several laboratories and of procuring an adequate reference library, which shall be housed in the same building with the biological and chemical laboratories.

SEC. 6. The Superintendent of Government Laboratories shall make a written report to the chief executive of the Insular Government on or before the 30th of June of each year, covering his work for the twelve months preceding that date, and shall include therein a statement of all moneys received and disbursements made during that period.

SEC. 7. (a) The Superintendent of Government Laboratories shall be the Director of either the biological or the chemical laboratory, as the Commission shall determine, and the other laboratory shall be under the supervision of a Director, who shall receive an annual salary of three thousand, five hundred dollars (\$3,500.00). The two Directors shall be experts in their respective lines of work, and shall personally carry on original investigations. (b) They shall appoint all employees of their respective laboratories, subject to the provisions of the Civil Service Act and of Act 25, shall prescribe their duties and shall assign to all persons carrying on investigations in their respective laboratories the necessary laboratory space, apparatus, appliances and reagents.

SEC. 8. All biological and chemical laboratory work of the several departments and bureaus of the Government at Manila shall be carried on in the biological and chemical laboratories by their Directors and employees, or by employees of said department and bureaus. Upon the request of the head of any department or bureau of the government, the Director of the biological or chemical laboratory shall make adequate provision for the carrying out of any special investigation desired and duly authorized, either himself undertaking to have it made by the laboratory staff or allowing properly qualified employees of the department or bureau making the request to carry it out under his general supervision, as the head of such department or bureau may prefer.

SEC. 9. The Superintendent of Government Laboratories and the additional Director provided for in section 6 shall be appointed by the Commission. The officers and employees of the laboratories for manufacture of vaccine virus, serums and prophylactics shall be appointed by the Commissioner of Public Health subject to the provisions of the Civil Service Act and of Act 25.

SEC. 10. The officers or employees in immediate charge of the laboratories for the manufacture of vaccine virus, serums and prophylactics shall furnish the Superintendent of Government Laboratories from time to time with detailed lists of the apparatus and supplies which are necessary for the adequate equipment and maintenance of their respective laboratories.

SEC. 11. This act shall take effect on its passage.

Enacted, July 1, 1901

CHAPTER I

ACT NO. 2657

AN ACT CONSISTING AN ADMINISTRATIVE CODE

December 31, 1916

BOOK I

Organization, Powers, and General Administration of Philippine Government

TITLE I

Matter of General Nature

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ARTICLE IX

Weights and Measures

SECTION 30. Standard Weights and Measures in Philippine Islands. – The weights and measures to be used throughout the Philippine Islands are those of the metric system, with the following units:

- (a) The unit of length is the standard meter, being the one ten-millionth part of the distance from the equator to the pole.
- (b) The unit of area is either the square meter or an area of one hundred square meters known as the are.
- (c) The unit of cubical contents or capacity is either the cubic meter or the one-thousandth part thereof known as the liter.
- (d) The unit of weight is the gram.

The length of the standard meter shall be determined for the Philippine Islands by the length at the temperature of zero degrees centigrade of the fundamental standard measure numbered seventy-one, now preserved in the Bureau of Science and certified to by the International Bureau of Weights and Measures.

The weight of the standard gram shall be determined for the Philippine Islands by the weight at Manila of one-millionth of a cubic meter of pure water at the temperature of four degrees centigrade, or the one-thousandth part of the standard kilogram certified to by the International Bureau of Weights and Measures, designated by the symbol “L” and now preserved in the Bureau of Science. [2339-125.]

SECTION 31. Requirement as to Use of Metric System. – The metric system of weights and measures, with its recognized scales, shall be used in all contracts, deeds, and other instruments publicly and officially attested, and in all official documents; and, except as herein below provided, only weights and measures of the metric system shall be officially sealed and licensed.

In the purchase and sale of manufactured lumber the English system of measures may be employed; and in ordering commodities or articles from abroad such weights and measures may be employed as are commonly used in the country to which the order is sent or from which the goods are shipped. [2339-126.]

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ARTICLE II

Particular Powers and Duties of Governor-General

xxx

SECTION 81. Particular Officers Appointable by Governor-General. – Except as otherwise specially provided, the Governor-General shall appoint all chiefs and assistant chiefs, in each Bureau, including the Philippine Health Service, the Philippine General Hospital, and the Philippine Constabulary.

The following officers shall also be appointed by the Governor-General:

Judges and auxiliary judges of first instance, the assistant attorneys of the Bureau of Justice, the chief and assistant chief of the General Land Registration Office, provincial treasurers, provincial fiscals, registers of deeds, justices of the peace, auxiliary justices of the peace, special agents in the Executive Bureau, district health officers of the Philippine Health Service, the chief of the biological laboratory in the Bureau of Science, the superintendents of the postal and telegraph divisions of the Bureau of Posts, and the delegate of the Secretary of the Interior for the non-Christian people.

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SECTION 96. Bureaus and Offices Pertaining to Department of Interior. – The Department of the Interior shall have executive control and supervision over the Philippine Health Service, the Philippine General Hospital, the Bureau of Quarantine Service, the Bureau of Science, the Weather Bureau, the Bureau of Lands, and the Bureau of Forestry. It shall also be charged with the supervision of fisheries and shall have general supervision over the non-Christian inhabitants except in the Department of Mindanao and Sulu. [1972-1; 2309.]

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CHAPTER 28

Bureau of Science

SECTION 945. Chief Officials of Bureau of Science. – The Bureau of Science shall have one chief and one assistant chief, designated, respectively, as the Director of the Bureau of Science and the Assistant Director of the Bureau of Science. [1407-7.]

SECTION 946. Function of Bureau of Science. – It shall be the function of the Bureau of Science to make investigations, conduct researches, and do work of a scientific nature and to coordinate and make available the results thereof as permanent contributions to knowledge.

Among the particular duties to be accomplished and ends to be subserved by the Bureau of Science are these:

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- (a) The conduct of researches in anthropology and ethnology among the inhabitants of the Philippine Islands. [253-1; 841-1; 1407-23 (b).]
- (b) The maintenance of a Government herbarium and of collections of insects and other natural-history specimens.
- (c) The conduct of researches in botany, entomology, ornithology, and zoology, and the accomplishment of biological work in general. [156-2.]
- (d) The establishment, equipment, and maintenance of laboratories, museums, and aquariums created or supported from Insular funds or other funds under the control of the Bureau of Science.
- (e) The keeping, at Manila, of the fundamental standards of weights and measures for the Philippine Islands and instruments of precision; the comparison of the secondary standards therewith; and the certification of the secondary standards according to law. [1519-10.]
- (e) The conduct of investigations into the causes, pathology, and methods of diagnosing and combating the diseases of man and of domesticated animals, and of animals utilized for food, and of plants useful to man. [156-2.]
- (f) The making of special investigations and the accomplishment of special work which may be needed by other Bureau or Office of the Insular Government and which may require laboratory facilities or scientific knowledge of a specialized character. [156-2.]
- (g) The conduct and encouragement of investigations into the mineral resources and geology of the Philippine Islands; the collection of statistics concerning the occurrence of the economically important minerals and the methods pursued in making their valuable constituents available for commercial use. [916-4; 1407-7 (b).]
- (h) The conduct of investigations into the quality, composition, or properties of articles of food and drink; of gums, resins, drugs, herbs, oils, and other plant products; of soils and fertilizers; of cement and other construction and commercial materials; and of the minerals and minero-medicinal waters of the Philippine Islands. [156-3.]
- (i) The gathering and dissemination of useful information concerning the mineral wealth and other natural resources of the Philippine Islands; the inculcation of knowledge concerning the best methods of utilizing such resources; and the encouragement of Philippine industries generally. [916-4; 1407-7 (b).]
- (j) The care of the scientific division of the Philippine Library, which shall be housed in the Bureau of Science.

SECTION 947. Ethnology of Non-Christian Peoples. – The ethnological investigations conducted by the Bureau of Science with reference to the non-Christian peoples shall take account of the name of each tribe, the limits of the territory which it occupies, the approximate number of individuals which compose it, their social organizations and their languages, beliefs, manners, and customs, with special view to determining the most practicable means for bringing about their advancement in civilization and material prosperity. [Comp., 1055.]

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SECTION 948. Ethnological Work to be Done Upon Request of Other Bureau. – The head of any Department of the Insular Government may, through the Secretary of the Interior, call upon the Director of the Bureau of Science to make investigation, through the ethnological staff, concerning any matters referring to the inhabitants of the Philippines upon which information may be needed. [253-1; 841-1; 1407-23 (b); Comp., 1056.]

SECTION 949. Special Laboratories – Accomplishment of Work for Other Bureaus. – The Bureau of Science shall maintain laboratories respectively devoted to biology, chemistry, and the manufacture of serums, in which shall be conducted all Government work appropriate to their several functions, whether required by the Bureau of Science itself or other Department or Bureau of the Insular Government. Work done in these laboratories shall be accomplished by the members of the staff of the Bureau of Science or, in the discretion of the Director of the Bureau of Science and subject to his supervision by properly qualified employees of the Department or Bureau for which the work may be done. [156-2, 3; 607-1 (b, e).]

SECTION 950. Investigations into Quality of Philippine Sugars and Means of Improving Same. – The Director of the Bureau of Science shall conduct, or cause to be conducted, investigations into the quality of Philippine sugars and the means of improving the same. The results of such investigations shall from time to time be published for the benefit of sugar producers. [1896-7.]

SECTION 951. Classification of Sugar in Cases of Dispute Between Contracting Parties. – In cases of dispute between contracting parties with respect to the classification of any sugar, any one of them may send to a sugar laboratory of the Bureau of Science a sample of the said sugar for its classification. The result of the classification made by the sugar chemist shall be set forth in a certified report which shall be transmitted in each case to the person sending the sample. A suitable portion of each sample of sugar the classification of which shall have been thus fixed, shall be deposited in a glass container which shall be closed with sealing wax, on which shall be stamped the seal of the Bureau of Science, and shall be properly marked so that it can be identified, and shall be transmitted to the person sending the sample. [1896-3.]

A classification of a sample of sugar thus made and certified shall be accepted by the court as determining the classification of the sugar in question, unless the adverse party shall prove it to be incorrect. [1896-4.]

SECTION 952. Establishment of Standard Samples by Sugar Chemist of Iloilo Laboratory. – It shall be the duty of the sugar chemist of the sugar laboratory at Iloilo, under regulations to be prescribed by the Director of the Bureau of Science, to fix and establish on or before the fifteenth day of November of each year, standard samples of sugars number one, number two, number three, superior damp, and current of Iloilo, which shall govern during the twelve months immediately following said fifteenth of November. [1896-1, 2.]

SECTION 953. Sale of Supplies and Performance of Work. – The Bureau of Science may sell to the public or to public functionaries for official use natural-history

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specimens, photographs, vaccine virus, serums, prophylactics, by-products, and such apparatus or supplies as are not procurable in the markets of Manila, and may perform analyses, make examinations, or do any other work within the scope of its functions for provincial and municipal governments or for the public. [Comp., 1050.]

Animals used in connection with the operation of the serum laboratory may be sold when no longer adapted to such use. [735-1; Comp., 1064.]

SECTION 954. Price of Serum Products. – The charge for virus, serums, and prophylactics, when furnished for official use, shall be fixed at the actual cost of producing or securing and furnishing the same; but these supplies, if manufactured by the serum laboratory, shall be furnished free of charge to the Philippine Health Service in such quantity as the Director of Health shall deem necessary for the work of said Philippine Health Service, when the Director of the Bureau of Science can furnish the same, without unduly depleting the stock necessary to the continuation of the work of the laboratory. [607-2; 728-1 (k); 1407-7 (o) ; Comp., 1050.]

SECTION 955. Charges for Work Done by Sugar Laboratory. – The charges to private persons for the determination of the degrees of polarization of sugar, and for the determination of its color, its hygrometric state, its granulation, and its crystallization shall not exceed the actual cost to the Government of performing the work. [1056-5, 6.]

SECTION 956. Museum of Bureau of Science – Aquarium at Manila. – The Bureau of Science shall be charged with the collection of specimens and exhibits of a scientific, educational, or commercial character; and by it shall be maintained in Manila a museum for their proper display. In making this collection special attention shall be devoted to the acquisition of material pertaining to the natural history, geology, and ethnology of the Philippine Islands and to their mineral and economic resources.

The Bureau of Science shall also maintain the Aquarium at Manila. [284-1; 1541-1.]

SECTION 957. Importation of Silkworms, Eggs, Cocoons, or Moths. – Silkworms, their eggs or cocoons, or the moths which produce silkworm eggs, shall not be imported into the Philippine Islands except by the Bureau of Science.

SECTION 958. Philippine Journal of Science. – As a vehicle for the publication of original contributions to scientific knowledge, the Director of the Bureau of Science shall publish and circulate, by subscription or otherwise, a periodical to be known as the Philippine Journal of Science.

CHAPTER 29 Weather Bureau

SECTION 960. Chief Officials of the Weather Bureau. – The Weather Bureau shall have one chief, three assistant chiefs, and one corresponding secretary, all appointed by the Governor-General and to be known respectively as the Director of the Weather Bureau, the Assistant Director of the Weather Bureau, the Chief of the

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Meteorological Division of the Weather Bureau, the Chief of the Astronomical Division of the Weather Bureau, and the Secretary of the Weather Bureau. [1407-11; 1416-1; 2319-1 (Weather Bur.)]

SECTION 961. Designation of Assistant to Serve as Acting Chief. – The Director of the Weather Bureau may, with the approval of the Secretary of the Interior, designate the Assistant Director, one of the chiefs of division or the secretary, who in the absence or disability of the Director, shall serve as Acting Director. [1407-11 (a).]

SECTION 962. Duties of the Director of Weather Bureau. – The Director shall maintain an efficient system of weather forecasts and storm warnings to be sent at his discretion to the commandants of the naval stations at Cavite and Olongapo, to the customhouse of Manila, to the public press, to all branch stations in telegraphic communication with the central office and to other persons who may ask for the warnings or be in particular need of them according to the judgment of the Director. When dangerous storms threaten any portion of the Archipelago, telegraphic warnings shall be sent to the threatened districts, through the governors of the respective provinces, if there is no branch station of the Weather Bureau in the capitals thereof.

The Director shall be in charge of the display of typhoon signals in Manila and in the other main harbors or cities of the Archipelago, these signals to be hoisted according to orders received from the Central Observatory.

Typhoon warnings shall be sent at the discretion of the Director to the Directors of the Central Meteorological Observatory of Japan, Formosa, and Indo-China, to the Directors of Hongkong and Zikawei (Shanghai) observatories, to the American consul at Hongkong, to the commandant of the harbor at Macao, and to such other persons as may be officially designated by other governments to receive them.

Daily weather maps of the Far East shall be prepared at the central office and distributed shortly after noon to some of the more prominent places of Manila for the benefit of the public. [1833-1.]

SECTION 963. Duties of Secretary of Weather Bureau. – The secretary of the Weather Bureau shall assist the Director in his official correspondence; shall have charge of the library; shall superintend the mailing department, and perform such other duties, scientific or administrative, as the Director may assign to him. [Comp., 1176 (a).]

SECTION 964. Office Hours of Certain Employees. – The official general forecaster of the Weather Bureau, or person acting for him in case of absence or disability, shall not be required to keep ordinary office hours but shall be guided in respect to his periods of daily duty by the directions of the Bureau chief.

When necessary duty beyond office hours or upon a holiday is required of any employee engaged in the weather or time service at the central station, an equal

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amount of time may be allowed him on a regular work day, if compatible with the requirements of the service.

SECTION 965. Publications of Weather Bureau. – The Director shall cause to be prepared and published for distribution a monthly bulletin and annual report.

The monthly bulletin shall contain some of the chief meteorological phenomena of the month, a comparison, if practicable, between the phenomena observed and normal conditions for the month in question, the discussion of typhoons, if there were any, with their approximate tracks, a note of all the earthquakes felt in the Philippines during the month with a discussion of the most important ones, and a complete list of the records of the microseismographic instruments.

The annual report shall contain the observations made at the central and branch stations, or such portions thereof as may be valuable, together with such other meteorological data and scientific discussion as the Director may deem advisable. With the approval of the Department head, the Director of the Weather Bureau shall from time to time cause to be prepared such reports, charts, and maps as the service shall require. When deemed desirable such material may be printed and published, subject to the same approval. [1833-1.]

SECTION 966. Daily Publication of Standard Time-Rating of Chronometers. – The Director shall cause standard time to be furnished daily to the city of Manila and to all branch stations in telegraphic communication with the central station. He shall further provide for the free rating of all chronometers brought to the Manila Observatory for this purpose. [131-14.]

SECTION 967. Stations of Weather Bureau. – The Manila Observatory shall be the central station of the Bureau. There shall also be maintained throughout the Philippine Islands at points to be determined by the Director of the Weather Bureau, with the approval of the Department head, such number of subordinate meteorological stations as may from time to time be provided for under the current appropriations. These stations shall be of four classes, namely: first-class stations, second-class stations, third-class stations, and rain stations. [Comp., 1178.]

SECTION 968. Meteorological Records to be Kept at Different Stations – Weather Reports. – At all subordinate stations such meteorological observations shall be taken and records kept as shall be prescribed in the regulations of the Weather Bureau; and reports of the same shall be forwarded to the central station at such intervals and in such manner as the Director of said Bureau shall require. [1833-1.]

SECTION 969. Spread of Typhoon Warnings. – All Weather Bureau observers shall communicate typhoon warnings received from the central office to the governor of the province or municipal president and shall otherwise give such publicity to them as may be possible, for the benefit of agriculture, commerce, and navigation. [1833-1.]

SECTION 970. Provincial Quarters for Weather Bureau Service. – In each province where a first, second, or third class station is maintained at the provincial capital, the

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provincial board shall, at the expense of the province, provide room adequate for the installation of the meteorological instruments and office equipment of the station and shall supply sleeping accommodations for the observers. The office, or station, shall be in the provincial building, if practicable. [368-1.]

SECTION 971. Municipal Quarters for Weather Bureau Service. – Likewise, in each municipality, not a provincial capital, where a first, second, or third class station is maintained, the municipal council shall, at the expense of the municipality, provide similar suitable accommodations for the service. [368-1, 2.]

SECTION 972. Determination of Adequacy of Accommodations Furnished. – The question of the adequacy of the accommodations furnished by provincial or municipal governments shall be determined by the Director of the Weather Bureau, subject to an appeal to the Governor-General, whose decision shall be final. [368-3.]

SECTION 973. Employment of Persons in Government Service as Weather Bureau Observers. – At subordinate stations where other suitable persons are not procurable the Director of the Weather Bureau may appoint any suitable Government employee to act as observer for and during such time as the head of the Department to which the employee in question pertains shall approve.

Persons so appointed may receive salaries as Weather Bureau observers in addition to their other compensation as Government employees. [661-1; Comp., 1182.]

SECTION 974. Right of Employees to Engage in Additional Employment. – Upon authorization by the Director of the Weather Bureau any third-class observer, rain observer, or assistant to a first-class observer, may engage in private business or accept employment from another branch of the Insular or Federal Government and receive compensation therefor; but additional Government employment shall be entered upon only after arrangement therefor shall have been mutually agreed upon between the Director of the Weather Bureau and the head of the other Bureau or Office concerned. [807-1.]

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ARTICLE IX

Testing and Sealing of Weights and Measures

xxx

SECTION 1683. Comparison of Secondary and Fundamental Standards. – The comparison of the secondary and fundamental standards shall be made in the Bureau of Science at the instance of the Collector of Internal Revenue. When found to be sufficiently accurate the secondary standard shall be distinguished by a label, tag, or seal and shall be accompanied by a certificate showing the amount of its variation from the fundamental standard. If the variation is of sufficient magnitude to impair the utility of the instrument, it shall be destroyed in the Bureau of Science. [2339-128.]

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CHAPTER 42 Bureau of Agriculture

xxx

ARTICLE II Animal Quarantine

SECTION 1866. Marking of Cattle Afflicted with Surra. — It shall be lawful for any duly authorized agent of the Bureau of Agriculture or of the Bureau of Science to mark any animal found to be afflicted with surra by fastening in its right ear a metal tag marked with the letter “S” and with a number. It shall be unlawful to remove any such tag affixed as provided in this section until the animal so marked has been pronounced free from surra by a duly authorized agent of the Bureau of Agriculture or of the Bureau of Science.

xxx

FINAL ARTICLE

Final Section. — The Governor-General may proclaim any part of this Act to be in effect at any time subsequent to the date of its passage and prior to the date upon which it would otherwise take effect. The Acts and parts of Acts enumerated in the following schedule are hereby repealed:

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ACT NO. 2711

AN ACT AMENDING THE ADMINISTRATIVE CODE

For the purpose of adapting it to the Jones Law and the Reorganization Act, Act Numbered Two thousand six hundred and fifty-seven, known as the Administrative Code, is hereby amended in certain particulars; and said Act shall hereafter read as follows:

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CHAPTER 49 Bureau of Science

SECTION 1871. Chief Officials of Bureau of Science. — The Bureau of Science shall have one chief and one assistant chief, designated, respectively, as the Director of the Bureau of Science and the Assistant Director of the Bureau of Science.

SECTION 1872. Function of Bureau of Science. — It shall be the function of the Bureau of Science to make investigations, conduct researches, and do work of a scientific nature and to coordinate and make available the results thereof as permanent contribution to knowledge.

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Among the particular duties to be accomplished and ends to be subserved by the Bureau of Science are these:

- (a) The conduct of researches in anthropology and ethnology among the inhabitants of the (Philippine Islands) Philippines.
- (b) The maintenance of a Government herbarium and of collections of insects and other natural-history specimens.
- (c) The conduct of researches in botany, entomology, ornithology, and zoology, and the accomplishment of biological work in general.
- (d) The establishment, equipment, and maintenance of laboratories, museums, and aquariums created or supported from (Insular) National funds or other funds under the control of the Bureau of Science.
- (e) The keeping, at Manila, of the fundamental standards of weights and measures for the (Philippine Islands) Philippines and instruments of precision; the comparison of the secondary standards therewith; and the certification of the secondary standard according to law.
- (f) The conduct of investigations into the causes, pathology, and methods of diagnosing and combating the diseases of man and of domesticated animals, and of animals utilized for food, and of plants useful to man.
- (g) The making of special investigations and the accomplishment of special work which may be needed by other Bureau or Office of the (Insular) National Government and which may require laboratory facilities or scientific knowledge of a specialized character.
- (h) The conduct and encouragement of investigations into the mineral resources and geology of the (Philippine Islands) Philippines; the collection of statistics concerning the occurrence of the economically important minerals and the methods pursued in making their valuable constituents available for commercial use.
- (i) The conduct of investigations into the quality, composition, or properties of articles of food and drink; of gums, resins, drugs, herbs, oils, and other plant products; of soils and fertilizers; of cement and other construction and commercial materials; and of the minerals and mineromedicinal waters of the (Philippine Islands) Philippines.
- (j) The gathering and dissemination of useful information concerning the mineral wealth and other natural resources of the (Philippine Islands) Philippines; the inculcation of knowledge concerning the best methods of utilizing such resources; and the encouragement of Philippine industries generally.
- (k) The care of the scientific division of the Philippine Library, which shall be housed in the Bureau of Science.

SECTION 1873. Ethnology of Non-Christian Peoples. – The ethnological investigations conducted by the Bureau of Science with reference to the non-Christian peoples shall take account of the names of each tribe, the limits of the territory which it occupies, the approximate number of individuals which compose it, their social organizations and their languages, beliefs, manners, and customs, with special view to determining the most practicable means for bringing about their advancement in civilization and material prosperity.

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SECTION 1874. Ethnological Work to be Done Upon Request of Other Bureau. – The head of any Department of the (Insular) National Government may, through the Department Head of the Bureau of Science, call upon the Director to make investigation, through the ethnological staff, concerning any matters referring to the inhabitants of the Philippines upon which information may be needed.

SECTION 1875. Special Laboratories – Accomplishment of Work for Other Bureaus. – The Bureau of Science shall maintain laboratories respectively devoted to biology, chemistry, and the manufacture of serums, in which shall be conducted all Government work appropriate to their several functions, whether required by the Bureau of Science itself or other Department or Bureau of the (Insular) National Government. Work done in these laboratories shall be accomplished by the members of the staff of the Bureau of Science or, in the discretion of the Director of the Bureau of Science and subject to his supervision, by properly qualified employees of the Department or Bureau for which the work may be done.

SECTION 1876. Investigations Into Quality of Philippine Sugars and Means of Improving Same. – The Director of the Bureau of Science shall conduct, or cause to be conducted, investigations into the quality of Philippine sugars and the means of improving the same. The results of such investigations shall from time to time be published for the benefit of sugar producers.

SECTION 1877. Classification of Sugar in Cases of Dispute Between Contracting Parties. – In cases of dispute between contracting parties with respect to the classification of any sugar, any one of them may send to a sugar laboratory of the Bureau of Science a sample of the said sugar for the classification. The result of the classification made by the sugar chemist shall be set forth in a certified report which shall be transmitted in each case to the person sending the sample. A suitable portion of each sample of sugar the classification of which shall have been thus fixed, shall be deposited in a glass container which shall be closed with sealing wax, on which shall be stamped the seal of the Bureau of Science, and shall be properly marked so that it can be identified, and shall be transmitted to the person sending the sample.

A classification of a sample of sugar thus made and certified shall be accepted by the court as determining the classification of the sugar in question, unless the adverse party shall prove it to be incorrect.

SECTION 1878. Establishment of Standard Samples by Sugar Chemist of Iloilo Laboratory. – It shall be the duty of the sugar chemist of the sugar laboratory at Iloilo, under regulations to be prescribed by the Director of the Bureau of Science, duly approved by the proper Head of the Department, to fix and establish on or before the fifteenth day of November of each year, standard samples of sugars number one, number two, number three, superior damp, and current of Iloilo, which shall govern during the twelve months immediately following said fifteenth of November.

SECTION 1879. Sale of Supplies and Performance of Work. – The Bureau of Science, with the approval of the proper Head of the Department, may sell to the

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public or to public functionaries for official use natural-history specimens, photographs, vaccine virus, serums, bacterial vaccines, prophylactics, by-products, and such apparatus or supplies as are not procurable in the markets of Manila, and may perform analyses, make examinations, or do any other work within the scope of its functions for provincial and municipal governments or for the public.

Animals used in connection with the operation of the serum laboratory may be sold, with the approval of the proper Head of the Department, by the Director of the Bureau of Science at public or private sale, when no longer adapted to such use.

SECTION 1880. Price of Serum Products. – The charge for virus, serums, and prophylactics, when furnished for official use, shall be fixed at the actual cost of producing or securing and furnishing the same; but these supplies, if manufactured by the serum laboratory, shall be furnished to the (Philippine Health Service) Bureau of Health in such quantity as the Director of Health shall deem necessary for the work of said (Philippine Health Service) Bureau of Health, when the Director of the Bureau of Science can furnish the same, without unduly depleting the stock necessary to the continuation of the work of the laboratory.

SECTION 1881. Charges for Work Done by Sugar Laboratory. – The charges to private persons for the determination of the degrees of polarization of sugar, and for the determination of its color, its hydrometric state, its granulation, and its crystallization shall not exceed the actual cost to the Government of performing the work.

SECTION 1882. Museum of Bureau of Science – Aquarium at Manila. – The Bureau of Science shall be charged with the collection of specimens and exhibits of a scientific, educational, or commercial character; and by it shall be maintained in Manila a museum for their proper display. In making this collection special attention shall be devoted to the acquisition of material pertaining to the natural history, geology, and ethnology of the (Philippine Islands) Philippines and to their mineral and economic resources.

The Bureau of Science shall also maintain the Aquarium at Manila.

SECTION 1883. Importation of Silkworms, Eggs, Cocoons, or Moths. – Silkworms, their eggs or cocoons, or the moths which produce silkworm eggs, shall not be imported into the (Philippine Islands) Philippines except by the Bureau of Science.

SECTION 1884. Philippine Journal of Science. – As a vehicle for the publication of original contributions to scientific knowledge, the Director of the Bureau of Science shall publish and circulate, by subscription or otherwise, a periodical to be known as the Philippine Journal of Science.

CHAPTER 50 Weather Bureau

SECTION 1885. Chief Officials of the Weather Bureau. – The Weather Bureau shall have one chief and one assistant chief, to be known as Director and Assistant

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Director, respectively, and three officials appointed by the Secretary of Agriculture and (Natural Resources) Commerce, who shall be assigned to be the heads of one or more divisions of the Weather Bureau and shall bear the designation of chief of the division or divisions to which they are assigned.

[2657-960; 2952-1.]

SECTION 1886.[Designation of Assistant to Serve as Acting Chief.] – (Repealed)
[2657-961.]

SECTION 1887. Duties of the Director of Weather Bureau. – The Director shall maintain an efficient system of weather forecasts and storm warnings to be sent at his discretion to the commandants of the naval stations at Cavite and Olongapo, to the customhouse of Manila, to the public press, to all branch stations in telegraphic communication with the central office, and to other persons who may ask for the warnings or be in particular need of them according to the judgment of the Director. When dangerous storms threaten any portion of the Archipelago, telegraphic warnings shall be sent to the threatened districts, through the governors of the respective provinces, if there is no branch station of the Weather Bureau in the capitals thereof.

The Director shall be in charge of the display of typhoon signals in Manila and in the other main harbors or cities of the Archipelago, these signals to be hoisted according to orders received from the Central Observatory.

Typhoon warnings shall be sent at the discretion of the Director to the Directors of the Central Meteorological Observatory of Japan, Formosa, and Indo-China, to the Directors of Hongkong and Zikawei (Shanghai) observatories, to the American consul at Hongkong, to the commandant of the harbor at Macao, and to such other persons as may be officially designated by other governments to receive them.

Daily weather maps of the Far East shall be prepared at the central office and distributed shortly after noon to some of the more prominent places of Manila for the benefit of the public. [2657-962.]

SECTION 1888. Powers and Duties of Assistant Director. – The Assistant Director of the Weather Bureau shall aid the Director in his official correspondence, shall have charge and direction of the mailing department and supervision over the observers, and shall perform such other duties, scientific or administrative, as the Director may assign to him. [2657-963; 2952-3.]

SECTION 1889. Office Hours of Certain Employees. – The official general forecaster of the Weather Bureau, or person acting for him in case of absence or disability, shall not be required to keep ordinary office hours but shall be guided in respect to his periods of daily duty by the directions of the Bureau Chief.

When necessary duty beyond office hours or upon a holiday is required of any employee engaged in the weather or time service at the central station, an equal amount of time may be allowed him on a regular work day, if compatible with the requirements of the service. [2657-964.]

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SECTION 1890. Publications of Weather Bureau. – The Director shall cause to be prepared and published for distribution a monthly bulletin and annual report.

The monthly bulletin shall contain some of the chief meteorological phenomena of the month, a comparison, if practicable, between the phenomena observed and normal conditions for the month in question, the discussion of typhoons, if there were any, with their approximate tracks, a note of all the earthquakes felt in the Philippines during the month with a discussion of the most important ones, and a complete list of the records of the microseismographic instruments. The discussion of any other meteorological, seismic, magnetic, or astronomical observations may also be included in this Bulletin.

The annual report shall contain the observations made at the central and branch stations, or such portions thereof as may be valuable, together with such data and scientific discussion as the Director may deem advisable.

With the approval of the Department Head, the Director of the Weather Bureau shall from time to time cause to be prepared such meteorological, seismic, magnetic, and astronomical reports, charts, and maps as the service shall require. When deemed desirable such material may be printed and published, subject to the same approval. [2657–965.]

SECTION 1891. Daily Publication of Standard Time – Rating of Chronometers. – The Director shall cause standard time to be furnished daily to the City of Manila and to all branch stations in telegraphic communication with the central station. He shall further provide for the free rating of all chronometers brought to the Manila Observatory for this purpose. [2657–966.]

SECTION 1892. Stations of Weather Bureau. – The Manila Observatory shall be the central station of the Bureau. There shall also be maintained throughout the (Philippine Islands) Philippines at points to be determined by the Director of the Weather Bureau, with the approval of the Department Head, such number of subordinate meteorological stations as may from time to time be provided for under the current appropriations. These stations shall be of four classes, namely: first-class stations, second-class, stations, third-class stations, and rain stations. [2657–967.]

SECTION 1893. Meteorological Records to be Kept at Different Stations – Weather Reports. – At all subordinate stations such meteorological observations shall be taken and records kept as shall be prescribed in the regulations of the Weather Bureau; and reports of the same shall be forwarded to the central station at such intervals and in such manner as the Director of said Bureau shall require. [2657–968.]

SECTION 1894. Spread of Typhoon Warnings. – All Weather Bureau observers shall communicate typhoon warnings received from the central office to the governor of the province or municipal (president) mayor and shall otherwise give such publicity to them as may be possible, for the benefit of agriculture, commerce, and navigation. [2657–969.]

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SECTION 1895. Provincial Quarters for Weather Bureau Service. – In each province where a first, second, or third-class station is maintained at the provincial capital, the provincial board shall, at the expense of the province, provide room adequate for the installation of the meteorological instruments and office equipment of the station and shall supply sleeping accommodations for the observers. The office, or station, shall be in the provincial building, if practicable. [2657–970.]

SECTION 1896. Municipal Quarters for Weather Bureau Service. – Likewise, in each municipality, not a provincial capital, where a first-, second-, or third-class station is maintained, the municipal council shall, at the expense of the municipality, provide similar suitable accommodations for the service. [2657–971.]

SECTION 1897. Determination of Adequacy of Accommodations Furnished. – The question of the adequacy of the accommodations furnished by provincial or municipal governments shall be determined by the Director of the Weather Bureau subject to an appeal to the (Governor-General) President of the Philippines, whose decision shall be final. [2657–972.]

SECTION 1898. Employment of Persons in Government Service as Weather Bureau Observers. – At subordinate stations where other suitable persons are not procurable the Director of the Weather Bureau may appoint any suitable Government employee to act as observer for and during such time as the head of the Department to which the employee in question pertain shall approve. Persons so appointed may receive salaries as Weather Bureau observers in addition to their other compensation as Government employees. [2657–973.]

SECTION 1899. Right of Employees to Engage in Additional Employment. – Upon authorization by the Head of the Department any third-class observer, rain observer, or assistant to a first-class observer, may engage in private business or accept employment from another branch of the (Insular) National or Federal Government and receive compensation therefor; but additional Government employment shall be entered upon only after arrangement therefor shall have been mutually agreed upon between the Head of the Department and the head of the other Bureau or Office concerned.

Approved by the Governor-General, March 10, 1917.

REPUBLIC ACT NO. 51

AN ACT AUTHORIZING THE PRESIDENT OF THE PHILIPPINES TO REORGANIZE WITHIN ONE YEAR THE DIFFERENT EXECUTIVE DEPARTMENT, BUREAUS, OFFICES, AGENCIES AND OTHER INSTRUMENTALITIES OF THE GOVERNMENT, INCLUDING THE CORPORATIONS, OWNED OR CONTROLLED BY IT

Section 1. In order to meet the exigencies attendant upon the establishment of the free and independent Government of the Republic of the Philippines, and for the purpose of promoting simplicity, economy and efficiency in its operation, the President of the Philippines is authorized to effect by executive order from time to time, for a period not exceeding one year from the date of the approval of this Act,

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and within the limits of the total authorized appropriation for the fiscal year nineteen hundred and forty-seven, such reforms and changes in the different executive departments, bureaus, offices, agencies, and other instrumentalities of the Government, including the corporations owned or controlled by the Government, as he may deem necessary, with the power to diminish, add to or abolish those existing and create new ones; consolidate related undertakings; transfer functions, appropriations, equipment, property, records, and personnel from one department, bureau, office, agency or instrumentality to another; eliminate duplicated services or authorize new ones not provided for; classify, combine, split or abolish positions; standardize salaries; and do whatever is necessary and desirable to effect economy and promote efficiency in the government service.

Section 2. Officers and employees whose positions are abolished or who may be separated from the service as a consequence of the reorganization provided in this Act shall not lose their civil service eligibility for a period of ten years from the date of their separation from the service. In case an office needs the services of additional personnel, preference in the appointment shall be given to the officers or employees who may be separated from the service as a result of this reorganization and in accordance with the recommendation of the Commissioner of Civil Service.

Section 3. Any action taken by the President pursuant to the provisions of this Act shall be immediately reported to Congress and shall be valid and subsisting until Congress shall provide otherwise.

Section 4. This Act shall take effect upon its approval.

Approved: October 4, 1946

EXECUTIVE ORDER NO. 94

REORGANIZING THE DIFFERENT EXECUTIVE DEPARTMENTS,
BUREAUS, OFFICES, AND AGENCIES OF THE GOVERNMENT OF THE
REPUBLIC OF THE PHILIPPINES, MAKING CERTAIN
READJUSTMENTS OF PERSONNEL AND REALLOTMENTS OF FUNDS
IN CONNECTION THEREWITH, AND FOR OTHER PURPOSES

By virtue of the powers vested in me by Republic Act Numbered Fifty-one, I, MANUEL ROXAS, President of the Philippines, do hereby order —

SECTION 1. *Section seventy-four of the Revised Administrative Code, as amended, is hereby further amended to read as follows:*

“SEC. 74. Departmental organization. — All executive functions of the Government of the Republic of the Philippines shall be directly under the Executive Department, subject to the supervision and control of the President of the Philippines in matters of general policy. The Departments are established for the proper distribution of the work of the Executive, for the performance of the functions expressly assigned to them by law, and in order that each branch of the administration may have a chief responsible for its direction and policy. Each Department Secretary shall assume the

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burden of, and responsibility for, all activities of the Government under his control and supervision.

“For administrative purposes, the President of the Philippines shall be considered the Department Head of the Executive Office, the Budget Commission, the Institute of Science, the Bureau of Civil Service, the Civil Service Board of Appeals, the National Commission on Educational, Scientific and Cultural Matters, the National Research Council, the National Economic Council, the Government Quarters Committee, the Board on Pensions for Veterans, the Council of National Defense, the Philippines Heraldry Committee, and of all other offices and branches of the service not assigned by law to any Department.”

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SECTION 4. *Section seventy-seven of the Revised Administrative Code, as amended, is hereby further amended to read as follows:*

“SEC. 77. Appointment of Secretaries. — The Secretaries of Departments shall be appointed by the President of the Philippines, with the consent of the Commission on Appointments of the Congress, at the beginning of his term of office, and shall hold office, unless sooner removed, until the expiration of his term of office, or until their successors shall have been appointed and qualified.”

SECTION 5. *Section seventy-eight of the Revised Administrative Code, as amended, is hereby further amended to read as follows:*

“SEC. 78. Qualifications of Secretaries. — All Secretaries shall have the following qualifications: Be a citizen of the Philippines and have resided in the Philippines continuously during the three years next preceding his appointment and be not less than thirty years of age.”

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Office of the President of the Philippines

Institute of Science — Board of Regents

SECTION 19. The Bureau of Science is hereby renamed “Institute of Science” and placed under the executive supervision of the President of the Philippines. The Institute of Science shall be governed by a Board of Regents which is hereby created, consisting of a Chairman and eight members who shall all be appointed by the President of the Philippines with the consent of the Commission on Appointments of the Congress for a term of three years: Provided, That the members first appointed shall hold office as follows: the Chairman and four members for two years and four for three years, the term of office of each member to be specified in his appointment by the President. All vacancies, except through expiration of the term, shall be filled for the unexpired term only. There shall be a Director of Science to carry out the resolutions of the Board of Regents. He shall be appointed by the President with the consent of the Commission on Appointments of the Congress.

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SECTION 20. The Institute of Science shall have such powers, functions, and activities as are now by law vested in the Bureau of Science including particularly the following:

- (a) The conduct of regional researches and investigation in the basic science of industry;
- (b) The conduct of researches, investigations, and experiments of a technical nature to find new uses for raw materials and their by-products;
- (c) The conduct of researches, investigations, and experiments bearing on industry, on industrial plant scale, whether under government auspices or under the auspices of corporations owned or controlled by the Government or private enterprises, on a basis of cooperation approved by the Board of Regents;
- (d) The testing or verifying under local conditions of the results of researches, investigations, and experiments obtained elsewhere that may have application to Philippine industries and their problems;
- (e) The conduct of research and experimentation regarding the possibility of aircraft construction and the use of Philippine materials in such construction, as provided under subsection (b), section six, of Commonwealth Act Numbered One hundred sixty-eight, which function shall be transferred from the Civil Aeronautics Administration to the Institute of Science; and
- (f) The conduct of such researches and experiments including those that are of fundamental nature incidental but indispensable thereto, as will benefit industry and, in other ways, increase, promote and improve industrial production.

SECTION 21. The Board of Regents shall exercise the following specific powers:

- (a) To guide and control the Director of Science in the administration of all the funds appropriated for the maintenance and operation of the Institute of Science, or received in the manner indicated in sections twenty-three and twenty-five hereof;
- (b) To decide on the program of industrial research and to act on the budget of the Institute submitted by the Director of Science; and
- (c) To promulgate rules and regulations for the establishment of fellowships in accordance with the provisions of the subsequent sections hereof.

SECTION 22. The several bureaus and offices of the Executive Branch of the Government, the University of the Philippines, and the corporations owned or controlled by the Government may assign to the Institute of Science such personnel as the Director of Science and the head of the corresponding department or organization may agree upon, either to pursue a separate research or experiment in relation to industries not being undertaken by the Institute of Science, or to assist in the conduct of a research or experiment on a fellowship basis.

SECTION 23. The bureaus, offices, agencies or instrumentalities of the Government, including corporations owned or controlled by the Government, private individuals, corporations, and enterprises may grant subsidy or contribution to the Institute of Science for the conduct of whatever research, study, or investigation they may desire the Institute of Science to undertake but such research,

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study, or investigation shall be carried on under the direction and supervision of the said Institute.

SECTION 24. The personnel, equipment, and other facilities of the Institute of Science shall be available to researchers that may be detailed to the said Institute under fellowship conditions, as provided in this Executive Order and approved by the Board of Regents.

SECTION 25. The Board of Regents is authorized to receive for the Institute of Science subsidies, endowments, bequests, and donations and use the same for such purposes as the donors may specify. In the absence of the express wishes of the donors, all such contributions shall form part of the fund of the Institute and shall be available for such expenditure as may be authorized by the Board of Regents.

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Institute of Nutrition

SECTION 30. There is hereby created, in the Executive Office, an Institute of Nutrition which shall serve as a clearing-house of data and information concerning nutrition; shall advise, guide, and give suggestions towards a coordination of all experimental work, objectives, and results of nutritional experiments being undertaken by the different units of the Government and by all private organizations; shall foster and encourage harmonious cooperation among the said units, private institutions and other organizations engaged in various activities in order to promote a national nutrition program; and shall seek close adherence to, and correlated execution of, the said program after its approval by the President. This Institute shall be composed of a Chairman and ten members, who shall all be appointed by the President of the Philippines with the consent of the Commission on Appointments of the Congress for a term of four years: *Provided*, That the members first appointed shall hold office as follows: the Chairman and three members for two years, three members for three years, and four for four years, the term of office of each member to be specified in his appointment by the President. All vacancies, except through expiration of the term, shall be filled for the unexpired term only. There shall be a Director of Nutrition who shall be appointed by the President, with the consent of the Commission on Appointments of the Congress.

The Institute of Nutrition is authorized to receive subsidies, endowments, bequests, and donations and use the same for such purposes as the donors may specify. In the absence of the express wishes of the donors, all such contributions shall form part of the fund of the Institute and shall be available for such expenditures as may duly be authorized by the said Institute.

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Effective Date

SECTION 174. This Order shall take effect as of July first, nineteen hundred and forty-seven, except where otherwise stated.

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DONE in the City of Manila, this fourth day of October, in the year of Our Lord, Nineteen Hundred and Forty-Seven and of the Independence of the Philippines, the second.

MALACAÑANG
MANILA
BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 392

FURTHER REORGANIZING THE DIFFERENT DEPARTMENTS, BUREAUS, OFFICES AND AGENCIES OF THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES, MAKING CERTAIN READJUSTMENTS OF PERSONNEL AND REALLOTMENTS OF FUNDS IN CONNECTION THEREWITH, AND FOR OTHER PURPOSES.

Pursuant to the powers vested in me by Republic Act Numbered Four hundred and twenty-two, I, Elpidio Quirino, President of the Philippines do hereby order:

SECTION 1. *Section seventy-four of the Revised Administrative Code, as amended, is hereby further amended to read as follows:*

“SEC. 74. *Departmental Organization.* —All executive functions of the Government of the Republic of the Philippines shall be directly under the Executive Department, subject to the supervision and control of the President of the Philippines in matters of general policy. The Departments are established for the proper distribution of the work of the Executive, for the performance of the functions expressly assigned to them by law, and in order that each branch of the administration may have a chief responsible for its direction and policy. Each Department Secretary shall assume the burden of, and responsibility for, all activities of the Government under his control and supervision.

“For administrative purposes, the President of the Philippines shall be considered the Department Head of the Executive Office, the Local Governments, the Budget Commission, the Bureau of Civil Service, the Civil Service Board of Appeals, the National Economic Council, the National Security Council, the Philippines Heraldry Committee, the National Intelligence Coordinating Agency, the Import Control Administration, the Philippine Information Council, the National Planning Commission, the Social Welfare Administration, the Philippine Charity Sweepstakes Office, the Civilian Emergency Administration, the Board of Review for Moving Pictures and all other offices and branches of the service not assigned by law to any Department. The President’s Action Committee on Social Amelioration and the Social Welfare Commission are hereby merged to constitute the Social Welfare Administration.”

SEC. 2. *Section seventy-five of the Revised Administrative Code, as amended, is hereby further amended to read as follows:*

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“SEC. 75. *Executive Departments.*—There shall be ten executive departments, to wit: the Department of Foreign Affairs, the Department of Finance, the Department of Justice, the Department of Agriculture and Natural Resources, the Department of Public Works and Communications, the Department of Education, the Department of Labor, the Department of National Defense, the Department of Health and the Department of Commerce and Industry, which shall be under the direct control of the respective Secretaries of Departments, exercising their functions subject to the general supervision and control of the President of the Philippines.

SEC. 3. *Section seventy-six of the Revised Administrative Code, as amended, is hereby further amended to read as follows:*

“SEC. 76. *Secretaries of Departments.*—The Department of Foreign Affairs shall perform its functions under the executive authority of the Secretary of Foreign Affairs; the Department of Finance shall perform its functions under the executive authority of the Secretary of Finance; the Department of Justice shall perform its functions under the executive authority of the Secretary of Justice; the Department of Agriculture and Natural Resources shall perform its functions under the executive authority of the Secretary of Agriculture and Natural Resources; the Department of Public Works and Communications shall perform its functions under the executive authority of the Secretary of Public Works and Communications; the Department of Education shall perform its functions under the executive authority of the Secretary of Education; the Department of Labor shall perform its functions under the executive authority of the Secretary of Labor; the Department of National Defense shall perform its functions under the executive authority of the Secretary of National Defense; the Department of Health shall perform its functions under the executive authority of the Secretary of Health; the Department of Commerce and Industry shall perform its functions under the executive authority of the Secretary of Commerce and Industry.”

SEC. 4. Effective July first, nineteen hundred and fifty-one, the scale of the *minimum* and *maximum* rates of compensation of government officers or employees possessing different civil service eligibilities shall be as follows:

		Minimum	Maximum
(a)	First grade eligibles	₱1,920	No limit
(b)	Second grade eligibles	1,440	₱2,760
(c)	Third grade eligibles	1,140	1,800
(d)	Senior stenographers	1,920	No limit
(e)	Junior stenographers	1,440	2,760
(f)	Senior typists	1,560	2,940
(g)	Junior typists	1,320	2,400

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PHILIPPINE INFORMATION COUNCIL

SEC. 5. The Radio Broadcasting Board is hereby abolished, and all the personnel, powers, duties, functions, activities, equipment, materials, properties, records and the unexpended balances of funds or appropriations pertaining to said Board are transferred to the Philippine Information Council created under Executive Order Numbered Three hundred and forty-eight, dated September twenty-ninth, nineteen hundred and fifty, as amended.

BUREAUS AND OFFICES UNDER THE EXECUTIVE OFFICE

SEC. 6. *Section twenty-eight of Executive Order Numbered Ninety-four, dated October four, nineteen hundred and forty-seven, is hereby amended to read as follows:*

“SEC. 28. The Executive Secretary shall have immediate supervision and control over the Bureau of Printing, the Fire Prevention Board and the Games and Amusements Board.”

SEC. 7. There is hereby created under the executive supervision of the Executive Secretary an office to be known as the Games and Amusements Board to be composed of three members appointed by the President with the consent of the Commission on Appointments. The powers, duties and functions of the Racing Commission, the Boxing and Wrestling Commission and the Jai-Alai are hereby consolidated and transferred to, and shall be assumed and exercised by, the Games and Amusements Board. One member of the Board shall administer and supervise all activities on horse racing, the other member shall administer and supervise all activities on boxing and wrestling, and the third member shall administer and supervise the Jai-Alai.

DEPARTMENT OF FOREIGN AFFAIRS

SEC. 8. *Bureaus and offices under the Department of Foreign Affairs.*—The Department of Foreign Affairs shall have executive supervision over the Board of Foreign Affairs Service Personnel, Examination and Review; the Office of Political and Economic Affairs; the Office of Administration, Controls and Foreign Service Affairs; the Office of International Social and Cultural Affairs; and over the Embassies, Legations, Consulates and other offices or units composing the Foreign Service of the Republic of the Philippines.

SEC. 9. *Abolition of National Commission on Educational, Scientific and Cultural Matters.* — The National Commission on Educational, Scientific and Cultural Matters is hereby abolished, and all its powers, duties and functions, and its records, property, equipment and personnel, except the Chairman, the members and the executive secretary, are transferred to the Department of Foreign Affairs.

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DEPARTMENT OF FINANCE

SEC. 10. *Section eighty-one of the Revised Administrative Code, as amended, is hereby further amended to read as follows:*

” SEC. 81. *Bureaus and offices under the Department of Finance.* —The Department of Finance shall have executive supervision over the Bureau of Customs, the Bureau of Internal Revenue, the Bureau of the Treasury, the Office of the Insurance Commissioner, the Bureau of Supply and the Tobacco Board. It shall also have general supervision over the financial affairs and financial agencies of provincial, municipal and city governments, and, except as otherwise specially provided, over all funds the investment of which may be authorized by law.”

SEC. 11. The position of Collector of Customs for the Port of Manila is hereby converted into Deputy Commissioner of Customs with the rank and duties of an assistant chief of a bureau or office. He shall be appointed by the President of the Philippines with the consent of the Commission on Appointments and shall receive a compensation of seven thousand two hundred pesos per annum. The Deputy Commissioner of Customs shall perform the duties and functions of the Commissioner of Customs during the absence or disability of the latter. In addition to his regular duties he shall be ex-officio Collector of Customs for the Port of Manila. The Port of Manila is hereby placed for administrative purposes under the immediate supervision of the Collector of Customs for the Port of Manila.

SEC. 12. The Procurement Office is hereby changed to and shall hereafter be known as the Bureau of Supply.

PHILIPPINE PURCHASING AGENCY IN NEW YORK

SEC. 13. The Philippine Purchasing Agency in New York as provided in item F-IV-9, Republic Act Numbered Five hundred and sixty-three, is hereby abolished, and the Secretary of Finance is authorized to effect, subject to the approval of the President, the proper disposition of the furniture, supplies, equipment, property, books and records, including the unexpended balance of the Philippine Purchasing Agency Revolving Fund, established by Executive Order Numbered Eighty-one, series of nineteen hundred and forty-five.

DEPARTMENT OF JUSTICE

SEC. 14. *The first paragraph of section eighty-three of the Revised Administrative Code, as amended, is hereby further amended to read, as follows:*

“SEC. 83. *Bureaus and offices under the Department of Justice.*—The Department of Justice shall have executive supervision over the Office of the Solicitor General, the Courts of First Instance and the Inferior Courts, the Public Service Commission, the Bureau of Prisons, the General Land Registration Office, the Court of Industrial Relations, the National Bureau of Investigation, the Bureau of Immigration, the Board of

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Pardons and Parole, the Deportation Board, the Code Commission, and the Office of the Government Corporate Counsel. It shall also have general supervision and control of the provincial sheriffs and all law officers of the Government, the provincial and city fiscals or attorneys and other prosecuting officers.”

SEC. 15. The legal Aid Office Created under Republic Act Numbered Eighty, and the Office of People’s Counsel created under the provisions of Section Thirty-eight of Commonwealth Act Numbered One hundred and forty-six, as amended, are hereby abolished.

SEC. 16. The Office of Special Attorneys created under Republic Act Numbered Three hundred and eleven, is hereby abolished and its powers, functions, and duties shall be assumed by the provincial and city fiscals.

SEC. 17. The Tenancy Law Enforcement Division created under Commonwealth Act Numbered Four hundred and thirteen, is hereby abolished and its personnel, powers, duties and functions, records, property and equipment shall be transferred to the Court of Industrial Relations.

DEPARTMENT OF AGRICULTURE AND NATURAL RESOURCES

SEC. 18. *Section eighty-four of the Revised Administrative Code, as amended, is hereby further amended to read as follows:*

“SEC. 84. *Bureaus and offices under the Department of Agriculture and Natural Resources.*— The Department of Agriculture and Natural Resources shall have executive supervision over the Bureau of Plant Industry, the Bureau of Animal Industry, the Bureau of Forestry, the Bureau” of Lands, the Bureau of Mines, the Bureau of Fisheries, the Fiber Inspection Service, matters pertaining to colonies and plantations of public lands, and matters concerning hunting, fisheries, sponges, and other sea-products, including the issuance of licenses therefor.”

DEPARTMENT OF PUBLIC WORKS AND COMMUNICATIONS

SEC. 19. *Section eighty-five of the Revised Administrative Code, as amended, is hereby further amended to read as follows:*

“SEC. 85. *Bureaus and offices under the Department of Public Works and Communications.* — The Department of Public Works and Communications shall have executive supervision over the Bureau of Public Works, the Bureau of Posts, the Bureau of Telecommunications, the Motor Vehicles Office, the Irrigation Council, the Flood Control Commission, the National Transportation Board, the Radio Control Board and the Government Quarters Committee.”

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TRANSFER OF RADIO CONTROL BOARD AND RADIO CONTROL DIVISION

SEC. 20. The Radio Control Board under the Department of Commerce and Industry, together with its personnel, powers, duties, functions, activities, records, equipment, properties and unexpended balances of funds or appropriations, is hereby transferred to the Department of Public Works and Communications.

SEC. 21. The Radio Control Division under the Department of Commerce and Industry, together with its personnel, powers, duties, functions, activities, records, equipment and properties, are hereby transferred to the Radio Control Board.

REORGANIZATION OF RADIO CONTROL BOARD

SEC. 22. The Radio Control Board is hereby reorganized to be composed of the Undersecretary of Public Works and Communications, as Chairman, the Director of Information, the Collector of Internal Revenue, the Director of Public Schools and the Director of Posts, as members. The President may appoint additional members if the needs of the service require. The Chief of the Radio Control Division of the Bureau of Telecommunications shall be the Secretary of the Radio Control Board.

DEPARTMENT OF EDUCATION

SEC. 23. *Section eighty-two of the Revised Administrative Code, as amended, is hereby further amended to read as follows:*

“SEC. 82. *Bureaus and offices under the Department of Education.* —The Department of Education shall have exclusive supervision over the Bureau of Public Schools, the Bureau of Private Schools, the Bureau of Public Libraries and Museum, the Board on Textbooks, the Institute of National Language and the Philippines Historical Committee.”

SEC. 24. The National Museum under the Executive Office is hereby abolished and all its powers, duties, functions, records, properties, equipment and personnel, except the Director, are hereby transferred to the Bureau of Public Libraries and Museum which shall hereafter be known as the Bureau of Public Libraries and Museum.

SEC. 25. The Committee on School Health for Medical and Dental Services, now functioning under the Office of the President, is hereby transferred, together with its personnel, powers, duties, functions, activities, equipment, materials and records, to the executive supervision of the Department of Health.

The Secretary of Health shall be the Chairman of the Committee on School Health for Medical and Dental Services.

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The Medical and Dental Services being administered by the aforesaid committee shall be transferred from the Bureau of Public Schools to the Bureau of Health.

A Division of Home Economics is hereby created in the Bureau of Public Schools.

SEC. 26. The present Central Luzon Agricultural School located in Muñoz, Nueva Ecija, is hereby changed to Central Luzon Agricultural College which shall offer, in addition to its present four-year secondary agricultural course, one-year farm mechanics course and its special courses, also a two-year, a four-year, and a post-graduate course leading to the title of Associate in Agricultural Education and the degree of Bachelor of Science in Agricultural Education, and Master of Science in Agricultural Education, respectively.

TRANSFER OF PHILIPPINE NAUTICAL SCHOOL

SEC. 27. The Philippine Nautical School, at present under the Philippine Naval Patrol, is hereby transferred, together with its personnel, powers, duties, functions, activities, properties, equipment, materials and records, to the control and supervision of the Bureau of Public Schools.

COPYRIGHT FUNCTIONS RESTORED TO BUREAU OF PUBLIC LIBRARIES AND MUSEUM

SEC. 28. The powers, duties and functions concerning the administration of the Copyright Law, vested in the Patent Office pursuant to the provisions of Republic Act Numbered One hundred and sixty-seven, are hereby transferred, together with the records, equipment and personnel concerned therewith, to the Bureau of Public Libraries and Museum.

DEPARTMENT OF LABOR

SEC. 29. *Section four of Act Numbered Four thousand one hundred and twenty-seven, as amended, is hereby further amended to read as follows:*

“SEC. 4. *Bureaus and offices under the Department of Labor.*—The Department of Labor shall have executive supervision over the Bureau of Labor, the Labor-Management Advisory Board, the Placement Bureau, and all bureaus, divisions and offices hereafter created concerning labor alone and labor in its relation with capital, and also the proper enforcement of all laws relative to labor and capital in the Philippines and over all other matters related to the welfare of the Filipino laborers in this country and abroad.

“The Secretary of Labor shall be the Chairman of the Labor-Management Advisory Board.”

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PLACEMENT BUREAU

SEC. 30. There is hereby created an office to be known as the Placement Bureau under the executive supervision of the Department of Labor. It shall have a chief to be known as Director of Replacement whose compensation shall be seven thousand two hundred pesos per annum.

SEC. 31. The Placement Bureau shall assist applicants for employment in the civil service of the Government with a view to placing them in suitable positions for which they are duly qualified, taking into consideration civil service rules and regulations. It shall, from time to time, gather and compile statistical data relative to the vacancies occurring in the different executive departments, bureaus, offices, agencies, and other instrumentalities of the Government including the corporations owned or controlled by it.

SEC. 32. To facilitate the employment of applicants for positions in the civil service, the Director of Placement shall, in consultation with the Commissioner of Civil Service, prepare a list of eligibles qualified for appointment to the various vacancies in the civil service. The list shall be arranged according to priority of choice and only those whose names are submitted by the Director of Placement shall be considered for appointment in the office where the vacancy exists. No appointment shall be approved by the Bureau of Civil Service.

SEC. 33. The Placement Bureau shall also assist in the employment of private persons in private establishments and to this end it shall:

- (a) Keep a register of *bona fide* applicants for private employment and provide free placement service for labor of all types.
- (b) Collect and analyze in cooperation with the Director of the Bureau of Census and Statistics the fullest available information on the employment situation.
- (c) Encourage and assist private organizations in social and economic planning calculated to insure a favorable employment situation.
- (d) Cooperate in the administration of such employment insurance or assistance schemes and other measures as may be established for the relief of the unemployed.
- (e) Administer Act No. 2486 entitled "An Act fixing a tax upon every person or entity engaged in recruiting or contracting laborers in the Philippines, and amending subsection (a) of section fifty-three of Act Numbered Twenty hundred and thirty-nine.

SEC. 34. The Secretary of Labor, with the approval of the President, shall promulgate the necessary rules and regulations to carry into effect the aims and purposes of the Placement Bureau.

SEC. 35. The Labor Placement Division of the Bureau of Labor is hereby abolished and all its personnel, activities and functions, records, properties and equipment are hereby transferred to the Placement Bureau.

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ABOLITION OF THE BUREAU OF INDUSTRIAL SAFETY

SEC. 36. Republic Act Numbered Three hundred sixty-seven creating the Bureau of Industrial Safety, is hereby repealed, and Commonwealth Act Numbered One hundred four, as amended by Commonwealth Act Numbered six hundred ninety-six, is hereby revived. The provisions of the two aforesaid Commonwealth Acts shall be limited in their application to industrial enterprises, and an Industrial Safety Engineering Division shall be established under the Bureau of Labor in order to carry out the provisions of the said Acts.

The powers, duties and functions conferred upon the Secretary of Labor by the provisions of the two aforesaid Commonwealth Acts concerning safety standards and the safety of the laborers and employees in mines, quarries, or metallurgical operations, are hereby transferred to, and shall hereafter be assumed and exercised by, the Director of Mines.

DEPARTMENT OF NATIONAL DEFENSE

SEC. 37. *Section two of Commonwealth Act Numbered Four hundred thirty, as amended, is hereby further amended to read as follows:*

“SEC. 2. *Bureaus and offices under the Department of National Defense.* —The Department of National Defense shall be charged with the duty of supervising the national defense program of the country, and for this purpose, it shall have executive supervision over the Armed Forces of the Philippines, the Philippine Veterans Board, the Bureau of Coast and Geodetic Survey and the Munitions Board. This Department shall function under the executive control of the Secretary of National Defense who may be assisted by an Undersecretary.”

SEC. 38. The Board on Pensions for Veterans is hereby abolished and its powers, duties, functions, properties, equipment and personnel, except the Chairman and the members, are hereby transferred to the Philippine Veterans Board created under Republic Act Numbered sixty-five, as amended, under the executive supervision of the Department of National Defense.

The Philippine Veterans Board shall be composed of a chairman and six members, two of whom shall be veterans of past Philippine revolutions or wars.

DEPARTMENT OF HEALTH

SEC. 39. *The second paragraph of Executive Order Numbered Three hundred and seventeen, dated January seventh, nineteen hundred and forty-one, as amended, is hereby further amended to read as follows:*

“The Department of Health shall be charged with the protection of the health of the people, the maintenance of sanitary conditions, and the proper enforcement of the

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laws and regulations relative to health, sanitation, foods, drugs and narcotics, slum housing, garbage and other waste disposal, and for these purposes it shall exercise executive supervision over the Bureau of Health; the Bureau of Quarantine; the Bureau of Hospitals; the National Advisory Health Council; the Alabang Vaccine and Serum Laboratories; the Institute of Nutrition; the Committee on School Health for Medical and Dental Services; the health department of chartered cities; and national, provincial, city and municipal hospitals, dispensaries and clinics, except the Philippine General Hospital; the public markets and slaughterhouses; hotels, restaurants and other food establishments; and health resorts and similar establishments.”

TRANSFER OF INSTITUTE OF NUTRITION

SEC. 40. The Institute of Nutrition, under the Executive Office, together with its personnel, records, equipment, properties, powers, duties, functions and activities, are hereby transferred to the Department of Health.

The Division of Biological Research and the Division of Food Technology of the Institute of Science, together with their activities and functions, personnel, equipment, records and properties, shall be transferred to the Institute of Nutrition. The remaining divisions or units of the Institute of Science are hereby organized and constituted into the Institute of Applied Science and Technology which is hereby placed under the executive supervision of the Administrator of Economic Coordination. The Board of Regents of the Institute of Science shall hereafter be known as the Advisory Board thereof.

DIVISION OF TUBERCULOSIS

SEC 41. There is hereby created, under the Department of Health, a Division of Tuberculosis to be composed of the National Chest Center and the Section of Tuberculosis Control which is at present under the Office of the Secretary of Health.

DEPARTMENT OF COMMERCE AND INDUSTRY

SEC 42. *Section one hundred and thirty-four of Executive Order Numbered Ninety-four, dated October fourth, nineteen hundred and forty-seven, is hereby amended to read as follows:*

“SEC. 134. The Department of Commerce and Industry shall have executive supervision over the Bureau of Commerce, the Cooperative Administration Office, the Securities and Exchange Commission, the Weather Bureau, the Patent Office, the Civil Aeronautics Administration, the Civil Aeronautics Board, the Manila Trading Center and Exchange, the Sugar Quota Administration, the Fair Trade Board and the Bureau of the Census and Statistics.”

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SUGAR QUOTA OFFICE RENAMED

SEC. 43. The Sugar Quota Office is hereby renamed "Sugar Quota Administration."

TRANSFER OF THE BUREAU OF THE CENSUS AND STATISTICS

SEC 44. The Bureau of the Census and Statistics, under the Executive Office, together with its personnel, records, equipment, properties, powers, duties, functions and activities, is hereby transferred to the Department of Commerce and Industry.

SEC. 45. Officials and employees who are separated from the service by reason of the abolition of their positions in this Executive Order shall be entitled to gratuity equivalent to one month salary for every year of continuous satisfactory service rendered but not exceeding twelve months on the basis of the last salary received payable from the savings from the appropriations provided in Republic Acts Nos. 426, 461, 475, 485, 563, 575 and 576 as a result of the reorganization effected in this order; *Provided*, That any official or employee who has rendered less than one year but at least six months' service shall be entitled to a gratuity equivalent to one-half month salary; *Provided, further*, That, in case an official or employee is reinstated in the government service or in any government owned or controlled corporation, he shall be required to refund to the bureau, office, branch or entity from which he received the gratuity that portion which he would not yet have received had it been paid to him in monthly installment; *Provided, further*, That those entitled to a gratuity of not more than three months shall be paid their gratuity in full immediately upon their separation from the service; those entitled to more than three months but not exceeding six months shall be paid upon their separation an additional one-half month salary for every month in addition to the full gratuity corresponding to the first three months; and those who are entitled to a gratuity of more than six months shall be paid their gratuity in full for the next following three months. The balance due to those entitled to more than three months' gratuity shall be paid upon certification by the Fund Release Control Committee created under Administrative Order No. 129 dated August 8, 1950, of the availability of the necessary cash therefor but not later than December 31, 1951.

SEC. 46. In filling of vacancies that may occur in any Department, bureau or office, after January 1, 1951, including those in government-owned or controlled corporations, preference shall be given, unless otherwise authorized by the President, to those separated from the service by reason of the abolition of their positions in this Executive Order.

SEC. 47. Effective July first, nineteen hundred and fifty-one, the scale of the *minimum* and *maximum* rates of compensation of government officers or employees possessing different civil service eligibilities shall be as follows:

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		Minimum	Maximum
(a)	First grade eligibles	₱1,920	No limit
(b)	Second grade eligibles	1,440	₱2,760
(c)	Third grade eligibles	1,140	1,800
(d)	Senior stenographers	1,920	No limit
(e)	Junior stenographers	1,440	2,760
(f)	Senior typists	1,560	2,940
(g)	Junior typists	1,320	2,400

REALLOTMENT OF FUNDS

SEC. 48. From the total authorized appropriations of ₱344,163,197 consisting of—

1.	For the expenses of the Import Control Board and the Import Control Administration, Republic Act No. 426	₱750,000.00
2.	Additional appropriation for the Armed Forces of the Philippines for the campaign for the maintenance of peace and order, Republic Act No. 461	20,000,000.00
3.	For the maintenance and operation of the Port of Cagayan, Province of Oriental Misamis, Republic Act No. 475	45,000.00
4.	Additional appropriation for the maintenance and operation of the Bunawan National Junior Agricultural School, Republic	12,535.00
5.	General Appropriations, Republic Act No. 563	261,049,574.00
6.	Additional funds for the operation and maintenance of the Government of the Republic of the Philippines, Republic Act No. 575	45,121,648.00
7.	Additional funds for the Armed Forces of the Philippines, Republic Act No. 576	17,184,440.00

REPEALING CLAUSE

SEC. 49. All Acts, Executive Orders, Administrative Orders, or Proclamations or parts thereof inconsistent with any provision of this Order are hereby repealed or modified accordingly.

PARTIAL INVALIDITY

SEC. 50. If any provision of this Order should be held invalid, the other provisions shall not be affected thereby.

EFFECTIVE DATE

SEC. 51. This Order shall take effect on January first, nineteen hundred and fifty-one, except where otherwise stated.

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Done in the City of Manila, this thirty-first day of December, in the year of Our Lord, nineteen hundred and fifty and of the Independence of the Philippines, the fifth.

(Sgd.) ELPIDIO QUIRINO
President of the Philippines

By the President:

(Sgd.) TEODORO EVANGELISTA
Executive Secretary

REPUBLIC ACT NO. 1606

AN ACT TO PROMOTE SCIENTIFIC, ENGINEERING AND TECHNOLOGICAL RESEARCH, INVENTION AND DEVELOPMENT

Section 1. In order to promote scientific, engineering and technological research, invention, and development, the Government shall, in accordance with the provisions of this Act:

- (a) Grant scholarships in science, engineering and technology for especially gifted citizens;
- (b) Grant bonus and other financial aid to brilliant and deserving scientific, engineering and technological researchers;
- (c) Give additional compensation to scientific, engineering and technological researchers employed in the Government who, for financial reasons, engage in teaching or in private business after office hours, subject to the condition that upon receiving such additional compensation, they shall no longer engage in teaching or in private business but shall devote themselves after office hours to scientific research and studies: Provided, That the faculty and other personnel of the University of the Philippines engaged in scientific engineering and technical research who are not authorized to teach outside or engage in private business shall be entitled to the additional compensation equivalent to that received by officials and personnel of other branches of the government of equivalent rank;
- (d) Employ the services of recognized scientists, engineers and technologists for the purpose of training promising young scientists or researchers;
- (e) Acquire all the necessary scientific, engineering or technical equipment and supplies which may be needed for conducting researchers;
- (f) Enter into contract with private persons, firms and corporations in order for them to undertake any scientific, engineering and technological research, invention and development that cannot be undertaken in the various laboratories, bureaus, offices, agencies and instrumentalities of the Government;
- (g) Extend aids to research, travel grants; send participants to international conferences or congresses; hold International Scientific or Engineering and Technological Conferences and Congresses in the Philippines; and establish exchange of scientific, engineering and technological information with other countries;
- (h) Establish an industrial research and training center in the University of the Philippines;

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- (i) Allocate funds provided in this Act, over and above existing funds, to all existing and new research institutions of the government, for their expansion, improvement and establishment and for originating and continuing researches therein; and with the following research agencies designated to undertake special research projects and requirements along the line laid down in the programs outlined in appendices "A", "B", "C", "D", "E", "F", "G" and "H" which are hereby made integral parts of this Act and/or such changes as the Board may from time to time decide.
1. The University of the Philippines Industrial Research and Training Center: (a) Textile Pilot plant, (b) pulp and paper pilot plant, (c) coconut products and by-products pilot plant, including fuel, and (d) industrial research building;
 2. The National Scientific and Industrial Research Institute (formerly Institute of Science and Technology): (a) improvement and expansion of the scientific library and laboratory facilities, equipment and personnel, (b) electro-metallurgy pilot plant, and (c) ceramics pilot plant;
 3. The University of the Philippines, College of Pharmacy (in cooperation with the College of Medicine, University of the Philippines and the National Museum): industrial development of drugs from Philippine medicinal plants;
 4. The Science Foundation of the Philippines (in cooperation with the National Education Board): promotion of science consciousness among the students and the general public;
 5. The University of the Philippines, College of Agriculture (in cooperation with the Department of Agriculture and Natural Resources): (a) rice and corn breeding, (b) coffee and cacao varieties improvement and control of their diseases and other plant, and (c) livestock and poultry improvement;
 6. Institute of Nutrition: (a) intensification of nutrition researches and (b) nutrition surveys.
 7. Department of Health, Public Health Research Laboratories: (a) Antibiotics (in cooperation with the Bureau of Soil Conservation, College of Agriculture and College of Pharmacy, University of the Philippines), (b) tetanus toxoid, (c) human rabies immune plasma, (d) plasma expanders, and (e) preparation of plasma fraction and gamma globulins.
 8. Other new and necessary research projects.
- (j) Perform other activities that will promote scientific, engineering and technological research, invention and development.

As used in paragraphs (b) and (c) of this section, the phrase "scientific, engineering and technological researchers" refer to those undertaking studies or investigations to acquire or discover new knowledge, principle, process or information relating to science, engineering or technology.

Section 2. The administration of the program provided for in this Act shall be vested in a National Science Board which is hereby created under the Office of the President to be composed of one representative each from the following: the National

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Research Council of the Philippines to be designated by the Executive Board of said council; the University of the Philippines to be designated by its President; the Science Foundation of the Philippines; the Institute of Science and Technology; the Philippine Association for the Advancement of Science; the Philippine Confederation of Professional Organizations; the Department of Agriculture and Natural Resources; the Department of Health; the Department of Commerce and Industry; manufacturing industries; and the National Economic Council to be appointed by the President with the consent of the Commission on Appointments. The presiding officer of the Board shall be appointed by the President from among the above eleven members with the consent of the Commission on Appointments: Provided, that he is not the chairman of any other government board or council.

The President shall, upon recommendation of the National Science Board and subject to the confirmation of the Commission on Appointments, appoint an executive director on full-time basis. The National Science Board is authorized to:

(a) Organize such technical and secretarial staff as may be required to implement the provisions of this Act, for which the total sum of sixty-one thousand six hundred twenty pesos is hereby appropriated for the following to be taken from the sum appropriated in section three hereof:

I.- Personal Services

1. One Executive Director P12,000.00
2. One Assistant Executive Director and Secretary of the Board-P6,600.00
3. One Stenographer-2,760.00
4. Two Typists at P1,800 and 3,600.00
5. One Messenger 1,440.00
6. One Janitor 1,440.00
7. For salaries of expert, technical and other necessary office personnel employed by contract or otherwise 18,000.00

Total for personal services - P 45,840.00

II.- Maintenance and Other Operating Expenses

1. Travel expenses of personnel- P1,000.00
2. Supplies and materials- P5,280.00
3. Sundry expenses-P5,000.00

Total for maintenance and other operating expenses-P11,780.00

III.- Furniture and Equipment

1. Acquisition of fixed assets-P4,000.00

Total for furniture and equipment-P4,000.00

Grand total=P61,620.00

(b) Coordinate the various researches being undertaken by the different bureaus, offices, agencies and instrumentalities of the government and synchronize them with the activities authorized to be undertaken by this Act in order to prevent unnecessary duplication;

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- (c) Release funds provided for in this Act exclusively for the purpose enumerated in Section One hereof;
- (d) Supervise, regulate and otherwise administer the research projects and activities financed from the funds under this Act; and
- (e) Constitute for all legal purposes, the Board of Directors with all the duties, powers and prerogatives of a Board of Directors, unless otherwise provided for in this Act.

Section 3. To carry out the provisions of this Act there is hereby appropriated out of any funds in the National Treasury not otherwise appropriated, or from the proceeds of any bond issues authorized by law, beginning for the fiscal year nineteen hundred fifty-seven, the sum of four million five hundred thousand pesos to constitute a special fund to be known as the Scientific, Engineering and Technological Research Fund for the first year and there is hereby appropriated two million three hundred eighty thousand pesos for the second year, and two million two hundred fifty thousand pesos each year for the third, fourth and fifth years: Provided, That any unexpended appropriation for any particular year shall not revert to the General Fund.

Any amount in the form of grants, donations or aids that may be received by the Philippine Government for scientific, engineering and technological research, invention, and development, which shall be exempted from all taxes shall also form part of this Fund.

Section 4. The Scientific, Engineering and Technological Research Fund shall be expended by the National Science Board created under Section Two, exclusively for the purposes enumerated in Section One hereof.

Section 5. The National Science Board shall submit to the President of the Philippines, the President of the Senate, and the Speaker of the House of Representatives, not later than thirty days from the opening of Congress, a yearly report on the progress made on the various projects financed under this Act, the program of projects the Board will undertake the following year, and a financial report on all its operations.

Section 6. This Act shall take effect upon its approval.

Approved, August 23, 1956.

REPUBLIC ACT NO. 2067

(AS AMENDED BY REPUBLIC ACT NO. 3589)

AN ACT TO INTEGRATE, COORDINATE, AND INTENSIFY SCIENTIFIC
AND TECHNOLOGICAL RESEARCH AND DEVELOPMENT AND TO
FOSTER INVENTION; TO PROVIDE FUNDS THEREFOR; AND FOR
OTHER PURPOSES.

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

Section 1. This Act shall be known as the "Science Act of 1958."

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Section 2. In consonance with the provisions of section four, Article XIV of the Constitution, it is hereby declared to be the policy of the state to promote scientific and technological research and development, foster invention, and utilize scientific knowledge as an effective instrument for the promotion of national progress.

Section 3. In the implementation of the foregoing policy, the Government shall, in accordance with the provisions of this Act:

- (1) Stimulate and guide scientific, engineering and technological efforts towards filling the basic and immediate needs of the people;
- (2) Survey the scientific, engineering and technological resources of the country and formulate a comprehensive program for the development and maximum utilization of such resources in the solution of the country's problems;
- (3) Strengthen the educational system of the country so that the same will provide a steady source of competent scientific and technological manpower;
- (4) Furnish incentives to private and individual initiative in scientific work, as a fundamental basis for the advancement of science;
- (5) Promote and encourage the dissemination of the results of scientific and technological research and the general application thereof;
- (6) Encourage and facilitate the active participation of domestic and foreign sectors in furnishing financial, technical and other forms of assistance for scientific and technological activities;
- (7) Promote coordination and cooperation in research in order to secure concentration of effort, minimize duplication and thereby achieve maximum progress;
- (8) Initiate and bring about the establishment of standards, quality control measures and documentation facilities; and
- (9) Encourage studies in the pure and fundamental sciences.

Section 4. To carry out the provisions of the preceding section, there is hereby created a National Science Development Board, hereinafter referred to as the Board, with the following functions, powers and duties:

- (1) To coordinate and promote cooperation in the scientific research and development activities of government agencies and private enterprises;
- (2) With the approval of the President of the Philippines, to formulate consistent and specific national scientific policies and prepare comprehensive scientific and technological programs which shall be observed and implemented by the Government and all its subdivisions, agencies and instrumentalities;
- (3) To establish a system of priorities for scientific and technological projects;
- (4) To review and analyze scientific and technological projects, schedules of activities, programs and project proposals, including the progress of project being undertaken, and to take such measures as may be necessary to accomplish the objectives and policies involved in these activities;
- (5) To develop a program for the effective training and utilization of scientific and technological manpower;
- (6) To initiate and facilitate arrangements for scientific and technological aid from domestic private sectors and foreign sources and for the exchange of information among local and foreign institutions and scientific investigators;

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- (7) To offer to, and accept from, public and private sectors, specific project proposals of scientific and/or technological research and development in accordance with section ten hereof, and to provide appropriate financial, technical and other support thereto;
- (8) To establish and/or provide incentives, including financial and technological support, for the establishment of scientific and technological centers;
- (9) To disseminate the results of scientific and technological research and to encourage their practical application;
- (10) To grant scholarship in mathematics, science, technology and science teaching to deserving citizens;
- (11) To grant financial or other awards, bonuses and/or prizes to deserving scientific, engineering and technological researchers and inventors;
- (12) To pay additional compensation to scientific, engineering and technological researchers and inventors employed in the Government or its subdivisions and instrumentalities under such terms and conditions as may be most conducive towards the attainment of maximum efficiency in scientific research and studies;
- (13) To extend travel grants for scientific and/or technological purposes; to send delegates and/or observers to scientific and technological conferences or conventions; and to promote and assist scientific and technological conferences and conventions in the Philippines;
- (14) With the approval of the President of the Philippines, to appoint not more than five science attaches with the proper scientific background and, whenever necessary, to send scientific and technological missions abroad;
- (15) To undertake, in collaboration with the Department of Education, a thorough survey of the educational system and to determine, as well as to recommend to the corresponding authorities, the measures which may be necessary to make it an effective instrument for scientific advancement;
- (16) To initiate and formulate measures designed to promote scientific effort and science consciousness;
- (17) To submit to the President of the Philippines and to both Houses of Congress, not later than the opening of the regular session each year, an annual report on the status of the national science effort, embodying such recommendations as it may deem proper to make; and
- (18) Generally, to do such other things and take such action as may be directly or indirectly incidental or conducive to the attainment of the objectives of this Act.

Section 5. The Board shall be composed of a Chairman; a Vice-Chairman, who shall concurrently be the Executive Director of the Board; and the following members: the Chairman of the National Research Council of the Philippines, the Commissioner of the National Institute of Science and Technology, the Commissioner of the Philippine Atomic Energy Commission, the Director of the Office of National Planning of the National Economic Council, a representative from the University of the Philippines to be designated by the President of the University, one member representing industry, one member representing scientific and/or technological associations or societies, one member representing agriculture, and one member representing education.

The members representing industry, scientific and/or technological associations or societies, agriculture and education shall be appointed by the President of the

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Philippines from among those who shall be recommended by representative groups, subject to the confirmation of the Commission on Appointments, and shall hold office each for a period of three years.

Section 6. The Chairman of the Board, who shall have cabinet rank, shall be appointed by the President of the Philippines, subject to the confirmation of the Commission on Appointments. He shall be a citizen of the Philippines with proven executive ability who shall have distinguished himself in science, technology and/or his chosen profession or field of activity. He shall hold office for six years and shall not be removed therefrom except for cause. He shall receive an annual compensation of twenty-four thousand pesos.

The Vice-Chairman shall be appointed by the President of the Philippines, subject to the confirmation of the Commission on Appointments. He shall be a citizen of the Philippines with proven executive ability who shall have achieved distinction in science and/or technology. He shall receive an annual compensation of eighteen thousand pesos.

Both the Chairman and the Vice-Chairman shall pass the necessary security clearance.

Section 7. The member of the Board, except the Commissioner of the National Institute of Science and Technology and the Commissioner of the Philippine Atomic Energy Commission who shall serve as ex officio members without extra compensation, shall receive a per diem of fifty pesos each per session of the Board: Provided, That the monthly total of such per diems for each member shall not exceed two hundred pesos.

Section 8. The Board shall have the following divisions: the Division of Programming and Evaluation, the Division of Development and Assistance, the Administrative Division, the Legal Division and such other divisions which the Board may deem necessary to create.

Section 9. The Board shall have, for all legal purposes, all the duties, powers and prerogatives of a Board of Directors and shall function as such, unless otherwise provided for in this Act. The Board shall promulgate such rules and regulations as may be necessary for the conduct and exercise of its functions, duties, and powers under this Act: Provided, That the concurrence of at least six members is required for the approval of any resolution: And provided, further, That only the members of the Board who have passed the necessary security clearance shall deliberate and act on classified matters relating to atomic energy and/or nuclear science.

The Board shall exercise its powers in such manner as to insure the continuity of research and development activities in the fields specified in this Act by the Government and private enterprise and to assist in increasing theoretical and practical knowledge in such fields.

Section 10 Notwithstanding the provisions of Commonwealth Act Numbered One hundred and thirty-eight and the requirements of public bidding, the Chairman shall,

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subject to the approval of the Board enter into contracts, or otherwise make arrangements, for the conduct of the following activities and their development:

- (a) Industrial research
- (b) Agricultural research
- (c) Medical and pharmaceutical research
- (d) Biological research
- (e) Atomic energy research
- (f) Food and nutrition research
- (g) Engineering research
- (h) Research on social science and the humanities, and
- (i) Pure and fundamental science studies.

In implementation of such contracts or arrangements the Chairman may, subject to the approval of the Board, make partial or advance payments and make available such equipment and facilities of the Board and its agencies as he may deem necessary.

The Chairman shall, with the approval of the Board, appoint such technical and administrative personnel as may be necessary to carry out the assigned functions of the Board.

Section 11. The Vice-Chairman and Executive Director shall exercise immediate control and supervision over the divisions and offices of the Board.

Section 12. There is hereby created the National Institute of Science and Technology, hereinafter referred to as the Institute, which shall be under the supervision of the National Science Development Board, with the following functions, powers, and duties:

- (1) To implement and conduct programs of scientific and technological research and development as may be directed by the Board;
- (2) To cooperate with private enterprise in research activities relating to scientific and technological problems of industry, agriculture, medicine, engineering, mathematics and the natural, biological and social sciences;
- (3) To conduct studies through its research centers on industrial, agricultural, medical, biological and related field, and to cooperate with other government agencies along these lines;
- (4) To perform analyses and tests for the purpose of establishing suitable standards of products, to calibrate weights and measures, to determine the quality and composition of materials, and to issue certification in relation thereto;
- (5) To provide government entities and local industrial organizations with data of scientific and/or technological nature, subject to established laws and regulations on national security;
- (6) To establish, expand, maintain and operate pilot plants, research centers, test and standard laboratories, experimental stations and documentation facilities;
- (7) To study and evaluate project proposals for research and development in the industrial, agricultural, medical, biological and related fields from public and private sectors, and to recommend necessary financial, technical and other appropriate assistance thereto;

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- (8) To receive assignments or patents, grant exclusive rights to their use, charges and collect reasonable fees or charges for their use in accordance with the policies of the institute;
- (9) To keep posted on research projects and activities finance or assisted under this Act;
- (10) To recommend deserving citizens for training, government and private grants and scholarships in the Philippines and abroad in science, other than nuclear science, technology, mathematics and science teaching; and
- (11) To render annual reports and such special reports as may be requested by the Board.

Section 13. The Institute shall be under a Commissioner and a Deputy Commissioner, both of whom shall be appointed by the President of the Philippines upon the recommendation of the Chairman of the Board, subject to the confirmation of the Commission on Appointments. Both officials shall be citizens of the Philippines with distinguished accomplishments in scientific and/or technological research and with broad administrative experience. The Commissioner shall receive an annual compensation of eighteen thousand pesos, and the Deputy Commissioner an annual compensation of fifteen thousand pesos.

Section 14. The Institute shall have the following divisions: the Administrative Division, the Division of Documentation, the Legal Division, and such other divisions as the Board may, upon the recommendation of the Commissioner of the Institute, deem necessary to create.

There shall also be under the control and supervision of the Institute the following centers: the Industrial Research Center, the Agricultural Research Center, the Medical Research Center, the Biological Research Center, and such other centers as may be created by the Board. Each research center shall be headed by a research director.

The President of the Philippines is hereby authorized to transfer to and place under the jurisdiction of the Institute, upon recommendation of the Board, such existing government research agencies and instrumentalities as may constitute the nucleus of the respective centers herein provided. The President may likewise, upon recommendation of the Board, reorganize and strengthen said government agencies and instrumentalities so that they may adequately function as research centers under the provisions of this Act.

The existing Institute of Nutrition under the Department of Health, together with its personnel, appropriation, supplies and equipment with all its functions and powers, is hereby transferred to the National Institute of Science and Technology, under which it shall become one of its research centers and shall function as presently organized, Reorganization Plan No. 14-A under Republic Act Numbered Nine hundred ninety-seven, as amended, notwithstanding, without prejudice to its reorganization by the President as above provided. The said Institute of Nutrition is hereby renamed Food and Nutrition Research Center.

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Section 15. Such technical and administrative personnel as may be necessary to carry out the functions of the Institute shall be appointed by the Chairman of the Board, upon recommendation of the Commissioner of the Institute and subject to the approval of the Board.

Section 16. There is hereby created the Philippine Atomic Energy Commission, hereinafter referred to as the Commission, which shall be under the supervision of the Board, with the following functions, powers, and duties:

- (1) To establish or cause the establishment of laboratories for nuclear research and training;
- (2) To conduct or cause the performance of research and development relating to:
 - (a) Nuclear processes and techniques;
 - (b) The theory of atomic energy;
 - (c) Processes, materials, and devices used in the production of atomic energy;
 - (d) The utilization of special nuclear material and radioactive material for commercial, industrial, medical, biological, agricultural, or other peaceful purposes;
- (3) To issue rules and regulations for the protection of its personnel and the general public and undertake their enforcement;
- (4) To approve and facilitate the procurement of radioactive material and instruments for use in nuclear laboratories;
- (5) To issue licenses for the use of radioactive material;
- (6) To study and evaluate project proposals on nuclear research from public and private sectors, and to recommend necessary technical, financial and other appropriate assistance thereto;
- (7) To coordinate the work of research entities and government agencies and instrumentalities on nuclear science;
- (8) To keep posted on nuclear research project and activities financed or assisted under this Act;
- (9) To represent the Philippines in conferences related to atomic energy and its application;
- (10) To recommend deserving citizens for training, government and private grants and scholarships in the Philippines and abroad in nuclear science; and
- (11) To render annual reports and such special reports as may be requested by the Board.

Section 17. The Commission shall be under a Commissioner and a Deputy Commissioner, both of whom shall be appointed by the President of the Philippines upon recommendation of the Chairman of the Board, subject to the confirmation of the Commission on Appointments. Both officials shall be citizens of the Philippines with adequate administrative experience who shall have won distinction in science and/or technology and who possess sufficient background in nuclear science. Both shall pass the necessary security clearance.

The Commissioner shall receive an annual compensation of eighteen thousand pesos, and the Deputy Commissioner fifteen thousand pesos.

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Section 18. The Commission shall have the following divisions: the Administrative Division, the Division of Training, Plans and Policies, the Research and Development Division, the Legal Division and such other divisions as the Board may, upon recommendation of the Commissioner, deem necessary to create.

The Commission shall exercise control and supervision over the activities of the Atomic Energy Research Center which is hereby created, and such other centers as may be created by the Board, upon recommendation of the Commissioner.

Section 19. Such technical and administrative personnel as may be necessary to carry out the functions of the Commission shall be appointed of the Commissioner and subject to the approval of the Board.

Section 20. The National Research Council of the Philippines shall act as the official adviser on scientific matters to the Government of the Philippines.

The Science Foundation of the Philippines shall act as the official adviser on scientific matters to the Board.

Section 21. The Board and its agencies are hereby authorized to call upon other government agencies and instrumentalities for assistance and cooperation in the formulation and implementation of its policies, plans and programs.

Section 22. The Chairman and Vice-Chairman of the Board, the Commissioners and Deputy Commissioners of both the National Institute of Science and Technology and the Philippine Atomic Energy Commission shall not, during their continuance in office, engage in the practice of any profession, or intervene, directly or indirectly, in the management or control of any private enterprise which in any way may be affected by the functions of their office, nor shall they directly or indirectly be financially interested in any contract with the Government or any subdivision or instrumentality thereof.

Section 23. The Board and its agencies, as well as the University of the Philippines, are hereby authorized and empowered to receive grants, bequests and donations, made or given for the purpose of aiding scientific and technological investigations or establishing scholarships in the fields of science, engineering and technology. Such grants, bequests and donations shall be tax-exempt and upon certification of the Board or the University that said grants, bequests and donations are dedicated to the purposes above-mentioned.

Section 24. The Board shall promote and, in its discretion assist in the establishment of private foundations for scientific advancement as well as specific research and development projects by private individuals, firms and institutions. All funds contributed to the support and maintenance of such foundations and their projects as well as specific research and development projects undertaken by private individuals and educational institutions, shall be tax-exempt and deductible from the donor's income tax returns, upon certification by the Board that such foundations and funds are dedicated to scientific pursuits.

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Section 25. Any person who evades or defeats or attempts to evade or defeat, in any manner, any tax imposed by law by availing himself of the provisions of section twenty-three or twenty-four hereof through fraud or misrepresentation shall be punished by a fine of not more than four thousand pesos or imprisonment for not more than one year, or both, in the discretion of the Court.

In case the violator is a corporation or association the penalty shall be fine of not more than ten thousand pesos, without prejudice to the criminal responsibility of the member, officer or employee thereof committing such violation.

Section 26. Provisions of law to the contrary notwithstanding, all officials and employees appointed under this Act, classification, shall be exempt from the provisions of laws, except those who belong to the clerical and janitorial rules and regulations on wage and position classification.

Section 27. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions and purposes of this Act.

All sums heretofore appropriated or to be appropriated under section three of Republic Act Numbered One thousand six hundred and six, including the special fund known as the Scientific, Engineering and Technological Research Fund, as well as other appropriations for the National Science Board, the National Scientific and Industrial Research Institute (the former Institute of Science and Technology), the Philippine Nuclear Energy Commission, the Institute of Nutrition and such other government agencies and instrumentalities as may be transferred to the Board pursuant to section fourteen hereof, and all appropriations for the foregoing agencies and instrumentalities under the Appropriation Act for the fiscal year 1959 are hereby re-appropriated as funds of the Board to be used in such manner as shall best insure the implementation of the objectives of this Act, subject to the provisions of section twenty-five hereof.

The sum of six hundred thousand pesos is hereby appropriated from any available funds of the National Treasury not otherwise appropriated as additional outlay for the activities of the Board for the fiscal year nineteen hundred fifty-nine.

Section 28. Funds appropriated for the Board and its agencies shall, if obligated by contract during the fiscal year for which appropriated, remain available for expenditure for four years following the expiration of the fiscal year for which appropriated or for the duration of the contract under which obligated.

Section 29. All files, records, supplies, equipment, buildings, personnel, funds and unexpended balance of appropriations of the National Science Board, the National Scientific and Industrial Research Institute (the former Institute of Science and Technology), and the Philippine Nuclear Energy Commission, are hereby transferred respectively to each of the corresponding agencies under this Act, subject to the provisions of sections ten, fifteen and nineteen hereof.

Section 30. Projects already initiated under the National Science Board shall be continued under the National Science Development Board.

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The projects enumerated under Republic Act Numbered One thousand six hundred and six, which have not yet been initiated shall be reviewed and, if necessary, revised by the National Science Development Board which shall provide for their continuance until the end of the fiscal year nineteen hundred sixty-one.

Section 31. If any provision of this Act or the application of such provision to any person or circumstances is held invalid, the remainder of this Act or the application of such provision to other persons or circumstances shall not be affected thereby.

Section 32. This Act repeals Republic Act Numbered One thousand six hundred and six, except section three thereof which shall continue in force as amended by section twenty-six hereof, Republic Act Numbered One thousand eight hundred and fifteen, except section ten thereof which shall continue in force as amended by section twenty-six hereof, and such other Acts or parts of Acts which are inconsistent herewith.

Approved: June 13, 1958

MALACAÑANG
MANILA
LETTER OF IMPLEMENTATION NO. 14
RELATIVE TO PART XIII ON SCIENCE AND TECHNOLOGY AND
OTHER PERTINENT PROVISIONS OF THE INTEGRATED
REORGANIZATION PLAN

TO: The Chairman
National Science Development Board
Bicutan, Taguig, Rizal

Pursuant to Presidential Decree No. 1, dated September 24, 1972. Reorganizing the Executive Branch of the National Government, you are hereby directed to implement Part XIII on Science and Technology and the pertinent provisions of the integrated Reorganization Plan, hereinafter referred to as the "Plan," prepared by the Commission on Reorganization as follows:

ORGANIZATION OF THE NATIONAL SCIENCE
DEVELOPMENT BOARD

Section 1. The organization and functions of the National Science Development Board, hereinafter referred to as the "Board," shall be in accordance with the provisions of Part XIII and other pertinent provisions of the Plan and the details contained in this Letter of Implementation.

Sec. 2. The organization of the Board, graphically depicted in the following organization chart, shall consist of the Board of Governors composed of a full-time Chairman who shall have a term of six years; the Secretary of Education and Culture, the President of the University of the Philippines, and a representative from the National Economic Development Authority, as ex-officio members; or three

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members from the private sector who have demonstrate competence in scientific and technological research and development in the fields of agriculture, industry, technology, education, and community development who shall serve part-time; Office of the Chairman, Planning Service Financial and Management Service, Administrative Service, and Education and Public Affairs Service, as well as the implementing agencies composed of the National Institute of Science and Technology, Philippine Atomic Energy Commission, Philippine Inventors Commission, Forest Products Research and Industries Development Commission, Food and Nutrition Research Center, Philippine Textile Research Institute, Commission on Volcanology, and National Water and Air Pollution Control Commission.

Attached to the Board are the Philippine Coconut Research Institute, Metals Industry Research and Development Center, Philippine Science High School, National Research Council of the Philippines, Science Foundation of the Philippines, Pesticides Control and Research Center of the Philippines

RELATIONSHIPS BETWEEN THE BOARD PROPER AND AGENCIES

Sec. 3. The Board of Governors, through the office of the Chairman, shall exercise administrative supervision over the National Institute of Science and Technology, Philippine Atomic Energy Commission, Philippine Inventors Commission, Forest Products Research and Industries Development Commission, Food and Nutrition Research Center, Philippine Textile Research Institute, Commission on Volcanology, and National Water and Air Pollution Control Commission. It shall exercise policy and program coordination over the attached agencies, namely: the Philippine Coconut Research Institute, Metals Industry Research and development Center, Philippine Science High School, National Research Council of the Philippines, Science Foundation of the Philippines, Pesticides Control and Research Committee, and Pollution Research Center of the Philippines.

Sec. 4. The agencies of the Board shall implement policies and programs promulgated by the Board of Governors as they concern these agencies, in addition to the specific functions provided for under the pertinent laws, executive orders, and regulations relating to them.

FUNCTIONAL STATEMENTS OF THE NATIONAL SCIENCE DEVELOPMENT BOARD

Sec. 5. In conformity with the above set of functional relationships, the functions, powers, duties, and responsibilities of the various units of the Board shall as follows:

FUNCTIONS OF THE BOARD OF GOVERNORS

Sec. 6. The functions of the Board of Governors shall be as follows:

1. Formulate policies, plans, and programs for the development and maximum utilization of scientific, engineering, and technological, resources in the solution of the country's problems;

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2. Promulgate procedures, rules, and regulations as may be necessary to achieve the goals and objectives of the NSDB;
3. Promote and encourage the dissemination of the results of scientific and technological research and the general application thereof;
4. Establish a personnel management program for the technical and scientific personnel of the Board that would allow maximum flexibility, especially with respect to qualifications, transfers, details, assignments, promotions, discipline, and dismissals;
5. Hear and decide cases relating to personnel matters concerning the technical and scientific personnel brought before the Board on appeal from the decision of the agency head;
6. Approve the annual and supplemental budgets of the Board proper and its implementing agencies;
7. Submit a detailed report of expenditures to Congress and to the President within sixty days after the end of the fiscal year; and
8. Perform such other functions as may be provided by law.

FUNCTIONS OF THE OFFICE OF THE CHAIRMAN

Sec. 7. The Office of the Chairman shall consist of the Chairman, the Executive Director and the persons immediately under them. It shall be responsible for the adoption and promulgation of rules and regulations necessary to carry out Board policies and objectives, for exercising supervision over the agencies and offices of the Board.

Functions of the Chairman

Sec. 7.1 The functions of the Chairman shall be as follows:

1. Advise the President in the promulgation of executive orders, regulations, and decrees relative to matters under the jurisdiction of the Board;
2. Preside over the meetings of the Board of Governors and implement its decision
3. Promulgate rules and regulations necessary to carry out Board objectives; policies, and functions;
4. Exercise supervision and control over the Board proper and administrative supervision over all of its implementing agencies;
5. Ensure that the policies and programs of all agencies attached to the Board are properly coordinated with its overall policies and programs;
6. Delegate authority for the performance of any function to officers and employees under his direction;
7. Appoint and discipline personnel of the Board subject to approval of the Board of Governors and
8. Perform, such other functions as may be provided by law.

Functions of the Executive Director

Sec 7.2. The functions of the Executive Director shall be as follows:

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1. Advise and assist the Chairman in the formulation and implementation of rules and regulations necessary to carry out the objectives and policies of the Board;
2. Exercise immediate supervision over the organizational units of the Board Proper;
3. Oversee all the operational activities of the agencies under the Board for which he shall be responsible to the Chairman;
4. Coordinate the program and projects of the Board and be responsible for its economical, efficient, and effective administration;
5. Serve as deputy to the Chairman in all matters relating to the operations of the Board and
6. Perform, such other functions as may be provided by law.

Sec. 7.3. When the Chairman is unable to perform his duties owing to illness, absence, or other cause, or in case of vacancy in the office, the Executive Director shall temporarily perform the functions of the Chairman, except those in relation to the Board of Governors.

FUNCTIONS OF THE PLANNING SERVICE

Sec. 8. The Planning Service shall be responsible for providing the Board with economical, efficient and effective services relating to planning, programming, development.

The Service, as graphically depicted in the following organization chart shall have a Planning and, Programming Division, a Project Development and Evaluation Division and a Research and Statistics Division with corresponding duties and responsibilities as follows:

Functions of the Planning and Programming Division

Sec. 8.1. The Planning and Programming Division shall have the following functions among others:

- a. Formulate long-range and annual plans and programs for the Board;
- b. Formulate basic policies and guidelines for the preparation the departmental budget, including those for the detailed allocation of funds for capital outlays, and coordinate with the Budget Division in the preparation of the budget of the Board;
- c. Formulate criteria for determining priorities for proposed projects, and accordingly select capital projects for funding and execution including appropriate financing schemes;
- d. Undertake such re-programming as necessary in accordance with actual resources made available including the determination of cut-backs and/or projects to be included from un-programmed to programmed category;
- e. Periodically evaluate performance reports, and integrate project implication for aggregative planning;
- f. Maintain liaison with the central planning agency and other appropriate economic or planning bodies; and
- g. Perform such other functions as may be provided by law.

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Functions of the Project Development and Evaluation Division

Sec. 8.2. The Project Development and Evaluation Division shall have the following functions, among others:

- a. Initiate and/or provide for the development of projects by the Board and other research agencies of the government and private sectors in accordance with approved priority areas;
- b. Evaluate proposed projects according to technical and economic feasibility and prescribed standards;
- c. Undertake major project development activities;
- d. Review the progress of projects under implementation against set standards, objectives, and schedules; and
- e. Perform such other-functions as may be provided by law.

Functions of the Research and Statistics Division

Sec. 8.3. The Research and Statistics Division shall have the following functions, among others:

- a. Compile, analyze, and integrate statistical data, including operational statistics;
- b. Assist in the formulation of policy proposals and general economic guidelines;
- c. Develop projections, forecasts, and prepare economic reports and reviews based on conducted research;
- d. Undertake continuing analysis of economic conditions and trends relating to the sectoral area in which the Board is concerned; and
- e. Perform such other functions as may be provided by law.

FUNCTIONS OF THE FINANCIAL AND MANAGEMENT SERVICE

Sec 9. The Financial and Management Service shall be responsible for providing the Board with staff advice and assistance on budgetary, financial, and management improvement matters.

The Service, as graphically depicted in the following organization chart, shall have a Budget Division, and Accounting Division, and a Management Division with corresponding duties and responsibilities, as follows:

Functions of the Budget Division

Sec. 9.1. The Budget Division shall have the following functions, among others:

- a. Develop and improve budgetary methods, procedures, and justifications;
- b. Provide, subject to budgetary ceilings, fund estimates in support of the Board's operations, plans, and programs;
- c. Assist management in the presentation of the Board's budgetary estimates before administrative and legislative bodies;
- d. Provide technical assistance to subordinate budget units in the application and utilization of budgetary methods and the budget system;

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- e. Prepare annual financial work plans;
- f. Allocate, in coordination with the Planning Service, available funds to programs on the basis of approved guidelines and priorities;
- g. Issue allotment advice in support of the fund requirement for the conduct of the operations under each program;
- h. Review performance reports to determine conformance with set standards;
- i. Prepare financial reports for management guidance and as required by higher authorities; and
- j. Perform such other functions as may be provided by law.

Functions of the Accounting Division

Sec. 9.2. The Accounting Division shall, have following functions, among others:

- a. Advise management on financial matters;
- b. Prepare and submit financial reports to management and other government departments and agencies authorized to receive such reports;
- c. Maintain basic and subsidiary accounting records and books of accounts to reflect accurate and current financial information required by existing auditing rules and regulations and by management;
- d. Certify to the availability of funds, obligate funds, and issue Treasury Warrant to liquidate obligations;
- e. Process requisitions, vouchers, and report of collections and disbursements;
- f. Prepare billings to debtors of the Board; and
- g. Perform such other functions as may be provided by law,

Functions of the Management Division

Sec 9.3. The Management Division shall have following functions, among others:

- a. Develop plan and program objectives relative to management improvement in the Board;
- b. Examine the administrative organization of the Board and make recommendations for improvement;
- c. Maintain and update the Board's organization and other manuals
- d. Undertake regular management surveys of organizational structure, manpower, and operations; study special problems as assigned review existing methods, procedures, and systems and make recommendations for improvement;
- e. Develop new and improved management systems; exercise staff supervision over the implementation of such improvements and provide training in the use of the system;
- f. Develop staffing standards and manpower requirements for the Board;
- g. Review internal control systems for safeguarding money and property to ascertain weaknesses and deficiencies requiring correction; and
- h. Perform such other functions as may be provided by law.

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FUNCTIONS OF THE ADMINISTRATIVE SERVICE

Sec. 10. The Administrative Service shall be responsible for providing the Board with economical, efficient, and effective services relating to personnel, legal assistance, records supplies, equipment, collection, disbursements, security, and custodial work. The Service, as graphically depicted in the following organization chart, shall have a Personnel Division, a firm Legal Division, and a General Services Division with corresponding duties and responsibilities, as follows:

Functions of the Personnel Division

Sec. 10.1. The Personnel Division shall have the following functions, among others:

- a. Advise management on personnel policy and administration;
- b. Develop and administer a personnel program which shall include selection and placement, classification and pay, career and employee development, performance rating, employee relations, and welfare services;
- c. Act on all matters concerning attendance, leaves of absence, appointments, promotions, transfers, and other personnel transactions
- d. Conduct training programs in the Board;
- e. Provide medical services pursuant to the provisions of R.A. No. 1054;
- f. Maintain personnel records and statistics; and
- g. Perform such other functions as may be provided by law.

Functions of the Legal Division

Sec. 10.2. The Legal Division shall have the following functions, among others:

- a. Provide legal advice to fee Board of Governor, the Chairman, the Executive Director, and the agencies of the Board;
- b. Interpret laws and rules affecting the operation of the Board;
- c. Prepare contracts and instruments to which the Board is a party and interpret provisions of contracts covering work performed for the Board by private entities;
- d. Conduct administrative investigation, including the review of administrative charges against employees of the Board;
- e. Assist in the promulgation of rules governing the activities of the Board;
- f. Prepare comments on proposed legislation concerning the Board;
- g. Assist the Solicitor General in court litigation in which the Board is involved; and
- h. Perform such other functions as may be provided by law.

Functions of the General Services Division

Sec. 10.3. The General Services Division shall have the following functions, among others:

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- a. Provide policy guidance on the maintenance and disposition of records and on the procurement and storage of supplies in accordance with government prescribed standards;
- b. File and maintain necessary records and establish a records disposition program for the Board;
- c. Provide mail transportation, custodial, and general utility services for the Board;
- d. Procure, store, and distribute supplies and equipment of the Board, and conduct periodic inventories of the same;
- e. Provide and coordinate messengerial and duplicating services;
- f. Receive, collect, and deposit cash, prepare payrolls and process vouchers for payment of the Board's obligations;
- g. Prepare plans,, designs, and specifications for the construction of NSDB buildings;
- h. Provide maintenance services for buildings and grounds; and
- i. Perform such other functions as may be / provided by law.

FUNCTIONS OF THE EDUCATION AND PUBLIC AFFAIRS SERVICE

Sec. 11. The Education and Public Affairs Service shall be responsible for developing and supervising the Board-assisted scientific manpower development and scholarship projects, undertaking national and international liaison and scientific, cooperating programs with research organizations and institutions, and implementing a program of dissemination of scientific Information.

The Service, as graphically depicted in the following organization charts shall have a Division of Information, a Division of International Relations, and a Division of Education and Training with corresponding duties and responsibilities, as follows;

Functions of the Division of Information

Sec. 11.1. The Division of Information shall have the following functions, among others:

- a. Develop programs to have the policies, plans, and activities of the Board properly understood by the public;
- b. Produce and disseminate media materials to implement the information program of the Board;
- c. Coordinate with the Department of Public Information;
- d. Undertake a nation-wide promotion and dissemination of research results for public consumption; and
- e. Perform such other functions as may be provided by law.

Functions of the Division of International Relations

Sec. 11. 2. The Division of International Relations shall have the following functions, among others:

- a. Develop and carry out a program aimed at expanding institutional relationship with foreign scientific organizations, including governments, private entities,

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- and similar institutes involved in international cooperates in science research and development;
- b. Assist in strengthening representations of the Board and agencies with interest in foreign technical cooperation, particularly in matter of satisfying procedural and related requirements;
 - c. Provide support to bilateral and multi-lateral arrangements for scientific cooperation in aid of national and/or Regional development programs;
 - d. Promote the exchange of scientific information and personnel, including other critical resources, in furtherance of closer international and regional cooperation; and
 - e. Perform such other functions as may be provided by law.

Functions of the Division of Education and Training

Sec. 11.3. The Division of Education and Training shall have the following functions, among others:

- a. Formulate and recommend a comprehensive program on scientific manpower and scholarship;
- b. Collaborate with the Department of Education and Culture and other educational associations in the upgrading of the science education program;
- c. Conduct studies and make recommendations to upgrade and improve the utilization of currently available scientific and technological manpower; and
- d. Perform such other functions as may be provided by law.

FUNCTIONS OF THE NATIONAL INSTITUTE OF SCIENCE AND TECHNOLOGY

Sec. 12. The National Institute of Science and Technology shall continue to undertake scientific technological research and development programs except food and nutrition research; conduct analyses and test; for establishing suitable standards of products; document and disseminate; research findings and perform such other functions as may be provided by law.

The Institute, as graphically depicted in the following organization chart shall discharge the above functions through its existing divisions, namely; (Scientific Instrumentation Division, Division of Documentation, Tests and Standards Laboratories, Agricultural Research Center, Industrial Research Center, Biological Research Center, and Medical Research Center. It shall also have a Planning and Programming Division and an Administrative Division, with corresponding duties and responsibilities, as follows:

Functions of the Planning and Programming Division

Sec. 12.1. The Planning and Programming Division shall have the following functions, among others;

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- a. Formulate long-range and annual plans and programs for the Institute, including basic policies, guidelines, and criteria for the preparation and determination of priorities for its budget;
- b. Initiate and/or provide support for the development of the Institute's projects in accordance with approved priority areas;
- c. Evaluate project proposals of the different units of the Institute;
- d. Compile, analyze, and integrate statistical data, including operational statistics;
- e. Evaluate periodically performance reports;
- f. Develop and improve budgetary methods, procedures, and justifications;
- g. Provide, subject to budgetary ceilings, fund estimates in support of the Institute's operations, plans, and programs; and
- h. Perform such other functions as may be provided by law.

Functions of the Administrative Division

Sec. 12.2. The Administrative Division shall have following functions, among others:

- a. Handle personnel transactions, including appointments, leaves, transfers, resignations, and separations;
- b. Handle financial transactions and maintain accounting records and books of accounts, prepare and submit financial statements and reports and certify to the availability of funds and/or allotment and to the correctness of vouchers, journals, bills, and other financial reports;
- c. Handle cash receipts and disbursements;
- d. File and maintain necessary records and documents;
- e. Procure, store, and distribute supplies, materials, and equipment;
- f. Handle the legal matters and problems affecting the Institute;
- g. Produce and disseminate media materials to implement the information program of the Institute;
- h. Provide clerical, security- guarding, janitorial, messengerial, and transportation services; and
- i. Perform such other functions as may be provided by law.

FUNCTIONS OF THE PHILIPPINE ATOMIC ENERGY COMMISSION

Sec. 13. The Philippine Atomic Energy Commission shall continue to promote the peaceful uses of atomic energy through (a) research and development activities, (b) regulation of the use of atomic energy to safeguard public health and safety, (c) training and education of local scientists and technologists in the nuclear field (d) promotion and dissemination of nuclear scientific techniques and information, and (e) participation in international conferences and meetings on nuclear matters. It shall also perform such other functions as may be provided by law.

The Commissions as graphically depicted in the following organization chart, shall discharge the above-functions through its existing divisions, namely; Training Plans and Policies Division, Research and Development Division, and Philippine Atomic Research Center. It shall also have a Planning and Programming Division and an Administrative Division with corresponding duties and responsibilities, as follows:

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Functions of the Planning and Programming Division

Sec. 13.1. The Planning and Programming Division shall have the following functions, among others:

- a. Formulate long-range and annual plans and programs for the Commission, including basic policies, guidelines, and criteria for the preparation and determination of priorities for its budget;
- b. Initiate and/or provide support for the development of the Commission's projects in accordance with approved priority areas;
- c. Evaluate project proposals of the different units of the Commission;
- d. Compile, analyze, and integrate statistical data, including operational statistics;
- e. Evaluate periodically performance reports
- f. Develop and improve budgetary methods, procedures, and justifications;
- g. Provide, subject to budgetary ceilings, fund estimates in support of the Commission's operations, plans, and programs, and
- h. Perform such other functions as may be provided by law.

Functions of the Administrative Division

Sec. 13.2. The Administrative Division shall have following functions, among others;

- a. Handle personnel transactions, including appointments, leaves, transfers, resignations, and separations;
- b. Handle financial transactions and maintain accounting records and books of accounts, prepare and submit financial, statements and reports, and certify to the availability of funds and/or allotment and to the correctness of vouchers, journals, bills, and other financial reports;
- c. Handle cash receipts and disbursements;
- d. File and maintain necessary records and documents;
- e. Procure, store, and distribute supplies, materials, and equipment;
- f. Handle the legal matters and problems affecting the Commission;
- g. Produce and disseminate media materials to implement the information program of the Commission;
- h. Provide clerical, security guarding, janitorial messengerial, and transportation services; and
- i. Perform such other functions as may be provided by law.

FUNCTIONS OF THE PHILIPPINE INVENTORS COMMISSION

Sec. 14. The Philippine Inventors Commission shall continue to provide technical, legal, and financial assistance to inventors in order to promote and encourage inventiveness and creativeness among our people; establish and maintain a public research laboratory and experimental stations where authorized inventors and researchers may perfect or test approved inventions and researches; publish and disseminate information about inventions and researches; and perform such other functions as may be provided by law.

The Commission, as depicted in the following organization chart, shall discharge the above functions through the existing divisions, namely; Patent Examination

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Division, Evaluation and Marketing Division, Research and Development Division, and Legal Division. It shall also have an Administrative Division with corresponding duties and responsibilities, as follows:

Functions of the Administrative Division

Sec. 14.1. The Administrative Division shall have I the following functions, among others:

- a. Handle personnel transactions, including appointments, leaves, transfers, resignations, and separations;
- b. Prepare and assist in the execution and control of the budget;
- c. Handle financial transactions and maintain accounting records and books of accounts, prepare and submit financial statements and reports, and certify to the availability of funds and/or allotment and to the correctness of vouchers, journals, bills, and other financial reports;
- d. Handle cash receipts and disbursements;
- e. File and maintain necessary records and documents;
- f. Procure, store, and distribute supplies, materials, and equipment;
- g. Produce and disseminate media materials to implement the information program of the Commission;
- h. Provide clerical, security guarding, janitorial, messengerial, and transportation services; and
- i. Perform such other functions as may be provided by law.

FUNCTIONS OF THE FOREST PRODUCTS RESEARCH AND INDUSTRIES DEVELOPMENT COMMISSION

Sec. 15. The Forest Products Research and Industries Development Commission shall continue to conduct research on wood and wood products and develop such practices and processes to increase the utility, value, quality, and serviceability of wood and other wood products establish and operate research centers and pilot plants in any suitable part of the Philippines; assist industries using forest products in their technological development to increase their, usefulness, efficiency, and productivity: train technicians for industries using forest products: disseminate information on research results; and perform such other functions as may be provided by law.

The Commission, as graphically depicted in the following organization chart, shall discharge the above functions through the Forest Products Research and Industries Development Council as the policy-formulating body and through its existing Institutes, namely: Forest Products Research Institute and Forest Products Industries Development Institute with their technical divisions. It shall also have a Planning and Programming Division and an Administrative Division with corresponding duties and responsibilities as follows:

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Functions of the Planning and Programming Division

Sec. 15.1. The Planning and Programming Division shall have the following functions, among others:

- a. Formulate long-range and annual plans and programs for the Commission, including basic policies guidelines and criteria for the preparation and determination of priorities for its budget;
- b. Initiate and/or provide support for the development of the Commission's projects in accordance with approved priority areas;
- c. Evaluate project proposals of the different units of the Commission;
- d. Compile, analyze, and integrate statistical data, including operational statistics;
- e. Evaluate periodically performance reports;
- f. Develop and improve budgetary methods, procedures, and justifications;
- g. Provide, subject to budgetary ceilings, estimates in support of the Commission's operations, plans, and programs; and
- h. Perform such other functions as may be provided by law.
- i.

Functions of the Administrative Division

Sec. 15.2. The Administrative Division shall have following functions, among others:

- a. Handle personnel transactions, including appointments, leaves, transfers, resignations, and separations;
- b. Handle financial transactions and maintain accounting records and books of accounts, prepare and submit financial statements and reports, and certify to the availability of funds and/or allotment and to the correctness of vouchers, journals, bills, and other financial reports;
- c. Handle cash receipts and disbursements;
- d. File and maintain necessary records and documents;
- e. Procure, store, and distribute supplies, materials, and equipment
- f. Handle the legal matters and problems affecting the Commission;
- g. Produce and disseminate media materials to implement the information program of the Commission;
- h. Provide clerical, security guarding, janitorial, messengerial, and transportation services; and
- i. Perform such other functions as may be provided by law.

FUNCTIONS OF THE FOOD AND NUTRITION RESEARCH CENTER

Sec. 16. The Food and Nutrition Research Center shall continue to undertake research in the basic and applied sciences of food and nutrition, including food analysis, processing of unconventional foods, and food enrichment undertake surveys to define problems of nutrition and to examine factors underlying food patterns; formulate, implement and evaluate food and nutrition programs; and perform such other functions as may be provided by law.

The Center, as graphically depicted in the following organization chart, shall discharge the above functions through its existing divisions, namely: Medical and Applied Nutrition Division, Nutrition Surveys Division, Nutrition Research

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Laboratory, and Food Research Laboratory, it shall also have an Administrative Division with corresponding duties and responsibilities, as follows:

Functions of the Administrative Division

Sec. 16.1 The Administrative Division shall have the following functions, among others:

- a. Handle personnel transactions, including appointments, leaves, transfers, resignations, and separations;
- b. Prepare and assist in the execution and control of the budget;
- c. Handle financial transactions and maintain accounting records and books of accounts, prepare and submit financial statements and reports, and certify to the availability of funds and/or allotment and to the correctness of vouchers, journals, bills, and other financial reports;
- d. Handle cash receipts and disbursements;
- e. File and maintain necessary records and documents;
- f. Procure, store, and distribute supplies materials and equipment;
- g. Handle the legal matters and problems affecting the Center;
- h. Produce and disseminate media materials to implement, the information program of the Center
- i. Provide clerical, security guarding, janitorial, messengerial, and transportation services; and
- j. Perform such other functions as may be provided by law.

FUNCTIONS OF THE PHILIPPINE TEXTILE RESEARCH INSTITUTE

Sec. 17. The Philippine Textile Research Institute shall undertake a comprehensive program of textile research and development and directly undertake and/or assist in undertaking research and development, projects and studies for the promotion of the local textile industries.

The Institute/ as graphically depicted in the following organization chart, shall discharge the above functions through its existing divisions, namely; Technical Assistance Division, Research and Development Division, and Processing, Consultancy, and Training Divisions. Provided, That the Board of Governors, upon recommendation of the Director of the Institute, may subsequently modify the foregoing functional divisions as may be necessary and: Provided, further, That the Institute may also have a Planning and Programming Division and an Administrative Division with corresponding duties and responsibilities as follows:

Functions of the Planning and Programming Division

Sec. 17.1. The Planning and Programming Division shall have, the following functions, among others:

- a. Formulate long-range and annual plans and programs for the Institute, including basic policies, guidelines, and criteria for the preparation and determination of priorities for its budget;

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- b. Initiate and/or provide support for the development of the Institute's projects in accordance with approved priority areas;
- c. Evaluate project proposals of the different units of the Institute;
- d. Compile, analyze, and integrate statistical data, including operational statistics,
- e. Evaluate periodically performance reports;
- f. Develop and improve budgetary methods, procedures, and justifications;
- g. provide, subject to budgetary ceilings, fund estimates in support of the Institute's operations, plans, and programs; and
- h. Perform such other functions as may be provided by law.

Functions of the Administrative Division

Sec. 17.2. The Administrative Division shall have following functions, among others:

- a. Handle personnel transactions, including appointments, leaves, transfers, resignations, and separations;
- b. Handle financial transactions and maintain accounting records and books of accounts, prepare and submit financial statements and reports, and certify to the availability of funds and/or allotment and to the correctness of vouchers, journals, bills, and other financial reports;
- c. Handle cash receipts and disbursements;
- d. File and maintain necessary records and documents;
- e. Procure, store, and distribute supplies, materials, and equipment;
- f. Handle the legal, matters and problems affecting the Institute
- g. Produce and disseminate media materials to implement the information program of the Institute;
- h. Provide clerical, security guarding, janitorial, messengerial, and transportation services; and
- i. Perform such other functions as may be provided by law.

FUNCTIONS OF THE COMMISSION ON VOLCANOLOGY

Sec. 18. The Commission on Volcanology shall continue investigate and conduct studies of all active volcano and to establish the necessary facilities to predict the eruptions; formulate in advance detailed plans for action and relief in the event of any volcanic eruption; conduct researches and demonstrate the technical feasibility of utilizing volcanic products; establish and operate research centers; study and recommend ways and means by which devastated areas can be speedily rehabilitated; and perform such other functions as may be provided by law.

In addition, the Commission shall also undertake geo thermal research and development projects.

The Commission, as graphically depicted in the following organization chart, shall have an Administrative Division, a Volcanology Division, a Geothermal Division, and a Field and Disaster Mitigation Division with corresponding duties and responsibilities, as follows:

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Functions of the Administrative Division

Sec. 18.1. The Administrative Division shall have the following functions, among others:

- a. Handle personnel transactions, including appointments, leaves, transfers, resignations, and separations;
- b. Prepare and assist in the execution and control of the budget;
- c. Handle financial transactions and maintain accounting records and books of accounts, prepare and submit financial statements and reports, and certify to the availability of funds and/or allotment and to the correctness of vouchers journals, bills, and other financial reports;
- d. Handle cash receipts and disbursements;
- e. File and maintain necessary records and documents;
- f. Procure, store, and distribute supplies, materials, and equipment;
- g. Handle the legal matters and problems affecting the Commission;
- h. Provide clerical, security guarding, janitorial, messengerial, and transportation services; and
- i. Perform such other functions as may be provided by law.

Functions of the Volcanology Division

Sec. 18.2. The Volcanology Division shall have following functions, among others:

- a. Study the eruptive history, past behavior and nature of activity of individual Philippine volcanoes;
- b. Undertake researches on volcanic rocks and gases for prediction and possible economic utilization purposes;
- c. Devise appropriate surveillance techniques for each volcano;
- d. Evaluate daily observations such as thermal, seismic, tilt and tide measurements received from field stations;
- e. Conduct periodic magnetic, gravimetric, seismic and geological investigations of each volcanic area under surveillance;
- f. Correlate, and assess foreign developments and progress in the field of volcanology for adoption to local situations;
- g. Study and recommend ways and means by which large areas devastated; by volcanic activity can be speedily rehabilitated;
- h. In times of eruptions, to complement the field personnel in evaluating the course and progress of the activity;
- i. Perform such other functions as may be provided by law.

Functions of the Geothermal Division

Sec. 18.3. The Geothermal Division shall have the following functions, among others:

- a. Catalog and prepare adequate maps showing the thermal areas of the Philippines with geothermal potentials;

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- b. Conduct at its own initiative, or upon request of the National Power Corporation or other entities, preliminary surveys, experiments, and research investigation on possible industrial and other uses of geothermal energy;
- c. Undertake studies such as geological, geophysical, geochemical and thermal investigations, should preliminary findings indicate potentials of commercial importance, and undertake exploratory drilling to further probe the potential of the particular field;
- d. Conduct studies to determine the extent and nature of the reservoir and its potential, and recommend measures for the; efficient exploitation, as well as conservation, of geothermal resources in the country;
- e. Subsequently prepare plans for installation of a geothermal power pilot plant in the area investigated;
- f. Perform such tests as may be necessary to determine the nature, volume, and character of the steam available from exploratory drill holes of the area;
- g. Compile and cause to put into usable form the gathered data from such studies for the use of NPC or any other agency that will undertake the commercial development of the particular field; and
- h. Perform such other functions as may be provided by law.

Functions of the Field and Disaster Mitigation Division

Sec. 18.4. The Field and Disaster Mitigation Division shall have the following functions, among others.

- a. Formulate in advance detailed plans for act and relief in the event of the eruption of any volcano, and recommend such emergency measures as may be necessary to protect life and property in areas which may be affected by volcanic eruptions, including the declaration of certain areas as closed to human habitation or subject to regulation;
- b. Evaluate danger possibilities of volcanic activity and recommend precautionary me to be followed in areas close to active volcanoes including the delimitation of danger zones and places of evacuation:
- c. Maintain and operate volcanological field stations and other installations of the Commission; and perform necessary daily observations and other surveillance work;
- d. Transmit such seismic, tilt, temperature, and visual observations to the Central Office for proper evaluation and action;
- e. During eruptions/ conduct as frequently as required proper observations-needed for an understanding of the course of the activity;
- f. Conduct surveys on volcanic areas that may be developed into points of attraction for tourists in collaboration with the proper tourist agency of the government;
- g. Collaborate with the National Disaster Coordinating Center during volcanic eruption or related emergencies, and furnish technical information and services to the Philippine National Red Cross and other relief organizations, mass media, and the general public; and
- h. Perform such other functions as may be provided by law.

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FUNCTIONS OF THE NATIONAL WATER AND AIR POLLUTION CONTROL COMMISSION

Sec. 19. The National Water and Air Pollution Control Commission shall continue to maintain reasonable stand of purity of the waters and air; conduct studies on new methods and equipment for the control of air pollutants or treatment of domestic and industrial wastes; conduct surveys and investigations to determine if pollution exists and recommend installation of pollution control devices; and perform such other functions as may be provided by law.

The Commission, as graphically depicted in the following organization chart, shall discharge the above functions through its existing divisions supervised by the Office of the Executive Officer, namely: Administrative Division, Legal Division, Research and Development Division, Air Pollution Control Division, and Water Pollution Control Division.

FUNCTIONS OF THE ATTACHED AGENCIES

SEC. 20. The agencies attached to the Board for and program coordination shall continue to perform their present functions in accordance with the respective laws or charters creating them, except for the Pesticide Control and Research Committee and the Pollution Research Center of the Philippines, whose existence shall be in accordance with Paragraph 4. Article I, Chapter I, Part of the Plan.

TRANSITORY MEASURES

Sec. 21. In conformity with the foregoing organization and functional statements, you are hereby directed to with the assistance of the Budget Commission, the Civil Service Commission, and the Presidential Commission on Reorganization and submit within ninety days from the promulgation of Presidential Decree No. 1 for the approval of the Presidents the supplementary details relative to the Staffing Pattern for the Board, The Staffing Pattern, that shall be developed for purpose of this installation shall, insofar as practicable., be in accordance with the criteria specified in Paragraph 5 Article 1, Chapter I, Part XXIII on General Provisions of the Plan.

Sec. 22. Upon the approval of the Staffing Patter, referred to above, appointments will be made of the personnel to fill the positions authorized in said Staffing Pattern, Sec. 23. All appointments to technical or scientific positions that shall be authorized under the Staffing Pattern referred to above shall, in general, be in accordance with qualification standards and salary ranges for each position duly approved by the Board of Governors.

Technical or scientific positions pertain to positions at the supervisory and senior levels, the duties and responsibilities of which are directly involved in substantive or scientific functions and operations and the qualification standards for which require at least a college degree or higher.

Sec. 24. All appointment's to non-technical or non-scientific positions that shall be authorized in said Staffing Pattern shall, in general, be in accordance with the merit

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requirements of the Civil Service Law and rules and duly approved qualification standards for each positions Provided, That in the case of new position titles, qualification standards therefor shall be developed by the Board, subject to approval by the President upon recommendation of the Civil Service Commissions Provided, further, That consideration for employment of non-technical or non-scientific personnel other than those of the agencies, and office affected by this implementation shall be made only after the personnel of such reorganized entities shall have been considered: Provided finally, That personnel actions pertaining to nontechnical or non-scientific positions which need to be taken as a result of the establishment of the said Staffing Pattern shall be in accordance with applicable Civil Service Law and Rules.

Non-technical ,or non-.scientific positions pertaining to: (a) positions at the “junior or journeyman level, the duties and responsibilities of which are directly involved in substantive or scientific functions and operations, and the qualification standards for which require a college degree or lower and with no experience requirements; (b) positions, the duties and responsibilities of which are involved in providing administrative or auxiliary and supportive services; or (c) positions which involve clerical, laboring, or general utility work.

Sec. 25. No original appointments to positions, except confidential positions, in the Staffing Pattern shall be made until ail employees in the agencies affected who meet the qualification standards approved by the Board of Governors pursuant to Sec. 23 hereof (in the case of technical or scientific positions) or as duly approved pursuant to Sec. 24 hereof (in the case of non-technical or non-scientific positions) shall have been absorbed to appropriate positions available. You shall furnish Civil Service Commission a certified list of all employees holding non-technical or non-scientific positions as a result of the implementation of the organizations.

Sec. 26. The position titles that shall be used in the Staffing Pattern for non-technical or non-scientific positions shall be tentative for purposes of initial appointments to positions provided therein. The position titles shall be subject to final determination allocation to appropriate classes, and salary ranges by WAPCO, upon conduct of the usual audit of the duties and responsibilities assigned to the positions.

Sec. 27. All initial appointments to positions in the Staffing Pattern shall be at the authorized or actual salaries of the incumbents appointed to the positions, whichever is higher. In the reallocation of appropriations authorized to be made under Section 30 of this Letter of Implementation, an adequate lump-sum amount shall be provided to take care where the actual salary of the appointees is more that the rate authorized.

Sec. 28. Salary increases as may result from appointments to non-technical or non-scientific positions in Staffing Pattern to be proposed shall be effective only after final determination and allocation of said positions by the WAPCO pursuant to Section 26 of this Letter of Implementation.

Sec 29. The selection and initial appointment of personnel for positions, except technical and scientific in the Staffing Pattern shall, be made with the assistance of a Committee to be composed of a representative each the Board Proper, Civil Service Commission, and Budge Commission; Provided, that in the consideration of persons

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to fill positions authorized for the agency or company units in the Board, a representative of the Agency or comparable unit involved shall sit and participate in deliberations of the committee.

REALLOCATION OF APPROPRIATIONS

Sec. 30. You are likewise directed to cause the preparation, in collaboration with the Budget Commission of the details of the Reallocation of Appropriations necessary to put into effect the implementation as prescribed by this Letter of Implementation in accordance to Paragraph 4, Article I, Chapter I, Part XXIII of the Plan. Pursuant to Paragraph 15, Article II, Chapter I, Part of the Plan, the reallocation of available appropriations for the Board having sole authority to determine the details of expenditures within the approved budgetary ceilings were required.

TIMING OF ADMINISTRATIVE ACTIONS

Sec. 31. You are hereby directed to effect the orderly scheduling of transfers, changes and other transitional actions required by the Plan and this Letter of Implementations: Provided, That all such actions shall be completed within the period prescribed in Paragraph 14; Article I, Chapter I, Part XXIII of the Plan reckoned from the date of issuance of Presidential Decree No. 1. In the interim, each entity affected shall continue to perform its functions until such time as you shall order change or cessation and each officer and employee shall continue to perform his duties and to exercise his authority until such time as you order otherwise but not beyond the termination of the transition period prescribed above.

Sec. 32. In the process of the selection of personnel to fill positions in the Staffing Pattern mentioned above, you are authorized to make the necessary changes in the personnel structure of the Board subjects the approval of the Office of the President, to correct inequities that in your opinion may have resulted from the preparation thereof: Provided, That any adjustment or adjustments that shall be made pursuant hereto shall not result in an increase in the total appropriations for personal services authorized for the Board.

Sec. 33. You are hereby finally directed to note and call the attention of the President to such provisions of Part XIII of the Plan or portions thereof which are inoperable under present conditions in view of Proclamation Order No. 1081 dated September 21, 1972 and which should be suspended until such time as their activation shall be possible.

Done in the City of Manila, this 17th day of November in the year of Our Lord, nineteen hundred and seventy-two.

(Sgd.) FERDINAND E. MARCOS
President
Republic of the Philippines

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MALACAÑANG

Manila

PRESIDENTIAL DECREE NO. 521

AMENDING PARAGRAPH 4, ARTICLE II, CHAPTER I, PART XIII OF THE INTEGRATED REORGANIZATION PLAN, AS AMENDED, BY PROVIDING FOR A FULL-TIME VICE-CHAIRMAN AND EXECUTIVE DIRECTOR FOR THE NATIONAL SCIENCE DEVELOPMENT BOARD

WHEREAS, the department model of organization under the Integrated Reorganization Plan, to which the National Science Development Board conforms, provides for an Undersecretary to assist the Department Secretary, and to perform temporarily the functions of Secretary in case of inability of the latter to perform his duties owing to illness, absence, or other cause, or in case of vacancy in that office;

WHEREAS, in the interest of better science administration, coordination and supervision, it is necessary and desirable to restore and reestablish the position of Vice-Chairman and Executive Director in the National Science Development Board.

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby amend Paragraph 4, Article II, Chapter I, Part XIII of the Integrated Reorganization Plan, as amended, to read as follows:

“4. The Governing Board is renamed Board of Governors and reorganized to be composed of seven members: a full-time Chairman who shall have a term of six years; a Vice-Chairman, who shall concurrently be the Executive Director of the National Science Development Board; the Secretary of Education and Culture, the President of the University of the Philippines, and a representative from the National Economic and Development Authority, as ex-officio members; and two members from the private sector who have demonstrated competence in scientific and technological research and development in the fields of agriculture, industry, technology, education, and community development, who shall serve part-time, provided that in no case shall a member of the Board of Governors be the head of any of the implementing agencies of the NSDB.”

Letter of Implementation No. 14, dated November 27, 1972 is accordingly modified.

Done in the City of Manila, this 24th day of July, in the year of Our Lord, nineteen hundred and seventy-four.

(Sgd.) FERDINAND E. MARCOS
President of the Philippines

CHAPTER I

EXECUTIVE ORDER NO. 784

REORGANIZING THE NATIONAL SCIENCE DEVELOPMENT BOARD AND ITS AGENCIES INTO A NATIONAL SCIENCE AND TECHNOLOGY AUTHORITY AND FOR RELATED PURPOSES

WHEREAS, under the New Republic, national economic development shall be pursued with renewed dedication and determination;

WHEREAS, the Constitution mandates that the advancement of science and technology shall have priority in national development;

WHEREAS, it is imperative that scientific and technological efforts are geared to meet the demands of economic and social development, and that the results of such research and development are properly applied and utilized to the processes of production to ultimately benefit the Filipino people;

WHEREAS, the private and public sectors should effect a partnership to harness their resources in a directed and common strategy to develop self-reliance in science and technology;

WHEREAS, the country's development thrusts require an innovative comprehensive national planning approach for science and technology that would effectively integrate the totality of government scientific and technological efforts and harmonize such efforts with those of the private sector to achieve greater national progress;

WHEREAS, to realize the above objectives, it is essential to reorganize the science and technology institutions of government to transform them into a revitalized science and technology machinery under the general direction of a National Science and Technology Authority; and

WHEREAS, under Presidential Decree No. 1416 as amended, the President is empowered to undertake such organizational and related improvements as may be appropriate in the light of changing circumstances and new developments;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution and the authority vested in me by Presidential Decree No. 1416 as amended, do hereby order and direct:

SECTION 1. Primary Agency. – The present National Science Development Board is hereby reorganized into a National Science and Technology Authority, hereinafter referred to as the Authority, which shall provide central direction, leadership and coordination of scientific and technological research and development. The Authority shall, jointly with other government agencies and instrumentalities concerned, ensure the application and utilization of the results of such research and development to achieve developmental goals.

SECTION 2. General Responsibility. – The Authority shall formulate and implement policies, plans and programs for the development of science and

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technology capabilities and for the promotion of scientific and technological activities. It shall ensure that the results of scientific and technological activities are properly applied and utilized to accelerate economic and social development. It shall continually review the state and needs of science and technology in the light of the country's development goals.

SECTION 3. Comprehensive National Plan for Science and Technology. – A Comprehensive National Plan for Science and Technology shall be formulated by the Authority, and upon approval by the President of the Philippines shall be implemented by all government agencies and instrumentalities. Such plan shall be relevant to and consistent with the national economic development plan, and shall mobilize and harness all the government resources to ensure the effective and efficient implementation of an accelerated scientific and technological research and development program and the utilization of the results of such program. It shall moreover establish priorities for specific programs and projects and rationalize the funding and budgetary requirements of the national government on research and development activities in order to attain optimum allocation of resources. In addition, it shall provide guidelines for the participation of the private sector in the research and development program of the government.

SECTION 4. Functions. – The Authority shall:

- (a) Promote, assist, and where appropriate undertake scientific and technological research and development in all fields, and towards this end, provide direction and promote cooperation in the scientific and technological activities of the public and private sectors;
- (b) Promote the development of indigenous technology and the adaptation of foreign technology for domestic use;
- (c) Formulate and submit to the President for his approval a Comprehensive National Plan for Science and Technology including specific goals, policies, plans programs and projects;
- (d) Prepare and submit to the Office of Budget and Management its annual national budgetary requirements and coordinate the funding and implementation of the Comprehensive National Plan for Science and Technology;
- (e) Develop and implement a national delivery system for the effective and efficient utilization of the results of scientific and technological research and development;
- (f) Encourage and facilitate the active participation of the private sector in scientific and technological activities;
- (g) Develop and implement, together with other entities concerned, a national program for strengthening scientific and technological capabilities through accelerated training and deployment of manpower and building up of appropriate infrastructure and institutions;
- (h) Develop and maintain a national information bank on science and technology for use by both the public and private sectors; and
- (i) Promote public consciousness in science and technology.

SECTION 5. Organization. – The exercise of the powers and the discharge of the functions of the Authority shall be vested in the Director General of the National

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Science and Technology Authority, hereinafter referred to as the Director General, who shall be appointed by the President. The Director General shall be an ex-officio member of the National Economic and Development Authority.

The Director General shall be assisted by such Deputy Directors General as may be necessary, who shall be appointed by the President. The Director General is hereby authorized to determine and assign the respective functional areas of responsibility of the Deputy Directors General, should there be more than one; Provided, That such delineation of responsibility shall cover the substantive functions and operations of the Authority and Provided, further, that no Deputy Director General shall be assigned primarily administrative matters.

The Authority shall consist of:

- (a) The Authority proper;
- (b) The agencies under the supervision and control of the Authority;
- (c) The agencies and entities under the administrative supervision of the Authority; and
- (d) The corporate entities attached to the Authority for purposes of policy and program coordination.

SECTION 6. The Authority proper. – The Authority proper shall be composed of the Office of the Director General, a Planning Service, a Financial and Management Service, an Administrative Service, and a Special Projects Service.

The Special Projects Service shall be responsible for identifying and facilitating the development of special programs and projects on research results which have economic and social value and shall utilize the corporate facilities of the Technology Resource Center of the Ministry of Human Settlements for this purpose. It shall promote cooperation with foreign institutions and international bodies and generate funds in pursuance of the objectives of the Authority.

SECTION 7. The Line Agencies. – The Authority shall exercise supervision and control over the following agencies:

- (a) The National Institute of Science and Technology;
- (b) The Food and Nutrition Research Institute;
- (c) The Philippine Institute of Volcanology;
- (d) The Forest Products Research and Development Institute;
- (e) The Philippine Invention Development Institute;
- (f) The Science Foundation of the Philippines, which is hereby renamed the Science Promotion Institute, and which is hereby converted into a regular government agency from its original corporate status; and
- (g) The Materials Science Research Institute, which is hereby created and which shall assume the research functions of the Metals Industry Research and Development Center and absorb the ceramics research unit of the National Institute of Science and Technology. In the conduct of its metals research functions, the Institute shall avail itself of the facilities of the Metals Industry Research and Development Center under such arrangements as may be agreed

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upon between the Materials Sciences Research Institute and the Metals Industry Research and Development Center.

Each of the above-named institutes shall be headed by a Director to be assisted by a Deputy Director, both of whom shall be appointed by the President upon recommendation of the Director General.

SECTION 8. Agencies under Administrative Supervision. – The authority shall exercise administrative supervision over the following agencies:

- (a) The National Academy of Science and Technology;
- (b) The Philippine Atomic Energy Commission which is transferred from the Office of the Prime Minister; and
- (c) The Science and Technology Councils provided under Section 10 of this Executive Order, except the National Research Council of the Philippines.

SECTION 9. Attached Agencies. – The following corporate entities shall be attached to the Authority for policy and program coordination:

- (a) Philippine Science High School; and
- (b) National Research Council of the Philippines;

The Director General of the Authority shall be the ex-officio Chairman of the governing boards of these entities.

SECTION 10. Science and Technology Council System. – There are hereby created a Philippine Council for Health Research and Development, and a Philippine Council for Industry and Energy Research and Development. The Philippine Council for Agriculture and Resources Research is hereby renamed Philippine Council for Agriculture and Resources Research and Development.

The Philippine Council for Health Research and Development, the Philippine Council for Industry and Energy Research and Development, the Philippine Council for Agriculture and Resources Research and Development and the National Research Council for the Philippines shall comprise a Science and Technology Center System. Each of the Councils, except the National Research Council of the Philippines, shall be serviced by a Secretariat, to be headed by an Executive Director to be appointed by the President upon recommendation by the Director General. The Executive Director shall be responsible for implementing the policies, project and decisions of the Council.

The Director General shall be responsible for coordinating the activities of the Councils to ensure synchronization of their respective research and development programs in order to avoid duplications, as well as rationalization of their total resources requirements.

The President of the Philippines, upon recommendation of the Director General, may create or transfer to the Authority other entities as additional components of the System.

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SECTION 11. General Responsibilities of the Councils. – Each of the Councils shall be responsible for the formulation of strategies and programs for science and technology development, for programming the allocation of government funds for research and development in coordination with the Office of Budget and Management, and for the establishment and maintenance of a system to generate funds in its specific sector.

SECTION 12. Philippine Council for Health Research and Development. – The Philippine Council for Health Research and Development which shall be under the administrative supervision of the Authority shall consist of nine persons with the Director General as Chairman, and the following as members: the Deputy Minister of Health, the Chancellor of the University of the Philippines Health Sciences Center, the Executive Director of the National Nutrition Council, the Executive Director of the Council Secretariat, and four other representatives from the private sector in the field of health, to be appointed by the President in their personal capacity upon recommendation by the Director General, each for a term of two (2) years, Provided, however, that the tenure of the members first appointed by the President shall be as follows: two for one year and the other two for two years as fixed in their respective appointments. The members shall serve and continue to hold office until their successors shall have been appointed and qualified. In case of a vacancy in the Council, the President shall appoint a successor thereto who shall serve for the unexpired portion of the term of the position.

SECTION 13. Philippine Council for Industry and Energy Research and Development. – The Philippine Council for Industry and Energy Research and Development which shall be under the administrative supervision of the Authority shall consist of nine persons with the Director General as Chairman, and the following as members; the Deputy Minister of Trade and Industry, the Deputy Minister of Energy, the Deputy Minister of Public Works and Highways, the Deputy Minister of Transportation and Communications, the Executive Director of the Council Secretariat and three representatives of the private sector in the field of industry and energy, to be appointed by the President in their personal capacity upon recommendation of the Director General, each for a term of two (2) years; Provided, however, that the tenure of the members first appointed by the President shall be as follows: one for one year and two for two years as fixed in their respective appointments. The members shall serve and continue to hold office until their successor shall have been appointed and qualified. In case of a vacancy in the Council, the President shall appoint a successor thereto who shall serve for the unexpired portion of the term of the position.

SECTION 14. Philippine Council for Agriculture and Resources Research and Development. – The Philippine Council for Agriculture and Resources Research and Development which shall be under the administrative supervision of the Authority is hereby reconstituted to consist of nine persons with the Director General as Chairman, and the following as members: the Deputy Minister of Agriculture, the Deputy Minister of Natural Resources, the Deputy Administrator of the National Food Authority; the Chancellor of the University of the Philippines at Los Baños,

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the Executive Director of the Council Secretariat, and three representatives of the private sector in the field of agriculture and resources, to be appointed by the President in their personal capacity upon recommendation of the Director General, each for a term of two (2) years; Provided, however, that the tenure of the members first appointed by the President shall be as follows: one for one year and the other two for two years as fixed in their respective appointments. The members shall serve and continue to hold office until their successor shall have been appointed and qualified. In case of a vacancy in the Council, the President shall appoint a successor thereto who shall serve for the unexpired portion of the term of the position.

SECTION 15. National Research Council of the Philippines. – The National Research Council of the Philippines which shall be attached to the Authority shall retain its organizational structure as a collegial body and shall engage primarily in supporting research of a more basic and fundamental nature, in contrast to the applied research orientation of the three other Councils. The Director General of the Authority shall ensure that the fields of primary responsibility in the various areas of priority research shall be clearly defined between the National Research Council of the Philippines and the other three Councils of the System.

SECTION 16. Commercialization and Utilization of Appropriate Technologies. – The Technology Resource Center of the Ministry of Human Settlements shall be the implementing arm of the Authority for fostering and promoting the commercialization of available and appropriate technology as specified in Section 6 of this Order; Provided, That the Chairman of the TRC Board of Trustees and the Director-General of the Authority shall jointly issue implementing rules and regulations to govern such relationships; Provided further, That the TRC shall be empowered, as it is hereby empowered, to engage in venture capital development; Provided furthermore, That TRC shall expand its existing information and cartographic bank into a National Data Communications System establishing in so doing resource information networks both domestic and foreign, and Provided finally, That the TRC shall establish the physical infrastructure center to house and locate the Center's facilities and programs, including those of the Authority itself as may be deemed appropriate, authorizing herein the Chairman of the Board of Trustees of TRC to undertake such physical construction.

The TRC shall, in anticipation of the requirements of Authority as specified in Sec. 6 of this Order create as it is hereby created, a Livelihood External Assistance Program Office directly under the Management Advisory Council that shall oversee the implementation of programs/projects utilizing appropriate technologies with bilateral and multinational financing and/or assistance. This Office shall be headed by a Managing Director to be appointed by the President of the Philippines upon recommendation of the Chairman, TRC Board of Trustee.

SECTION 17. Regional or Field Extension Offices. – The Authority is hereby authorized to establish such regional or field extension offices as may be necessary in accordance with Article I, Chapter 3, Part II of the Integrated Reorganization Plan, as amended. The Authority may also have such offices and representatives abroad in

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specific sites where its presence is considered necessary, subject to the approval of the President of the Philippines for each such post abroad.

SECTION 18. Advisory Bodies. – In the formulation and implementation of science and technology policies, plans, and programs, the Director General may, whenever appropriate, establish advisory bodies for science and technology development or otherwise seek advice from recognized and reputable scientific, professional, industrial, and trade organizations.

SECTION 19. Scientific Career System. – A Scientific Career System shall be established within the Civil Service. Such System shall cover scientific personnel who shall, for purposes of this Executive Order, be those who have earned advance degrees in any field of the sciences. The Scientific Career System shall have the following features:

- (a) Entrance to and career progression or career advancement in the Scientific Career Service based on qualification and merit;
- (b) Parallel career paths which will allow scientists to develop within their respective areas of expertise without having to change their status as scientist;
- (c) Incentives and rewards to ensure attraction and retention of highly qualified manpower in the science and technology sector; and
- (d) Other measures to strengthen and increase the effectiveness of the science and technology system.

The Civil Service Commission, with the assistance of the Authority, shall be responsible for the establishment and the operation of the System.

SECTION 20. Science and Technology Communities. – For the purpose of promoting and encouraging the sharing between and among academic and scientific institutions, of libraries, equipment and other research facilities, the Director General is hereby authorized to establish science communities in appropriate sites which shall provide both research and living facilities for scientists and their families. There shall be established, initially, an energy, earth and atmospheric sciences community in Diliman, Quezon City; an industrial sciences community in Bicutan, Taguig, Metro Manila; and an agriculture, forestry and life sciences community in Los Baños, Laguna.

SECTION 21. Appropriations. – The balance of the appropriations authorized under Batas Pambansa Blg. 131 for the National Science Development Board and its agencies, including those of the entities to be transferred to the National Science and Technology Authority, shall be used for the operational expenses of the Authority for the current calendar year. Such appropriations shall be augmented in the amount of not less than fifty million pesos as may be necessary from any applicable appropriation item, subject to the approval of the President and upon recommendation of the Director General of the Office of Budget and Management.

SECTION 22. Abolition and Transfer of Functions, Powers and Resources. – The National Science Development Board including its Governing Board, Board proper

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and its implementing agencies is hereby abolished. In lieu thereof, there is established a new organization for the Authority as provided in Sections 6 and 7 of this Executive Order.

Unless otherwise provided in this Executive Order, all functions, powers, records, equipment and applicable appropriations of the National Science Development Board under Republic Act No. 2067, as amended, and under other laws, decrees, orders or other Presidential issuances are hereby transferred to the appropriate units and agencies of the Authority. All references to the National Science Development Board or to the Chairman of the National Science Development Board in all laws, decrees, proclamations and orders shall, hereafter, be deemed to refer to the National Science and Technology Authority or the Director General of the National Science and Technology Authority, respectively.

SECTION 23. Implementing Order. – The Director General is hereby authorized to issue such orders, rules and regulations as may be necessary to implement the provisions of this Executive Order; Provided, that approval of the Office of Budget and Management is obtained relative to the new staffing pattern including appropriate salary rates, the organizational structure at divisional and lower levels, and the alignment of existing appropriations. The Director General may appoint qualified personnel of the former National Science Development Board and its agencies to appropriate positions in the National Science and Technology Authority and its agencies, and those not so appointed are deemed laid off.

SECTION 24. Career Executive Service Positions. – All Presidential appointees of the former National Science Development Board and its agencies are laid off, unless otherwise reappointed by the President; Provided, that those who are Career Executive Service Officers shall either be reappointed or reassigned by the President upon the recommendation of the Director General to appropriate positions in the Authority, or assigned to the Career Executive Service Board which shall endeavor to find appropriate placement for them in other ministries or agencies; Provided, further, that those Career Executive Service Officers who have been assigned to the Career Executive Service Board shall continue to receive their salaries from any available and applicable funds; and Provided, finally, that those who are not placed to appropriate positions within six months after their assignment to the Career Executive Service Board shall be similarly laid off.

SECTION 25. Separation Benefits. – All those who are laid off under the provisions of this Executive Order shall be entitled to all benefits and gratuities provided for under existing laws.

SECTION 26. Continuation of Functions. – Except as may be otherwise determined by the Director General, all present incumbents of positions in the National Science Development Board and its agencies, including those transferred or attached to it, shall continue to exercise their usual functions, duties, and responsibilities pending the issuance of the appropriate implementing orders.

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SECTION 27. Repealing Clause. – All laws, decrees, orders, proclamations, rules, regulations, or parts thereof, which are inconsistent with any of the provisions of this Executive Order are hereby repealed or modified accordingly, Provided, however, that Sections 24, 24-a and 26 of Republic Act No. 2067, as amended, are hereby reaffirmed in respect to the Authority, its line agencies and its attached entities.

SECTION 28. Separability Clause. – Any portion or provision of this Executive Order that may be declared unconstitutional shall not have the effect of nullifying the other provisions thereof, provided that such remaining portions can still stand and be given effect in their entirety to accomplish the objectives of this Executive Order.

SECTION 29. Effectivity. – This Executive Order shall take effect immediately. Done in the City of Manila, this 17th day of March, in the year of Our Lord, nineteen hundred and eighty-two.

(Sgd.) FERDINAND E. MARCOS
President of the Philippines

By the President:
(Sgd.) JUAN C. TUVERA
Presidential Executive Assistant

MALACAÑANG
MANILA
BY THE PRESIDENT OF THE PHILIPPINES
EXECUTIVE ORDER NO. 128
REORGANIZING THE NATIONAL SCIENCE AND TECHNOLOGY
AUTHORITY

RECALLING that the reorganization of the government is mandated expressly in Article II, Section 1 [a], and Article III of the Freedom Constitution.

HAVING IN MIND that, pursuant to Executive Order No. 5 (1986), it is directed that necessary and proper changes in the organizational and functional structures of the government, its agencies and instrumentalities, be effected in order to promote efficiency and effectiveness in the delivery of public services;

AFFIRMING that it is necessary to reorganize the National Science and Technology Authority in order to make it more effective and responsive to the scientific and technological needs of the country;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, by virtue of the powers vested in me by the sovereign will of the Filipino People and the Freedom Constitution, do hereby order:

SECTION 1. Title. This Executive Order shall otherwise be known as the Reorganization Act of the National Science and Technology Authority.

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SECTION 2. Reorganization. The National Science and Technology Authority is hereby reorganized, structurally and functionally, hereinafter referred to as Authority, in accordance with the provisions of this Executive Order.

SECTION 3. Declaration of Policy. It shall be the policy of the State to:
Support and encourage local scientific and technological efforts that address national and local problems and positively contribute to national development;

Promote the development of local capability in science and technology to achieve technological self-reliance in selected areas that are vital to national development;
Support and encourage public and private sector partnership aimed at accelerating self-reliance in the selected areas;

Encourage and support private sector initiatives in science and technology and provide the necessary incentives and assistance to enable the private sector to take increasing responsibility and a greater role in the country's research and development efforts.

SECTION 4. Mandate. The Authority shall provide central direction, leadership, and coordination of scientific and technological efforts and ensure that the results therefrom are geared and utilized in areas of maximum economic and social benefits for the people.

The Authority shall formulate and implement policies, plans, programs and projects for the development of science and technology and for the promotion of scientific and technological activities for both the public and private sectors, and ensure that the results of scientific and technological activities are properly applied and utilized to accelerate economic and social development.

The Authority shall continually review the state and needs of science and technology in the context of the country's developmental goals.

SECTION 5. Powers and Functions. To accomplish its mandate, the Authority shall have the following powers and functions:

- [a] Formulate and adopt a comprehensive National Science and Technology Plan including specific goals, policies, plans, programs and projects based on the recommendation of the Inter-Council Review Board and, upon approval by the President, monitor and coordinate its funding and implementation by all government agencies and instrumentalities;
- [b] Promote, assist, and where appropriate, undertake scientific and technological research and development in those areas which are determined to be vital to the country's development and offer optimum returns for the resources employed;
- [c] Promote the development of indigenous technology and adaptation and innovation of suitable imported technology, and in this regard, undertake technology development up to the commercial stage, preferably in joint venture with the private sector or with public agencies;

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- [d] Undertake design and engineering work to complement its research and development functions;
- [e] Promote, assist and where appropriate undertake the transfer of the results of scientific and technological research and development, to their end-users;
- [f] Promote, assist and where appropriate undertake technological services needed by agriculture, industry, transport, and the general public;
- [g] Develop and maintain an information system and databank on science and technology for use by both the public and private sectors;
- [h] Develop and implement, together with other entities concerned, programs for strengthening scientific and technological capabilities in the relevant disciplines through manpower training, and through infrastructure and institution building and rationalization, in both the public and private sectors;
- [i] Promote public consciousness in science and technology;
- [j] Undertake policy research, technology assessment studies, feasibility studies and technical studies.

SECTION 6. Structural Organization. The Authority, comprising the Offices of the Director-General, and Deputy and Assistant Directors-General, shall consist of the Services, Inter-Council Review Board, Sectoral Planning Councils, Institutes and Regional Offices.

SECTION 7. Director-General. The authority and responsibility for the exercise of the mandate of the Authority and for the discharge of its powers and functions shall be vested in a Director-General, and shall be appointed by the President and shall have supervision and control of the Authority, except the Inter-Council Review Board and the Sectoral Planning Councils, over which he shall exercise supervision only.

SECTION 8. Office of the Director-General. The Office of the Director-General shall consist of the Director-General and his immediate staff.

SECTION 9. Deputy Directors-General. The Director-General shall be assisted by three (3) Deputy Directors-General appointed by the President upon the recommendation of the Director-General, one for research and development, one for regional operations and one for scientific and technical services. The Deputy Directors-General shall have supervision over the Institute under their respective functional areas of responsibility.

SECTION 10. Assistant Directors-General. The Director-General shall also be assisted by three (3) Assistant Directors-General, who shall be appointed by the President upon the recommendation of the Director-General.

SECTION 11. Services. The Services of the Authority shall consist of the following:

- [a] Planning and Evaluation Service, which shall be responsible for providing the Authority with efficient and effective services relating to planning, programs and project monitoring and development;
- [b] Financial and Management Service, which shall be responsible for providing the Authority with efficient and effective staff advice and assistance on budgetary, financial, and management improvement matters;

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- [c] Administrative and Legal Service, which shall be responsible for providing the Authority with efficient and effective services relating to personnel, information, records, supplies, equipment collection, disbursement, security and custodial work, and all legal matters.

SECTION 12. Inter-Council Review Board. There is hereby created an Inter-Council Review Board, composed of the Ministers or their designated Deputy Ministers who are members of the sectoral planning councils under the following Sections 13, 14, 15, 16, 17 and 18, and shall be chaired by the Director-General of Science and Technology.

The main function of the Board shall be to review the plans of the sectoral planning councils and the National Science and Technology Plan and, in connection therewith, shall be assisted by the Planning and Evaluation Service.

SECTION 13. Sectoral Planning Councils. There shall be five (5) sectoral planning councils as follows:

- [a] Philippine Council for Industry and Energy Research and Development, for industry and energy and mineral resources;
- [b] Philippine Council for Health Research and Development, for health;
- [c] Philippine Council for Agriculture, Forestry and Natural Resources Research and Development, for agriculture and forestry resources;
- [d] Philippine Council for Aquatic and Marine Research and Development, for aquatic and marine resources;
- [e] Philippine Council for Advanced Science and Technology Research and Development, for advanced science and technology.

Each of the councils shall be responsible, in their respective sectors, for the formulation of strategies, policies, plans, programs and projects for science and technology development; for programming and allocation of government and external funds for research and development; for monitoring of research and development projects; and for the generation of external funds.

Each council shall have a secretariat which shall be headed by an Executive Director who shall be appointed by the President upon the recommendation of the Director-General.

SECTION 14. Philippine Council for Industry and Energy Research and Development. The Philippine Council for Industry and Energy Research and Development, presently existing, is hereby reorganized, which shall be under the administrative supervision of the Authority, and shall consist of the Director-General as Chairman and eight (8) members, as follows: Minister of Trade and Industry, Minister of Transportation and Communications, Minister of Public Works and Highways or their designated Deputy Ministers, and Executive Director of the Council Secretariat, and four (4) representatives of the private sector in the field of industry and energy, who are chief executive officers of their respective companies in the field of industry or energy or are acknowledged leaders in their professions to be appointed by the President, in their personal capacity, upon recommendation of the Director-General, each of whom shall be for a term of two (2) years; provided, however, that the tenure of the members first appointed by the President shall be as follows: two (2) for one

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(1) year and two (2) for two (2) years, as fixed in their respective appointments. The members shall serve and continue to hold office until their respective successors shall have been duly appointed and qualified. Appointment to any vacancy in the Council shall be by the President and shall only be for the unexpired portion of the term of the predecessor.

SECTION.15. Philippine Council for Agriculture and Forestry Research and Development. The Philippine Council for Agriculture and Forestry Research and Development is hereby created, which shall be under the administrative supervision of the Authority, and shall consist of the Director-General as Chairman and eight (8) members, as follows: Minister of Agriculture and Food, Minister of Natural Resources or their designated Deputy Ministers, Chancellor of the University of the Philippines at Los Baños, Administrator of the National Food Authority and Executive Director of the Council Secretariat and three (3) representatives of the private sector in the fields of agriculture or forestry, who are chief executive officers of their respective companies in the field of agriculture or forestry or are acknowledged leaders in their professions to be appointed by the President, in their personal capacity, upon recommendation of the Director-General, each of whom shall be for a term of two (2) years; provided, however, that the tenure of the members first appointed by the President shall be as follows: one (1) for one (1) year and two (2) and two (2) years, as fixed in their respective appointments. The members shall serve and continue to hold office until their successors shall have been duly appointed and qualified. Appointment to any vacancy in the Council shall be by the President and shall only be for the unexpired portion of the term of the predecessor.

SECTION.16. Philippine Council for Health Research and Development. The Philippine Council for Health Research and Development, presently existing, is hereby reorganized which shall be under the administrative supervision of the Authority, and shall consist of the Director-General as Chairman and eight (8) members, as follows: Minister of Health or his designated Deputy Minister, Chancellor of the University of the Philippines Health Services Center, Executive Director of the National Nutrition Council, Executive Director of the Council Secretariat and four (4) representatives of the private sector in the field of health, who are chief executive officers of their respective companies in the field of health or are acknowledged leaders in their professions to be appointed by the President, in their personal capacity, upon recommendation of the Director-General, each of whom shall be for a term of two (2) years; provided, however, that the tenure of the members first appointed by the President shall be as follows: two (2) for one (1) year and two (2) for two (2) years, as fixed in their respective appointments. The members shall serve and continue to hold office until their successors shall have been duly appointed and qualified. Appointment to any vacancy in the Council shall be by the President and shall only be for the unexpired portion of the term of the predecessor.

SECTION.17. Philippine Council for Aquatic and Marine Research and Development. The Philippine Council for Aquatic and Marine Research and Development is hereby created, which shall be under the administrative supervision of the Authority, and shall consist of the Director-General as Chairman, and eight (8) members as follows: Minister of Agriculture and Food, Minister of Natural

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Resources or their designated Deputy Ministers, Executive Director of the Council Secretariat, two (2) representatives from the academic/research institution and three (3) representatives from the private sector who are chief executive officers of their respective companies in the field of aquaculture or marine research or development or are acknowledged leaders of their professions to be appointed by the President, in their personal capacity, upon the recommendation of the Director-General, each of whom shall be for a term of two (2) years; provided, however, that the terms of the members first appointed by the President shall be as follows: two (2) for one (1) year and the other three (3) for two (2) years, as fixed in their respective appointments. The members shall serve and continue to hold office until their successors shall have been duly appointed and qualified. Appointment to any vacancy in the Council shall be by the President and shall only be for the unexpired portion of the term of the predecessor.

SECTION.18. Philippine Council for Advanced Science and Technology Research and Development. The Philippine Council for Advanced Science and Technology Research and Development is hereby created, which shall be under the administrative supervision of the Authority and shall consist of the Director-General as Chairman and eight (8) members, as follows: Minister of Education, Culture and Sports or his designated Deputy Minister, President of the University of the Philippines System; two (2) representatives from the government sector; and four (4) representatives from the private sector in the field of advanced science research, all of whom shall be appointed by the President, in their personal capacity, upon recommendation of the Director-General, each of whom shall be for a term of two (2) years.

SECTION 19. Institutes. The Institutes of the Authority are the following, which shall be line in character: Industrial Technology Development Institute; Philippine Nuclear Research Institute; Food and Nutrition Research Institute; Forest Products Research and Development Institute; Philippine Textile Research Institute; Advanced Science and Technology Institute; Science Education Institute; Science and Technology Information Institute; and Technology Application and Promotion Institute.

SECTION.20. Industrial Technology Development Institute. There is hereby created the Industrial Technology Development Institute, which shall have the following functions:

Undertake applied research and development to develop technologies and technological innovations in the field of industrial manufacturing, mineral processing and energy;

Undertake the transfer of research results directly to end-users or preferably via linkage units of other government agencies;

Undertake technical services, such as but not limited to, standards, analytical and calibration services mandated by law or as needed by industry;

Conduct training and provide technical advisory and consultancy services to industry clientele and end-users.

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The Institute shall be headed by a Director, who shall be appointed by the President upon the recommendation of the Director-General and shall be assisted by one or more Deputy Directors, as may be necessary. The Institute shall have the following divisions:

- [1] Chemicals and Minerals Division;
- [2] Food Processing Division;
- [3] Fuels and Energy Division;
- [4] Material Science Division;
- [5] Microbiology and Genetics Division;
- [6] Electronics and Process Control Division;
- [7] Environmental Division;
- [8] Rural Technology Division;
- [9] Economics Division;
- [10] Standards and Testing Division.

SECTION.21. Philippine Nuclear Research Institute. The Philippine Nuclear Research Institute, formerly the Philippine Atomic Energy Commission, is hereby reorganized and shall have the following functions:

- [a] Conduct research and development on the application of radiation and nuclear materials, processes and techniques in agriculture, food, health, nutrition and medicine and in industrial or commercial enterprises;
- [b] Undertake the transfer of research results to end-users, including technical extension and training services;
- [c] Operate and maintain nuclear research reactors and other radiation facilities;
- [d] License and regulate activities relative to production, transfer, and utilization of nuclear and radioactive substances.

The Institute shall be headed by a Director, who shall be appointed by the President upon the recommendation of the Director-General and shall be assisted by one or more Deputy Directors, as may be necessary. The Institute shall have the following divisions:

- [1] Atomic Research Division;
- [2] Nuclear Services and Training Division;
- [3] Nuclear Regulations, Licensing, and Safeguards Division.

SECTION.22. Food Nutrition Research Institute. The Food Nutrition Research Institute, presently existing, is hereby reorganized and shall have the following functions:

- [a] Undertake research that defines the citizenry's nutritional status, with reference particularly to the malnutrition problem, its causes and effects, and identify alternative solutions to them;
- [b] Develop and recommend policy options, strategies, programs and projects, which address the malnutrition problem for implementation by the appropriate agencies;
- [c] Disseminate research findings and recommendations to the relevant end-users.

The Institute shall be headed by a Director, who shall be appointed by the President upon the recommendation of the Director-General and shall be assisted by one or

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more Deputy Directors, as may be necessary. The Institute shall have the following divisions:

- [1] Nutrition Standard and Management Division;
- [2] Bio-Medical Nutrition Division;
- [3] Nutrition Intervention Modelling and Assessment Division;
- [4] Communication and Dissemination Services Division.

SECTION.23. Forest Products Research and Development Institute. The Forest Products Research and Development Institute, presently existing, is hereby reorganized and shall have the following functions:

- [a] Conduct applied research and development in secondary and tertiary processing for the forest-based industry to generate information and technology which can improve the utility value of wood and other forest products;
- [b] Undertake the transfer of completed researches directly to the end-users or via linkage units of other government agencies;
- [c] Undertake technical services and provide training programs

The Institute shall be headed by a Director, who shall be appointed by the President upon the recommendation of the Director-General, and shall be assisted by one or more Deputy Directors, as may be necessary. The Institute shall have the following divisions:

- 1] Housing Materials Division;
- 2] Furniture, Wares and Packaging Division;
- 3] Paper and Chemical Products Division.

SECTION.24. Philippine Textile Research Institute. The Philippine Textile Research Institute, presently existing, is hereby reorganized and shall have the following functions:

- [a] Conduct applied research and development for the textile industry sector;
- [b] Undertake the transfer of completed researches to end-users or via linkage units of other government agencies;
- [c] Undertake technical services and provide training programs.

The Institute shall be headed by a Director, who shall be appointed by the President upon recommendation of the Director-General and shall be assisted by one or more Deputy Directors, as may be necessary, and shall have the following divisions:

- 1] Research and Development Division;
- 2] Technical Services Division.

SECTION.25. Advanced Science and Technology Institute. There is hereby created the Advanced Science and Technology Institute, which shall have the following functions:

- [a] Undertake long-term researches to strengthen and modernize science and technology infrastructure;
- [b] Conduct research and development work in the advanced fields of studies including biotechnology and microelectronics;
- [c] Complement the overall endeavour in the scientific field with intensive activities in the computer and information technologies.

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The Institute shall be headed by a Director, who shall be appointed by the President upon the recommendation of the Director-General and shall be assisted by one or more Deputy Directors, as may be necessary.

SECTION.26. Science Education Institute. There is hereby created the Science Education Institute, which shall have the following functions:

- [a] Undertake science education and training;
- [b] Administer scholarships, awards and grants;
- [c] Undertake science and technology manpower development;
- [d] Formulate plans and establish programs and projects for the promotion and development of science and technology education and training in coordination with the Ministry of Education, Culture and Sports, and other institutions of learning in the field of science and technology.

The Institute shall be headed by a Director, who shall be appointed by the President upon the recommendation of the Director-General and shall be assisted by one or more Deputy Directors, as may be necessary. The Institute shall have the following divisions:

- 1] Scholarship and Training Division;
- 2] Science and Technology Manpower Assessment Division; and
- 3] Science and Technology Education Division.

SECTION.27. Science and Technology Information Institute. There is hereby created the Science and Technology Information Institute which shall have the following functions:

- [a] Establish a science and technology databank and library;
- [b] Disseminate science and technology information; and
- [c] Undertake training on science and technology information.

The Institute shall be headed by a Director, who shall be appointed by the President upon the recommendation of the Director-General and shall be assisted by one or more Deputy Directors, as may be necessary.

SECTION.28. Technology Application and Promotion Institute. There is hereby created the Technology Application and Promotion Institute (TAPI) whose primary responsibility is to serve as the implementing arm of the Authority in promoting the commercialization of technologies and in marketing the services of the other operating units in the Authority; for such purpose it shall have the following functions:

- [a] Undertake contract research, particularly at the pilot plant and semi-commercial stage;
- [b] Provide technical consultancy including engineering design services, patenting and licensing services; and
- [c] Provide grants and/or venture-financing for new and/or emerging projects.

The Institute shall be headed by a Director who shall be appointed by the President upon the recommendation of the Director-General and shall be assisted by one or more Deputy Directors as may be necessary.

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SECTION.29. Philippine Atmospheric, Geophysical and Astronomical Services Administration. — The Philippine Atmospheric, Geophysical and Astronomical Services Administration, presently existing, is hereby reorganized and shall have the following functions:

- [a] Maintain a nationwide network pertaining to observation and forecasting of weather and other climatological conditions affecting national safety, welfare and economy;
- [b] Undertake activities relative to observation, collection, assessment and processing of atmospheric and allied data for the benefit of agriculture, commerce and industry;
- [c] Engage in studies of geophysical and astronomical phenomena essential to the safety and welfare of the people;
- [d] Undertake researches on the structure, development and motion of typhoons and formulate measures for their moderation; and
- [e] Maintain effective linkages with scientific organizations here and abroad, and promote exchange of scientific information and cooperation among personnel engaged in atmospheric, geophysical and astronomical studies.
- [f] The Institute shall be headed by a Director who shall be appointed by the President upon recommendation of the Director-General and shall be assisted by one or more Deputy Directors as may be necessary.

SECTION30. Philippine Institute of Volcanology and Seismology. The Philippine Institute of Volcanology and Seismology, presently existing, is hereby reorganized and shall have the following functions:

- [a] Predict the occurrences of volcanic eruptions and earthquakes and their geotectonic phenomena;
- [b] Determine how eruptions and earthquakes shall occur and, also likely areas to be affected;
- [c] Exploit the positive aspects of volcanoes and volcanic terrain in furtherance of the socio-economic development efforts of the government;
- [d] Generate sufficient data for forecasting volcanic eruptions and earthquakes;
- [e] Formulate appropriate disaster-preparedness plans; and
- [f] Mitigate hazards of volcanic activities through appropriate detection, forecast, and warning systems.

The Institute shall be headed by a Director who shall be appointed by the President upon the recommendation of the Director-General and shall be assisted by one or more Deputy Directors as may be necessary.

SECTION 31. Regional Offices. The Authority is hereby authorized to establish, operate and maintain a Regional Office, whenever appropriate, in each of the administrative regions of the country, to be headed by a Regional Director who shall report to, and subject to the supervision of, the Deputy Director-General for Regional Operations. A Regional Office shall have, within its administrative region, the following functions:

- [a] Implement laws, rules, regulations, policies, plans, programs and projects of the Authority;
- [b] Provide efficient and effective service to the people;

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- [c] Coordinate with regional offices of other ministries, offices and agencies in the administrative region;
- [d] Coordinate with local government units; and
- [e] Perform such other functions as may be provided by law.

SECTION 32. Authority Offices in Other Countries. The Authority may also have such offices and representatives in other countries in places where its presence is considered necessary, subject to the approval of the President for each of them.

SECTION 33. Attached Agencies. The following agencies shall be attached to the Authority:

- [a] Philippine National Science Society, [formerly National Research Council of the Philippines], in connection with Section 35 [b] hereof;
- [b] National Academy of Science and Technology; and
- [c] Philippine Science High School

SECTION 34. Transfer of Agencies to the Authority. The following agencies are hereby transferred as follows:

[a] The Metals Industry Research and Development Center from the Ministry of Trade and Industry, to the Authority, as a separate unit and attached thereto; provided, however, it is subject to a memorandum of agreement which defines: the relationship between the Ministry of Trade and Industry and the Metals Industry Research and Development Center and the manner by which equipment and resources are accessed. The investment and trade promotion aspects are recognized to be functions of the Ministry of Trade and Industry in cooperation with the National Science and Technology Authority.

[b] The Philippine Textile Research Institute from the Ministry of Trade and Industry, to the Authority as a separate unit and attached thereto; provided, however, it is subject to a memorandum of agreement which defines: the relationship between the Ministry of Trade and Industry and the Philippine Textile Research Institute and the manner by which equipment and resources are accessed. The investment and trade promotion aspects are recognized to be functions of the Ministry of Trade and Industry in cooperation with the National Science and Technology Authority.

Subsections [a], and [b] shall be in accordance with Section 36 [e]

SECTION 35. Abolition of Agencies. The following agencies are hereby abolished:

- [a] Philippine Council for Agriculture and Resources Research and Development; provided that its appropriations, funds, records, equipment, facilities, choses in actions, rights, other assets and personnel as may be necessary shall be transferred to the Philippine Council for Agriculture and Forestry Research and Development; its liabilities, if any, shall be treated in accordance with the Government Auditing Code and other pertinent laws, rules and regulations; its personnel shall, in a hold-over capacity, continue to perform their duties and responsibilities and receive the corresponding salaries and benefits unless in the meantime they are separated from the service pursuant to Executive Order No. 17 (1986) or Article III of the Freedom Constitution; its personnel, whose positions are not included in the Authority's new position structure and staffing pattern approved and prescribed by the Director-General under Section 37 hereof or who are not reappointed, shall be deemed separated from the service

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- and shall be entitled to the benefits provided in the second paragraph of the same Section 37;
- [b] National Research Council of the Philippines; provided that what is being abolished herein is the Council as created under Executive Order No. 784;
 - [c] Philippine Invention Development Institute; provided that its appropriations, funds, records, equipment, facilities, choses in action, rights, other assets, personnel as may be necessary and liabilities, if any, shall be transferred to the Technology Application and Promotion Institute (TAPI) in accordance with the provisions of the foregoing Subsection [a];
 - [d] Science Promotion Institute; provided, that its appropriations, funds, records, equipment, facilities, choses in action, rights, other assets, personnel as may be necessary and liabilities, if any, shall be transferred to the Science and Technology Information Institute (STII) and the Science Education Institute (SEI) in accordance with the provision of the foregoing Subsection [a];
 - [e] National Institute of Science and Technology; provided, that its appropriations, funds, records, equipment, facilities, choses in action, rights, other assets, personnel as may be necessary and liabilities, if any, shall be transferred to the Industrial Technology Development Institute in accordance with the provisions of the foregoing Subsection [a];
 - [f] Materials Science Research Institute; provided, that its appropriations, funds, records, equipment, facilities, choses in action, rights, other assets, personnel as may be necessary and liabilities, if any, shall be transferred to the Industrial Technology Development Institute in accordance with the provisions of the foregoing Subsection [a];
 - [g] Special Projects Service; provided, that its appropriations, funds, records, equipment, facilities, choses in action, rights, other assets, personnel as may be necessary and liabilities, if any, shall be transferred to the Planning and Evaluation Service in accordance with the provision of the foregoing Subsection [a].

The abolitions under Subsections [b], [c], [d] and [g] shall be in accordance with Section 36 [d] hereof.

SECTION 36. Transitory Provisions. In accomplishing the acts of reorganization herein prescribed, the following transitory provisions shall be complied with, unless otherwise provided elsewhere in this Executive Order:

- [a] The transfer of a government unit shall include the functions, appropriations, funds, records, equipment, facilities, choses in action, rights, other assets and liabilities, if any, of the transferred unit as well as the personnel thereof, as may be necessary, who shall, in a hold-over capacity, continue to perform their respective duties and responsibilities and receive the corresponding salaries and benefits unless in the meantime they are separated from government service pursuant to Executive Order No. 17 (1986) or Article III of the Freedom Constitution. Those personnel of the transferred unit whose positions are not included in the new position structure and staffing pattern approved and prescribed by the Director-General or who are not reappointed shall be deemed separated from the service and shall be entitled to the benefits provided in the second paragraph of Section 37 hereof;
- [b] The transfer of functions which results in the abolition of the government unit that has exercised them shall include the appropriations, funds, records, equipment,

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facilities, choses in action, rights, other assets and personnel as may be necessary to the proper discharge of the transferred functions. The abolished unit's remaining appropriations and funds, if any, shall revert to the General Fund and its remaining assets, if any, shall be allocated to such appropriate units as the Director-General shall determine or shall otherwise be disposed in accordance with the Auditing Code and other pertinent laws, rules and regulations. Its liabilities, if any, shall likewise be treated in accordance with the Auditing Code and other pertinent laws, rules and regulations. Its personnel shall, in a hold-over capacity, continue to perform their duties and responsibilities and receive the corresponding salaries and benefits unless in the meantime they are separated from the service pursuant to Executive Order No. 17 (1986) or Article III of the Freedom Constitution. Its personnel, whose positions are not included in the Authority's new position structure and staffing pattern approved and prescribed by the Director-General under Section 37 hereof or who are not reappointed, shall be deemed separated from the service and shall be entitled to the benefits provided in the second paragraph of the same Section 37.

[c] The transfer of functions which does not result in the abolition of the government unit that has exercised them shall include the appropriations, funds, records, equipment, facilities, choses in action, rights, other assets and personnel as may be necessary to the proper discharge of the transferred functions. The liabilities, if any, that may have been incurred in connection with the discharge of the transferred functions, shall be treated in accordance with the Auditing Code and other pertinent laws, rules and regulations. Such personnel shall, in a hold-over capacity, continue to perform their respective duties and responsibilities and receive the corresponding salaries and benefits unless in the meantime they are separated from the service pursuant to Executive Order No. 17 (1986) or Article III of the Freedom Constitution. Any personnel, whose position is not included in the new position structure and staffing pattern approved and prescribed by the Director-General under Section 37 hereof or who has not been reappointed, shall be deemed separated from the service and shall be entitled to the benefits provided in the second paragraph of the same Section 37.

[d] In case of the abolition of a government unit which does not result in the transfer of its functions to another unit, the appropriations and funds of the abolished unit shall revert to the General Fund, while the records, equipment, facilities, choses in action, rights, and other assets, thereof shall be allocated to such appropriate units as the Director-General shall determine. The liabilities of the abolished unit shall be treated in accordance with the Auditing Code and other pertinent laws, rules and regulations, while the personnel thereof, whose position is not included in the Authority's new position structure and staffing pattern approved and prescribed by the Director-General under Section 37 hereof or who has not been reappointed, shall be deemed separated from the service and shall be entitled to the benefits provided in the second paragraph of the same Section 37.

[e] In case of merger or consolidation of government units, the new or surviving unit shall exercise the functions (subject to the reorganization herein prescribed and the laws, rules and regulations pertinent to the exercise of such functions) and shall acquire the appropriations, funds, records, equipment, facilities, choses in action, rights, other assets, liabilities if any, and personnel, as may be necessary, of [1] the units that compose the merged unit or [2] the absorbed unit, as the case may be. Such personnel shall, in a hold-over capacity, continue to perform their respective duties and responsibilities and receive the corresponding salaries and benefits unless in the

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meantime they are separated from the service pursuant to Executive Order No. 17 (1986) or Article III of the Freedom Constitution. Any such personnel, whose position is not included in the Authority's new position structure and staffing pattern approved and prescribed by the Director-General under Section 37 hereof or who is not reappointed, shall be deemed separated from the service and shall be entitled to the benefits provided in the second paragraph of the same Section 37.

[f] In case of termination of a function which does not result in the abolition of the government unit which has performed such function, the appropriations and funds intended to finance the discharge of such function shall revert to the General Fund, while the records, equipment, facilities, choses in action, rights and other assets used in connection with the discharge of such function shall be allocated to the appropriate units as the Director-General shall determine or shall otherwise be disposed in accordance with the Government Auditing Code and other pertinent laws, rules and regulations. The liabilities, if any, that may have been incurred in connection with the discharge of such function shall likewise be treated in accordance with the Government Auditing Code and other pertinent laws, rules and regulations. The personnel who have performed such function, whose positions are not included in the new position structure and staffing pattern approved and prescribed by the Director-General under Section 37 hereof or who have not been reappointed, shall be deemed separated from the service and shall be entitled to the benefits provided in the second paragraph or the same Section 37.

SECTION 37. New Structure and Pattern. Upon approval of this Executive Order, the officers and employees of the National Science and Technology Authority shall, in a hold-over capacity, continue to perform their respective duties and responsibilities and receive the corresponding salaries and benefits unless in the meantime they are separated from government service pursuant to Executive Order No. 17 (1986) or Article III of the Freedom Constitution.

The new position structure and staffing pattern of the Authority shall be approved and prescribed by the Director-General within one hundred twenty (120) days from the approval of this Executive Order and the authorized positions created thereunder shall be filled with regular appointments by him or by the President, as the case may be. Those incumbents whose positions are not included therein or who are not reappointed shall be deemed separated from the service. Those separated from the service shall receive the retirement benefits to which they may be entitled under existing laws, rules and regulations. Otherwise, they shall be paid the equivalent of one-month basic salary for every year of service, or fraction thereof, computed on the basis of the highest salary received, but in no case shall such payment exceed the equivalent of 12 months salary.

No court or administrative body shall issue any writ or preliminary injunction or restraining order to enjoin the separation/replacement of any officer or employee affected under this Executive Order.

SECTION 38. Periodic Performance Evaluation. The Director-General is hereby required to formulate and enforce a system of measuring and evaluating periodically and objectively the performance of the Authority and submit the same annually to the President.

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SECTION 39. Notice or Consent Requirement. If any reorganizational change herein authorized 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.

SECTION 40. Change of Nomenclature. In the event of the adoption of a new Constitution which provides for a presidential form of government, the Authority shall be called Department of Science and Technology and the titles of Director-General, Deputy Director-General, and Assistant Director-General shall be changed to Secretary, Undersecretary and Assistant Secretary, respectively.

SECTION 41. Prohibition Against Change. No change in the reorganization herein prescribed shall be valid except upon prior approval of the President for the purpose of promoting efficiency and effectiveness in the delivery of public services.

SECTION 42. Funding. Funds needed to carry out the provisions of this Executive Order shall be taken from funds available in the Authority.

SECTION 43. Implementing Authority of Director-General. The Director-General shall issue such rules, regulations and other issuances as may be necessary to ensure the effective implementation of the provisions of this Executive Order.

SECTION 44. Separability. Any portion or provision of this Executive Order that may be declared unconstitutional shall not have the effect of nullifying other portions or provisions hereof as long as such remaining portions or provisions can still subsist and be given effect in their entirety.

SECTION 45. Repealing Clause. All laws, ordinances, rules and regulations, other issuances or parts thereof, which are inconsistent with this Executive Order, are hereby repealed or modified accordingly.

SECTION 46. Effectivity. This Executive Order shall take effect immediately upon its approval.

APPROVED in the City of Manila, Philippines, this 30th day of January, in the Year of Our Lord, Nineteen Hundred and Eighty-seven.

(Sgd.) CORAZON C. AQUINO
President of the Philippines
By the President:

(Sgd.) JOKER P. ARROYO
Executive Secretary

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MALACAÑANG
MANILA
BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 292

INSTITUTING THE “ADMINISTRATIVE CODE OF 1987”

WHEREAS, the Administrative Code currently in force was first forged in 1917 when the relationship between the people and the government was defined by the colonial order then prevailing;

WHEREAS, efforts to achieve an integrative and overall recodification of its provisions resulted in the Administrative Code of 1978 which, however, was never published and later expressly repealed;

WHEREAS, the effectiveness of the Government will be enhanced by a new Administrative Code which incorporates in a unified document the major structural, functional and procedural principles and rules of governance; and

WHEREAS, a new Administrative Code will be of optimum benefit to the people and Government officers and employees as it embodies changes in administrative structures and procedures designed to serve the people;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby promulgate the Administrative Code of 1987, as follows:

xxx

BOOK IV
THE EXECUTIVE BRANCH
TITLE XVIII

Science and Technology

CHAPTER 1
General Provisions

SECTION 1. *Declaration of Policy.* —The State shall:

- (1) Support and encourage local scientific and technological efforts that address national and local problems and positively contribute to national development;
- (2) Promote the development of local capability in science and technology to achieve technological self-reliance in selected areas that are vital to national development;

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(3) Support and encourage public and private sector partnership aimed at accelerating self-reliance in the selected areas; and

(4) Encourage and support private sector initiatives in science and technology and provide the necessary incentives and assistance to enable the private sector to take increasing responsibility and a greater role in the country's research and development efforts.

SECTION 2. *Mandate.* —The Department shall provide central direction, leadership and coordination of scientific and technological efforts and ensure that the results therefrom are geared and utilized in areas of maximum economic and social benefits for the people.

The Department shall formulate and implement policies, plans, programs and projects for the development of science and technology and for the promotion of scientific and technological activities for both the public and private sectors and ensure that the results of scientific and technological activities are properly applied and utilized to accelerate economic and social development.

The Department shall continually review the state and needs of science and technology in the context of the country's developmental goals.

SECTION 3. *Powers and Functions.* —To accomplish its mandate, the Department shall:

- (1) Formulate and adopt a comprehensive National Science and Technology Plan including specific goals, policies, plans, programs and projects based on the recommendation of the Inter-Council Review Board and, upon approval by the President, monitor and coordinate its funding and implementation by all government agencies and instrumentalities;
- (2) Promote, assist and where appropriate, undertake scientific and technological research and development in those areas which are determined to be vital to the country's development and offer optimum returns for the resources employed;
- (3) Promote the development of indigenous technology and adaptation and innovation of suitable imported technology, and in this regard, undertake technology development up to the commercial state, preferably in joint venture with the private sector or with public agencies;
- (4) Undertake design and engineering work to complement its research and development functions;
- (5) Promote, assist and where appropriate undertake the transfer of the results of scientific and technological research and development, to their end-users;
- (6) Promote, assist and where appropriate undertake technological services needed by agriculture, industry, transport, and the general public;
- (7) Develop and maintain an information system and databank on science and technology for use by both the public and private sectors;
- (8) Develop and implement, together with other entities concerned, programs for strengthening scientific and technological capabilities in the relevant

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disciplines through manpower training, and through infrastructure and institution building and rationalization, in both the public and private sectors;

- (9) Promote public consciousness of science and technology;
- (10) Undertake policy research, technology assessment studies, feasibility studies and technical studies; and
- (11) Perform such other functions as may be provided by law.

SECTION 4. *Structural Organization.* —The Department shall consist of the Office of the Secretary, Undersecretaries and Assistant Secretaries, the Services, Inter-Council Review Board, Sectoral Planning, Councils, Institutes and Regional Offices. The Secretary shall have supervision and control of the Department except the Inter-Council Review Board and the Sectoral Planning Councils over which he shall only exercise administrative supervision.

CHAPTER 2

Department Proper

SECTION 5. *Office of the Secretary.* —The Office of the Secretary shall consist of the Secretary and his immediate staff.

SECTION 6. *Undersecretaries.* —The Secretary shall be assisted by three (3) Undersecretaries, one for research and development, one for regional operations and one for scientific and technical services. The Undersecretaries shall have supervision over the Institutes under their respective functional areas of responsibility.

SECTION 7. *Assistant Secretaries.* —The Secretary shall also be assisted by three (3) Assistant Secretaries.

CHAPTER 3

Services

SECTION 8. *Services.* —The Services of the Department shall consist of the following:

- (1) Planning and Evaluation Service, which shall be responsible for providing the Department with efficient and effective services relating to planning, programs and project monitoring and development;
- (2) Financial and Management Service, which shall be responsible for providing the Department with efficient and effective staff advice and assistance on budgetary, financial, and management improvement matters;
- (3) Administrative and Legal Service, which shall be responsible for providing the Department with efficient and effective services relating to personnel, information, records, supplies, equipment collection, disbursement, security and custodial work, and all legal matters.

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CHAPTER 4

Board, Councils and Institutes

SECTION 9. *Inter-Council Review Board.* —There shall be an Inter-Council Review Board, composed of the Secretaries or their designated Undersecretaries who are members of the sectoral planning councils under Sections 10, 11, 12, 13, 14, and 15, and shall be chaired by the Secretary of Science and Technology.

The main function of the Board shall be to review the plans of the sectoral planning councils and the National Science and Technology Plan and, in connection therewith, shall be assisted by the Planning and Evaluation Service.

SECTION 10. *Sectoral Planning Councils.* —There shall be five (5) sectoral planning councils as follows:

- (a) Philippine Council for Industry and Energy Research and Development, for industry and energy and mineral resources;
- (b) Philippine Council for Health Research and Development for health;
- (c) Philippine Council for Agriculture, Forestry and Natural Resources Research and Development, for agriculture and forestry resources;
- (d) Philippine Council for Aquatic and Marine Research and Development, for aquatic and marine resources; and
- (e) Philippine Council for Advanced Science and Technology Research and Development, for advanced science and technology.

Each of the councils shall be responsible, in its respective sector, for the formulation of strategies, policies, plans, programs and projects for science and technology development; for programming and allocation of government and external funds for research and development; for monitoring of research and development projects; and for the generation of external funds.

Each council shall have a secretariat which shall be headed by an Executive Director who shall be appointed by the President upon the recommendation of the Secretary.

SECTION 11. *Philippine Council for Industry and Energy Research and Development.*—The Philippine Council for Industry and Energy Research and Development shall be under the administrative supervision of the Department, and shall consist of the Secretary as Chairman and eight (8) members, as follows: Secretary of Trade and Industry, Secretary of Transportation and Communications, Secretary of Public Works and Highways or their designated Undersecretaries, and Executive Director of the Council Secretariat, and four (4) representatives of the private sector in the field of industry and energy, who are chief executive officers of their respective companies in the field of industry or energy or are acknowledged leaders in their professions to be appointed by the President, in their personal capacity, upon recommendation of the Secretary, each of whom shall be for a term of two (2) years; Provided, however, That the tenure of the members first appointed by the President shall be as follows: two (2) for one (1) year and two (2) for two (2) years, as fixed in

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their respective appointments. The members shall serve and continue to hold office until their respective successors shall have been duly appointed and qualified. Appointment to any vacancy in the Council shall be by the President and shall only be for the unexpired portion of the term of the predecessor.

SECTION 12. *Philippine Council for Agriculture and Forestry Research and Development.*—The Philippine Council for Agriculture and Forestry Research and Development shall be under the administrative supervision of the Department, and shall consist of the Secretary as Chairman and eight (8) members, as follows: Secretary of Agriculture and Food, Secretary of Natural Resources or their designated Undersecretaries, Chancellor of the University of the Philippines at Los Baños, Administrator of the National Food Authority and Executive Director of the Council Secretariat and three (3) representatives of the private sector in the fields of agriculture or forestry, who are chief executive officers of their respective companies in the field of agriculture or forestry or are acknowledged leaders in their professions to be appointed by the President, in their personal capacity, upon recommendation of the Secretary, each of whom shall be for a term of two (2) years; Provided, however, That the tenure of the members first appointed by the President shall be as follows: one (1) for one (1) year and two (2) for two (2) years, as fixed in their respective appointments. The members shall serve and continue to hold office until their successors shall have been duly appointed and qualified. Appointment to any vacancy in the Council shall be by the President and shall only be for the unexpired portion of the term of the predecessor.

SECTION 13. *Philippine Council for Health Research and Development.*—The Philippine Council for Health Research and Development shall be under the administrative supervision of the Department, and shall consist of the Secretary as Chairman and eight (8) members, as follows: Secretary of Health or his designated Undersecretary, Chancellor of the University of the Philippines of Manila, Executive Director of the National Nutrition Council, Executive Director of the Council Secretariat and four (4) representatives of the private sector in the field of health, who are chief executive officers of their respective companies in the field of health or are acknowledged leaders in their professions to be appointed by the President, in their personal capacity, upon recommendation of the Secretary, each of whom shall be for a term of two (2) years; Provided, however, that the tenure of the members first appointed by the President shall be as follows: two (2) for one (1) year and two (2) for two (2) years, as fixed in their respective appointments. The members shall serve and continue to hold office until their successors shall have been duly appointed and qualified. Appointment to any vacancy in the Council shall be by the President and shall only be for the unexpired portion of the term of the predecessor.

SECTION 14. *Philippine Council for Aquatic and Marine Research and Development.*—The Philippine Council for Aquatic and Marine Research and Development shall be under the administrative supervision of the Department, and shall consist of the Secretary as Chairman, and eight (8) members as follows: Secretary of Agriculture and Food, Secretary of Natural Resources or their designated Undersecretaries, Executive Director of the Council Secretariat, two (2) representatives from the academic/research institution and three (3) representatives from the private sector who are chief executive officers of their respective companies in the field of aquaculture or marine research or development or are acknowledged leaders of their

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professions to be appointed by the President, in their personal capacity, upon recommendation of the Secretary, each of whom shall be for a term of two (2) years; Provided, however, that the terms of the members first appointed by the President shall be as follows: two (2) for one (1) year and the other three (3) for two (2) years, as fixed in their respective appointments. The members shall serve and continue to hold office until their successors shall have been duly appointed and qualified. Appointment to any vacancy in the Council shall be by the President and shall only be for the unexpired portion of the term of the predecessor.

SECTION 15. *Philippine Council for Advanced Science and Technology Research and Development.*—The Philippine Council for Advanced Science and Technology Research and Development shall be under the Administrative supervision of the Department and shall consist of the Secretary as Chairman and eight (8) members, as follows: Secretary of Education, Culture and Sports or his designated Undersecretary, President of the University of the Philippines System, two (2) representatives from the government sector, and four (4) representatives from the private sector in the field of advanced science research, all of whom shall be appointed by the President, in their personal capacity, upon recommendation of the Secretary, each of whom shall serve for a term of two (2) years.

SECTION 16. *Institutes.*—The Institutes of the Department are the following, which shall be line in character: Industrial Technology Development Institute; Philippine Nuclear Research Institute; Food and Nutrition Research Institute; Forest Products Research and Development Institute; Philippine Textile Research Institute; Advanced Science and Technology Institute; Science Education Institute; Science and Technology Information Institute; and Technology Application Promotion Institute; Philippine Atmospheric, Geophysical and Astronomical Services Administration, and Philippine Institute of Volcanology and Seismology. Each Institute shall be headed by a Director, who shall be appointed by the President upon the recommendation of the Secretary and shall be assisted by one or more Deputy Directors as may be necessary.

SECTION 17. *Industrial Technology Development Institute.* —The Industrial Technology Development Institute shall have the following functions:

- (1) Undertake applied research and development to develop technologies and technological innovations in the field of industrial manufacturing, mineral processing and energy;
- (2) Undertake the transfer of research results directly to end-users or preferably via linkage units of their government agencies;
- (3) Undertake technical services, such as but not limited to, standards, analytical and calibration services mandated by law or as needed by industry; and
- (4) Conduct training and provide technical advisory and consultancy services to industry clientele and end-users.

SECTION 18. *Philippine Nuclear Research Institute.* —The Philippine Nuclear Research Institute shall have the following functions:

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- (1) Conduct research and development on the application of radiation and nuclear materials, processes and techniques in agriculture, food, health, nutrition and medicine and in industrial or commercial enterprises;
- (2) Undertake the transfer of research results to end-users, including technical extension and training services;
- (3) Operate and maintain nuclear research reactors and other radiation facilities; and
- (4) License and regulate activities relative to production, transfer, and utilization of nuclear and radioactive substances.

SECTION 19. *Food Nutrition Research Institute.* —The Food Nutrition Research Institute shall have the following functions:

- (1) Undertake research that defines the citizenry's nutritional status, with reference particularly to the malnutrition problem, its causes and effects, and identify alternative solutions to them;
- (2) Develop and recommend policy options, strategies, programs and projects, which address the malnutrition problem for implementation by the appropriate agencies; and
- (3) Disseminate research findings and recommendations to the relevant end-users.

SECTION 20. *Forest Products Research and Development Institute.* —The Forest Products Research and Development Institute shall have the following functions:

- (1) Conduct applied research and development in secondary and tertiary processing for the forest-based industry to generate information and technology which can improve the utility value of wood and other forest products;
- (2) Undertake the transfer of completed researches directly to the end-users or via linkage units of other government agencies;
- (3) Undertake technical services and provide training programs.

SECTION 21. *Philippine Textile Research Institute.* —The Philippine Textile Research Institute shall have the following functions:

- (1) Conduct applied research and development for the textile industry sector;
- (2) Undertake the transfer of completed researches to end-users or via linkage units of other government agencies; and
- (3) Undertake technical services and provide training programs.

SECTION 22. *Advanced Science and Technology Institute.* —The Advanced Science and Technology Institute shall have the following functions:

- (1) Undertake long-term researches to strengthen and modernize science and technology infrastructure;
- (2) Conduct research and development work in the advanced fields of studies including biotechnology and microelectronics; and
- (3) Complement the overall endeavor in the scientific field with intensive activities in the computer and information technologies.

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SECTION 23. *Science Education Institute.* —The Science Education Institute shall have the following functions:

- (1) Undertake science education and training;
- (2) Administer scholarships, awards and grants;
- (3) Undertake science and technology manpower development; and
- (4) Formulate plans and establish programs and projects for the promotion and development of science and technology education and training in coordination with the Department of Education, Culture and Sports, and other institutions of learning in the field of science and technology.

SECTION 24. *Science and Technology Information Institute.* —The Science and Technology Information Institute shall have the following functions:

- (1) Establish a science and technology databank and library;
- (2) Disseminate science and technology information; and
- (3) Undertake training on science and technology information.

SECTION 25. *Technology Application and Promotion Institute.* —The Technology Application and Promotion Institute (TAPI) whose primary responsibility is to serve as the implementing arm of the Department in promoting the commercialization of technologies and in marketing the services of the other operating units in the Department shall have the following functions:

- (1) Undertake contract research, particularly at the pilot plant and semi-commercial stage;
- (2) Provide technical consultancy including engineering design services, patenting and licensing services; and
- (3) Provide grants and/or venture-financing for new and/or emerging projects.

SECTION 26. *Philippine Atmospheric, Geophysical and Astronomical Services Administration.* —The Philippine Atmospheric, Geophysical and Astronomical Services Administration shall have the following functions:

- (1) Maintain a nationwide network pertaining to observation and forecasting of weather and other climatological conditions affecting national safety, welfare and economy;
- (2) Undertake activities relative to observation, collection, assessment and processing of atmospheric and allied data for the benefit of agriculture, commerce and industry;
- (3) Engage in studies of geophysical and astronomical phenomena essential to the safety and welfare of the people;
- (4) Undertake researches on the structure, development and motion of typhoons and formulate measures for their moderation; and
- (5) Maintain effective linkages with scientific organizations here and abroad, and promote exchange of scientific information and cooperation among personnel engaged in atmospheric, geophysical and astronomical studies.

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SECTION 27. *Philippine Institute of Volcanology and Seismology*. —The Philippine Institute of Volcanology and Seismology shall have the following functions:

- (1) Predict the occurrence of volcanic eruptions and earthquakes and their geotectonic phenomena;
- (2) Determine how eruptions and earthquakes shall occur and the likely areas to be affected;
- (3) Exploit the positive aspects of volcanoes and volcanic terrain in furtherance of the socio-economic development efforts of the government;
- (4) Generate sufficient data for forecasting volcanic eruptions and earthquakes;
- (5) Formulate appropriate disaster-preparedness plans; and
- (6) Mitigate hazards of volcanic activities through appropriate detection, forecast, and warning systems.

CHAPTER 5

Regional Offices

SECTION 28. *Regional Offices*. —The Department is authorized to establish, operate and maintain a Regional Office, whenever appropriate, in each of the administrative regions of the country, to be headed by a Regional Director who shall report and be subject to the supervision of, the Undersecretary for Regional Operations. A Regional Office shall have, within its administrative region, the following functions:

- (1) Implement laws, rules, regulations, policies, plans, programs and projects of the Department;
- (2) Provide efficient and effective service to the people;
- (3) Coordinate with regional offices of other departments, offices and agencies in the administrative region;
- (4) Coordinate with local government units; and
- (5) Perform such other functions as may be provided by law.

SECTION 29. *Department Offices in Other Countries*. —The Department may also have such offices and representatives in other countries in places where its presence is considered necessary, subject to the approval of the President for each of them.

CHAPTER 6

Attached Agencies

SECTION 30. *Attached Agencies*. —The following agencies shall be attached to the Department: the Philippine National Science Society, the National Academy of Science and Technology, the Philippine Science High School, and the Metals Industry Research and Development Center.

SECTION 31. *The Philippine National Science Society*. —The Philippine National Science Society shall be a corporate body composed of prominent scientists and technical men and shall have the following functions:

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- (1) To stimulate research in the mathematical, physical, biological and other basic sciences and in the application of these sciences to engineering, agricultural, medicine, and other useful arts, with the object of increasing knowledge and of contributing in other ways to the public welfare;
- (2) To give encouragement to individual initiative in research as fundamentally important to the advancement of science; and
- (3) To gather and collate scientific and technical information at home and abroad, in cooperation with governmental and other agencies and to render such information available to duly accredited persons.

SECTION 32. *Powers of the Philippine National Science Society.* —The Philippine National Science Society shall have the power to:

- (1) Make its own organization, including its Constitution, by-laws and rules and regulations;
- (2) Fill all vacancies created by death, resignation or otherwise;
- (3) Provide for the election of members, division into classes, and for all other matters needful or usual in such institutions;
- (4) Receive bequests and donations and hold the same in trust, to be applied in aid of scientific investigations according to the will of the donors;
- (5) Be exempt from the payment of all internal-revenue taxes, fees, assessments and other charges of the Government in carrying out its aims, functions, and powers;
- (6) Submit an annual report to the Congress and to the President of the Philippines an accurate account of its works and activities during the corresponding fiscal year; and
- (7) Perform such powers as may be provided by law or necessary to carry out its purposes and functions.

SECTION 33. *The National Academy of Science and Technology.* —The National Academy of Science and Technology shall be composed of outstanding scientists to serve as reservoir of competent and technological manpower for the country. The total membership of the Academy shall not exceed fifty (50) at any one time; however, this number may be increased by a two-thirds vote of all the members and approval thereof by the President.

The Academy shall have its own Secretariat/Administrative staff and shall have the following functions and powers:

- (1) Provide its members the following benefits and privileges:
 - (a) free publications of scientific and technological works;
 - (b) travel support for attendance and participation in international conference; and
 - (c) such other incentives, financial or otherwise designed to promote a scientific and technological effort and achievement.
- (2) Recommend annually for Presidential awards not more than ten (10) scientists for distinguished individual or collaborative achievement in science or technology who shall be accorded by the President the rank and title of

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“National Scientists.” Said “National Scientists” shall each be given gratuity in such amount to be fixed by the Academy and entitled to other privileges as enjoyed by the National Artists.

- (3) Engage in other projects and programs designed to recognize outstanding achievements in science to promote scientific productivity.

SECTION 34. *The Philippine Science High School.* —The Philippine Science High School shall offer on a free scholarship basis a secondary course with special emphasis on subjects pertaining to the sciences with the end view of preparing its students for a science career. The exercise of its corporate powers is vested exclusively in the Board of Trustees and in the Director of the High School insofar as authorized by said Board. The Board of Trustees shall be composed of the Secretary of Science and Technology, who shall be ex officio Chairman of the Board, the Secretary of Education, who shall be ex officio Vice-Chairman, and the following members: the President of the University of the Philippines, the Chairman of the UNESCO National Commission of the Philippines, the Director of the Philippine Science High School, all ex officio members, a representative from the American-Philippine Science Foundation, Inc., to be designated by the President, one representative from the Philippine National Science Society, one representative from the National Academy of Science and Technology, one member representing industry, and one member representing agriculture.

The members of the Board representing the Philippine National Science Society, the National Academy of Science and Technology, Industry and Agriculture shall be appointed by the President of the Philippines upon the recommendation of the Secretary of Science and Technology.

SECTION 35. *The Metals Industry and Research Development Center.*—The Metals Industry and Research Development Center shall be a non-profit research and technological institution which shall provide both the government and the private sector with professional management and technical expertise on such vital activities for the development of the industry as training of engineers and technicians, information exchange, trade accreditation service, quality control and testing of metal products, research and business economic advisory services.

The Administration of the Center and the exercise of its corporate powers are vested exclusively in the Board of Trustees which shall be composed of the Secretary of Science and Technology, who shall be ex officio Chairman, the Secretary of Trade and Industry, who shall be ex officio Co-Chairman, and the following members: the Executive Director of the Philippine Council for Industry and Energy Research and Development, a representative each from the Department of Natural Resources, the National Economic and Development Authority, the Metals Industry Research and Development Center and three representatives from the metals, engineering and allied industries sub-sector to be appointed by the Secretary of Science and Technology.

The Center shall have the powers and functions assigned to it by law.

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Final Provisions

SECTION 27. *Repealing Clause.* —All laws, decrees, orders, rules and regulations, or portions thereof, inconsistent with this Code are hereby repealed or modified accordingly.

SECTION 28. *Separability Clause.* —In the event that any of the provisions of this Code is declared unconstitutional, the validity of the other provisions shall not be affected by such declaration.

SECTION 29. *Effectivity.* —This Code shall take effect one year after its publication in the Official Gazette

DONE in the City of Manila, this 25th day of July, in the year of Our Lord, nineteen hundred and eighty-seven.

(Sgd.) CORAZON C. AQUINO
President of the Philippines

By the President:

(Sgd.) JOKER P. ARROYO
Executive Secretary

REPUBLIC ACT NO. 6959

AN ACT ESTABLISHING PROVINCIAL CENTERS FOR SCIENCE AND TECHNOLOGY IN ALL PROVINCES OF THE PHILIPPINES AND APPROPRIATING FUNDS THEREFORE

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

Section 1. It is the policy of the State to accelerate the application and transfer of the benefits of modern science and technology, particularly to the rural areas so that the great majority of our people, through higher productivity and increased earning power, improve the quality of their lives.

Section 2. In pursuance of the policy enunciated in the preceding provisions, there is hereby established, under the direct supervision of the Department of Science and Technology, provincial centers for science and technology in all provinces of the Philippines. Whenever practicable, such centers shall be established in state colleges or universities specializing in science and technology courses, appropriate local government units, or private institutions of proven capability in science and technology.

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Section 3. The science and technology centers are extensions of the thirteen regional offices of the Department of Science and Technology. They shall carry out the following functions:

- (a) Identify the needs and opportunities in science and technology in the provinces;
- (b) Implement Department of Science and Technology programs/projects on the delivery of science and technology services such as technology demonstration and transfer, science and technology promotion and information dissemination, and such other areas of concern that will benefit the people in the provinces; and
- (c) Develop institutional linkages with provincial offices of other departments, local government units, academe and nongovernmental offices for the effective implementation of science and technology programs in the provinces.

Section 4. The Secretary of Science and Technology may, when applicable, designate from existing faculty and staff of the university, nominated by the head of the institution, the personnel of the center: provided, however, that he may appoint others who possess the necessary professional and/or technical qualifications and aptitude to work efficiently with the various sectors of the community.

Section 5. The Secretary of Science and Technology is hereby authorized to enter into agreements with the heads of the colleges or universities designated as centers, which may include matters or reporting and payment of honoraria to members of their faculty and staff.

Section 6. The Department of Science and Technology, in coordination with other government agencies concerned, shall issue rules and regulations to effectively implement the provisions of this Act.

Section 7. For the initial operation of the centers, such sum as may be necessary is hereby authorized to be appropriated from the National Treasury. Thereafter, the sums necessary for the continuous operation of the centers shall be included in the annual appropriations of the Department of Science and Technology.

Section 8. All government agencies and departments shall assist in the implementation of this Act by way of coordination with the Department of Science and Technology, technical advise, and other forms of assistance.

Section 9. This Act shall take effect upon its publication in at least two (2) newspapers of general circulation.

Approved: July 31, 1990

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MALACAÑANG

MANILA

BY THE PRESIDENT OF THE PHILIPPINES

PROCLAMATION NO. 2214

DECLARING THE SECOND WEEK OF JULY OF EVERY YEAR AS
“NATIONAL SCIENCE AND TECHNOLOGY WEEK,” AND
AUTHORIZING THE NATIONAL SCIENCE AND TECHNOLOGY
AUTHORITY TO UNDERTAKE APPROPRIATE COMMEMORATIVE
CEREMONIES AND ACTIVITIES WITH THE SUPPORT OF OTHER
GOVERNMENT AGENCIES AND THE PRIVATE SECTOR.

WHEREAS, the Constitution provides that “the advancement of science and technology shall have priority in the national development;”

WHEREAS, the government recognizes the importance of giving impetus to the role of science and technology in the development of the country;

WHEREAS, the celebration of a “National Science and Technology Week” will provide an opportunity to focus regional and national attention on the contributions of science and technology to national development; and

WHEREAS, there is a need for an opportune occasion to give recognition and appreciation of outstanding accomplishments and personalities in science and technology;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by law, do hereby declare the second week of July, of every year as “National Science and Technology Week,” and authorize the National Science and Technology Authority to undertake appropriate commemorative ceremonies and activities in connection thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the Republic of the Philippines to be affixed.

Done in the City of Manila, this 30th day of June, in the year of Our Lord, nineteen hundred and eighty-two.

(Sgd.) FERDINAND E. MARCOS
President of the Philippines

By the President:
(Sgd.) JUAN C. TUVERA
Presidential Executive Assistant

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MALACAÑANG
MANILA

PROCLAMATION NO. 169

DECLARING THE THIRD WEEK OF JULY OF EVERY YEAR AS
“NATIONAL SCIENCE AND TECHNOLOGY WEEK,” AND
AUTHORIZING THE DEPARTMENT OF SCIENCE AND TECHNOLOGY
TO UNDERTAKE APPROPRIATE COMMEMORATIVE CEREMONIES
AND ACTIVITIES WITH THE SUPPORT OF OTHER GOVERNMENT
AGENCIES AND THE PRIVATE SECTOR THEREBY AMENDING
PROCLAMATION NO. 2214, DATED 30 JUNE 1982

WHEREAS, Section 10, Article XIV of the Constitution provides that “science and technology are essential for national development and progress x x x”;

WHEREAS, Proclamation No. 2214 dated 30 June 1982 declares the second week of July of every year as the “National Science and Technology Week” (NSTW);

WHEREAS, the celebration of the NSTW is aimed at providing an opportunity to focus regional and national attention on the contribution of science and technology to national development and to give recognition and appreciation to outstanding accomplishments and personalities in science and technology;

WHEREAS, there is a need to move the celebration of the NSTW from the second week of July of every year to the third week of the same month to afford the Department of Science and Technology (DOST) additional time to prepare for the celebration and coordinate with other government agencies and sectors involved therein as well as to ensure maximum participation by schools and students in the week-long schedule of activities; and

WHEREAS, there is need to amend Proclamation No. 2214, declaring the second week of July every year as “National Science and Technology Week” in order to formalize the celebration of the same in the third week of July.

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 amend Proclamation No. 2214, dated 30 June 1982 by declaring the third week of July of every year as “National Science and Technology Week.” The Department of Science and Technology is hereby authorized to undertake appropriate commemorative ceremonies and activities in connection thereof with the support of other government agencies and the private sector.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the Republic of the Philippines to be affixed.

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DONE in the City of Manila, this 23rd day of April, in the year of Our Lord, Nineteen Hundred and Ninety-Three.

(Sgd.) FIDEL V. RAMOS

By the President:

(Sgd.) ANTONIO T. CARPIO
Chief Presidential Legal Counsel

SECTORAL PLANNING COUNCILS

By virtue of **Executive Order No. 366 s. 2004** or the “**Government Rationalization Plan**”, DOST maintains (3) sectoral planning councils responsible for: formulating policies, plans, programs, projects and strategies for S&T development; for programming and allocating funds; for monitoring of research and development projects; and for generating external funds; namely.

- (1) Philippine Council for Agriculture, Aquatic and Natural Resources Research and Development (**PCAARRD**), which was the consolidation of the Philippine Council for Agriculture, Forestry and Natural Resources Research and Development (PCARRD) and the Philippine Council for Aquatic and Marine Research and Development (PCAMRD) in 2011;
- (2) Philippine Council for Health Research and Development (**PCHRD**); and,
- (3) Philippine Council for Industry, Energy and Emerging Technology Research and Development (**PCIEERD**), which was the consolidation of the Philippine Council for Industry and Energy Research and Development (PCIERD) and the Philippine Council for Advanced Science and Technology Research and Development (PCASTRD) in 2010.

**PHILIPPINE COUNCIL FOR
AGRICULTURE, AQUATIC AND NATURAL
RESOURCES RESEARCH AND
DEVELOPMENT (PCAARRD)**

PRESIDENTIAL DECREE NO. 48

November 10, 1972

ESTABLISHING THE PHILIPPINE COUNCIL
FOR AGRICULTURAL RESEARCH

WHEREAS, agricultural growth, which embodies the development of our farm, forest, and fishery resources, is a matter of national concern;

WHEREAS, in order to attain the national goals in agricultural growth and development, research is necessary to determine the alternative means of achieving these goals or to identify the best means among the alternatives;

WHEREAS, agricultural research, which includes forestry and fisheries, is a systematic method of joining and applying knowledge efficient not only to the biological, physical, and economic phases or producing, processing, and distributing farm, forest, and fishery products, but also in improving consumer health and nutrition, as well as the social and economic aspects of rural living;

WHEREAS, the application of better agricultural technology arising out of research would directly benefit not only the rural population which comprises two-thirds of the total Philippine population, but also a major segment of the urban sector;

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WHEREAS, the national agricultural research program must not only be sensitive to the current needs of an advancing and developing agriculture but should also be forward-looking if it is to make most effective use of available money and manpower.

WHEREAS, to effectively implement the national agricultural research program, it is necessary to develop a research capability in terms of manpower, facilities, funding, and programs;

WHEREAS, in integrated fashion, the Philippine Government has initiated and implemented two closely related studies for the purpose of reviewing the existing national agricultural research operations and developing a responsive and effective national system for agricultural research;

WHEREAS, there is an urgent need for a coordinating agency that will oversee, unify, and integrate the planning, administration, and implementation of the government's agricultural research program;

NOW, THEREFORE, I, FERDINAND E. MARCOS, as Commander-in-Chief all the Armed Forces of the Philippines, and pursuant to Proclamation No. 1081, dated September 21, 1972, and General Order No. 1, dated September 22, 1972, as amended, in order to effect the desired changes and reforms in the social, economic, and political structure of the country, do hereby create the Philippine Council for Agricultural Research (PCAR) with the following major functions and powers;

- a) Define goals, purposes, and scope of research necessary to support progressive development of agriculture, forestry, and fisheries for the nation on a continuing basis;
- b) Using the basic guidelines of relevance, excellence, and cooperation, develop the national agricultural research program based on a multi-disciplinary, inter-agency, and systems approach for the various component commodities;
- c) Establish a system of priorities for agriculture, forestry, and fisheries research and provide meaningful mechanisms for updating these priorities;
- d) Develop and implement a fund-generating strategy for supporting agricultural research;
- e) Program the allocation of all government revenue earmarked for agricultural research to implement a dynamic national agricultural research program;
- f) Provide the mechanism for assessment of progress and updating the national agricultural research program;
- g) Establish and provide support for a national network of centers of excellence for the various commodity research programs by drawing from the facilities of cooperating universities and colleges and other research agencies and linking these clearly with selected PCAR research centers and stations;
- h) Develop a mechanism for full communication among workers in research, extension, education, and national development;
- i) Establish a repository for research information in agriculture, forestry, and fisheries;
- j) Provide for a systematic program or agricultural research manpower development and improvement;
- k) Provide for appropriate incentives to encourage top-notch research workers to remain working in their respective areas of agricultural research; and

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- l) It shall have the power and authority to call on any department, bureau, office, agency, state university or college, commodity institute, and other instrumentalities of the government for assistance in the form of personnel, facilities, and other resources as the need arises in the discharge of its functions.

For administrative purposes, the Philippine Council for Agricultural Research is attached to the Department of Agriculture and Natural Resources.

The Council shall be composed of the following officials;

1. The Chairman, National Science Development Board-Chairman
2. The Secretary of Agriculture and Natural Resources-Vice-Chairman
3. The Budget Commissioner
4. A Representative of the National Economic Development Authority
5. The President, Association of Colleges of Agriculture of the Philippines
6. The Chancellor, University of the Philippines at Los Baños
7. One outstanding leader in agricultural business to be appointed by the President upon recommendation of the PCAR Governing Council

The policies and guidelines formulated by the Council shall be implemented by a Secretariat headed by a Director-General who shall be assisted by two Deputy Director-Generals, technical research directors, and commodity research program leaders who shall be designated by the Council and composed of personnel assigned and/or detailed to PCAR from the different departments, bureaus, state universities or colleges, commodity institutes, offices, agencies and other instrumentalities of the government.

The basic planning and coordination of the national agricultural research program shall rest on the various Commodity Research Planning and Implementation Teams. The compositions of these Teams shall be determined on an interdisciplinary basis with the guiding principle that the best possible expertise in the country should be drafted into these Teams irrespective of what agency they come from.

For the purpose of ensuring maximum quality, competence, and effectiveness of the technical research programs of PCAR, a Technical Program Planning and Review Board composed of top quality technical men, is authorized to be constituted to assist the PCAR Director-General. The members of the PCAR Technical Program Planning and Review Board shall be appointed by the Council.

The Philippine Council for Agricultural Research is authorized to pay honoraria and to make research grants.

Selected field stations, personnel, facilities, and funds of the Department of Agriculture and National Resources, as may be later identified by the Council with the concurrence of the Secretary of Agriculture and National Resources, are hereby transferred to the operational control of the Council.

Research personnel, facilities and other research resources which belong to universities, colleges, and commodity institutes shall be harnessed on a contract basis in support of the PCAR agricultural research program. Where needed, such research

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resources would likewise be available for development assistance as determined by the PCAR Governing Council.

The Council is hereby directed to develop appropriate rules and regulations governing technical personnel, accounting and auditing procedures for research funds, and research program budgeting. When approved by the Council, such rules and regulations mentioned above shall carry the force of law.

The Council shall formulate the national long term and annual programs in agricultural research. All government revenue earmarked for agricultural research (including research in forestry and fisheries), whether coming from regular budget appropriations or tax levies on specific commodities, or from the National Science Development Board, should be programmed by the Philippine Council for Agricultural Research. Beginning July 1, 1973, no funds earmarked for agricultural research shall be released by the Budget Commission or other funding agencies for research activities in PCAR research center and stations, universities, colleges, and other research agencies unless these were integrated as a part of the national agricultural research program. However, a small reserve should be set aside to provide for contingency allocations to finance research covering immediate problems of an emergency nature, that might arise during a given year.

The Council is hereby authorized to draw from and negotiate for funds, not otherwise specifically allocated, of the National Economic Council, National Food and Agriculture Council, National Science Development Board, Department of Agriculture and Natural Resources, agricultural institutions, and all other possible funds sources, for the establishment, operational and program expenses of the Philippine Council for Agricultural Research.

All income and revenue that shall accrue from operations of PCAR research program shall be considered as automatic appropriations for subsequent PCAR activities.

The Council shall submit to the President periodic reports of its activities.

All acts, parts of acts, executive order, ordinances, rules and regulations which are inconsistent with the provisions of this Presidential Decree are hereby repealed, amended, or modified accordingly.

Done in the City of Manila, this 10th day of November, in the year of Our Lord, nineteen hundred and seven-two.

(Sgd.) **FERDINAND E. MARCOS**
President of the Philippines

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PRESIDENTIAL DECREE NO. 461

May 17, 1974

REORGANIZING THE DEPARTMENT OF AGRICULTURE AND NATURAL RESOURCES INTO TWO DEPARTMENTS, NAMELY: DEPARTMENT OF AGRICULTURE AND DEPARTMENT OF NATURAL RESOURCES, AMENDING FOR THIS PURPOSE CHAPTER I, PART VIII OF THE INTEGRATED REORGANIZATION PLAN

WHEREAS, it is a primary objective of the Government to conserve, revitalize and develop the country's national wealth and manage its utilization for the continued well-being of present and future generations;

WHEREAS, progressively increasing demands for food, agricultural raw materials, mineral, aquatic, and forest products, are being felt throughout the world and predicted to intensify in the immediate future;

WHEREAS, within the Philippines itself, the demands of a growing population exert tremendous pressure on the country's existing food and natural resources;

WHEREAS, in the light of growing domestic and world demands for basic commodities, there is a pressing need to continuously assess the status of all existing food and natural resources of the Philippines with the view to maximizing their possible, providing for their replacement;

WHEREAS, the development of agriculture and the management of natural resources involve two separate broad and complex programs which are presently being planned and implemented by only one organization; and

WHEREAS, the attainment as soon as possible of the national goal of increased production and self-sufficiency in basic foods and the completion of an up-dated inventory and assessment of the nation's natural resources for the purpose of ensuring conservation, optimal utilization, programmed exploitation and replacement whenever possible, can best be achieved if these objectives are prosecuted by two separate departments.

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby adopt this amendment to Chapter I, Part VIII of the Integrated Reorganization Plan as part of the law of the land.

Section 1. Presidential Decree No. 1, dated September 24, 1972, relative to Chapter I, Part VIII of the Integrated Reorganization Plan is hereby amended by reorganizing the Department of Agriculture and Natural Resources into two Departments, namely: (a) Department of Agriculture and (b) Department of Natural Resources.

Section 2. The Department of Agriculture shall be composed of the Department Proper which shall include the Office of the Secretary, the Planning Service, the Financial and Computer Service Center, the Administrative Service, the Computer

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Service Center, and the Agrarian Reform Unit. The Bureaus under the supervision and control of the Department are the (1) Bureau of Soils, (2) Bureau of Plant Industry, (3) Bureau of Animal Industry, (4) Bureau of Agricultural Extension, and (5) Bureau of Agricultural Economics. The following government-owned and controlled corporations are attached to the Department: (a) National Grains Authority, (b) Philippine Tobacco Administration, (c) Philippine Virginia Tobacco Administration, (d) Philippine Coconut Authority, (e) Coconut Investment Company, and (f) Philippine Cotton Corporation. The Fertilizer Industry Authority, National Food and Agriculture Council, and the National Meat Inspection Commission are placed under the administrative supervision of the Department. The Coconut Consumers Stabilization Committee is attached to the Department. The Philippine Council of Agricultural Research shall be attached to the National Science Development Board.

Section 3. The organization and functions of the Planning Service, the Financial and Management Service, and the Administrative Service shall be in accordance with Articles III, IV, and V, Chapter I, Part II of the Integrated Reorganization Plan.

Section 4. The Computer Service shall be responsible for providing the Department and the bureaus under it, including the corporations and other agencies attached to it with economical, efficient, and effective services relating to electronic data processing.

Section 5. The Agrarian Reform Unit shall be responsible for providing advice and assistance to the Office of the Secretary in coordinating the work of the Department extension service and soil surveys and classification with that of the Department of Agrarian Reform.

Section 6. The organizations and functions of the Bureau of Animal Industry, Bureau Agricultural Extension, and Bureau of Agricultural Economics shall be provided in Paragraphs 7 and 8, Article II and in Article IV, VIII, and IX, respectively, of Chapter I, Part VIII of the Integrated Reorganization Plan and in Letter of Implementation No. 9, dated November 1, 1972.

Section 7. There is created a Bureau of Plant Industry which shall be responsible for conducting research on agricultural crops; production of improved seeds and plant materials; protection of agricultural crops from pests and diseases; development and improvement of farm equipment, structures, and practices, and such other functions as may be provided by law. The Bureau of Plant Industry shall have, in addition to a Planning and Management Staff and an Administrative Division, the following divisions: (a) Laboratory Services Division, (b) Research Division, (c) Production Division, (d) Farm Development Division which is renamed Agricultural Engineering Division, and (e) Crop Protection Division. The functions of these divisions shall be as provided in Paragraph 2, Article III, Chapter I, Part VII of the Integrated Reorganization Plan and in Letter of Implementation No. 9, except that the Laboratory Services Division and the Research Division shall not have the functions on production of soil inoculants and soil research, respectively.

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Section 8. There is created a Bureau of Soils which shall be responsible for the assessment, development and conservation of existing and potential soil resources of the Philippines; conducting research on different aspects of soil utilization, management, and conservation; and such other functions as may be provided by law. The Bureau of Soils shall have, in addition to a Planning and Management Staff and an Administrative Division, the following divisions:

- a. Laboratory Services Division which shall be provide technical supervision in the effective operation and maintenance of the Bureau's soil laboratories, including the maintenance of precision laboratory equipment; prescribe standards in the physical; and/or chemical analysis of soils for researches and farmlands as the bases for formulation of fertilizer and lime recommendation and for soil characterization; prepare the program for the production and distribution of soil inoculants; coordinate with the Soil Research Division in the study of new and effective methods of analysis and with Soil Fertility Division in updating soil correlation values and fertilizer requirements of crops; and perform such other functions may be provided by law.
- b. Soil Conservation Division which shall formulate policies, standards and measures for soil and water conservation and utilization; develop a program of field demonstrations on soil and water land-use program for agriculture areas on the control of soil erosion, floods, and siltation; exercise technical supervision over all soil and water conservation stations of the Bureaus; and perform such other functions as may be provided by law.
- c. Soil Fertility Division which shall develop plans and procedures for field studies and surveys on soil fertility; prescribe procedures and techniques on the use of fertilizes, soil amendments and fertility maintenance practices; compile and analyze results of field fertilizer and fertility maintenance studies for purposes of preparing and issuing periodic soil fertility status and fertilizer recommendations for major economic crops; and perform such other functions be provided by law.
- d. Soil Research Division which shall design a program of researches on soil chemistry, soil physics, soil biology and mineral nutrition as they relate to agricultural and non-agricultural application; provide standards and establish criteria for research on soil utilization, conservation and soil, water, and plant relationship; exercise technical supervision in the operation of the Bureau's research stations; maintain liaison with other research institutions in both government and private sectors, including foreign institutions; provide technical assistance to other agencies in conducting training programs on soil research and other related subjects; and perform such other functions as may be provided by law.
- e. Soil Surveys Division which shall prepare the plans and programs on basic soil surveys at all levels of generalizations throughout the Philippines to provide sufficient soil resources data needed by the government and the private sector; interpret basic soil survey data to provide information on land classification, land capability and land-use; provide standards and guidelines in the conduct of soil surveys and other related activities, consolidate, review, and summarize reports on soil surveys for dissemination; prepare and maintain thematic maps, charts, tables, photo mosaics, diagrams and other related materials; and perform such other functions as may be provided by law.

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Section 9. The Department of Natural Resources shall be composed of the Department Proper which shall include the Office of the Secretary, the Planning Service, the Financial and Management Service, and the Administrative Service. In addition, there are created in the Department Proper a Legal Service, Computer Service Unit and an Agrarian Reform Unit. The bureaus under the supervision and control of the Department are: (a) Bureau of Forest Development, (b) Bureau of Lands, (c) Bureau of Fisheries, which is renamed Bureau of Fisheries and Aquatic Resources, and (d) Bureau of Mines. The following agencies are attached to the Department: (a) Presidential Committee on Wood Industries Development, (b) National Committee for Mineral Exploration and Survey Operations, (c) Fishery Industry Development Council, (d) Surigao Mineral Reservation Board, (e) Presidential Action Committee on Land Problems.

The National Committee for Mineral Exploration and Survey Operations is reconstituted as follows: Secretary of Natural Resources, as Chairman, Director of Mines, as Vice-Chairman, and representative of the Office of the Executive Secretary, Budget Commission, Philippine Air Force, Philippine Navy, Bureau of Cost and Geodetic Survey, Bureau of Forest Development, Bureau of Lands, Bureau of Plant Industry, and Bureau of Soils, as members.

Section 10. The organizations and functions of the Planning Service, the Financial and Management Service, and the Administrative Service shall be in accordance with Article III, IV, and V, Chapter I, Part II of the Integrated Reorganization Plan, except that the Administrative Service shall not have a Legal Division.

Section 11. The Legal Service shall have the following functions: Prepare decisions and orders on cases involving the disposition, utilization, exploitation, and development of public lands, forest, mines, aquatic resources and other natural resources brought on appeal from action taken by the bureaus under the Department, review patents, licenses, concessions, permits, deeds of conveyance, sales and other transfer of rights, affecting public lands, mines, forest, aquatic resources and other natural resources initiated and/or processed by the bureaus under the Department: appear as counsel for the Secretary, Undersecretary, bureau directors, and other subordinate employees under the Department in court cases where such officials or employees are parties thereto in their official capacities and upon authorization of the Solicitor General; conduct administrative investigation, including the review of administrative charges against employees of the Department: and perform such other functions as may be provided by law.

Section 12. The Agrarian Reform Unit of the Department shall be responsible for providing the Office of the Secretary with advise and assistance in coordinating the work of the Department on land surveys, release of lands of the public domain for resettlement purposes, and other related activities with that of the Department of Agrarian Reform.

Section 13. The organizations and functions of the Bureau of Lands, Bureau of Forest Development, Bureau of Fisheries and Aquatic Resources, and Bureau of Mines shall be as provided in Paragraphs 7 and 8, Article II and in Articles V, VI,

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VII, and X, respectively, of Chapter I, Part VIII of the Integrated Reorganization Plan is amended by creating the Petroleum Division which shall be responsible for the administration and development of the petroleum resources of the country. The Mineral Resources Development Division is renamed Mineral Resources Administration which shall be responsible for the administration of minerals lands.

Section 14. The Regional Offices of the Bureaus of Soils, the Bureau of Plant Industry, the Bureau of Animal Industry, the Bureau of Agricultural Extension and those of the Bureau of the Forest Development, the Bureau of Fisheries and Aquatic Resources, and the Bureau of Lands shall establish in accordance with Article I, Chapter III, Part II, of the Integrated Reorganization Plan, as amended, and with the Letter of Implementation No. 9. The Bureau of Mines shall establish its regional offices in accordance with its requirements, subject to the approval of the President upon the recommendation of the Secretary of Natural Resources.

Section 15. Section 1 of Presidential Decree No. 107, dated January 24, 1973, is hereby amended by removing the Secretary of Agriculture and Natural Resources from membership in the National Economic and Development Authority and providing for the membership in that body of the Secretary of Natural Resources.

The Secretary of Agriculture shall be ex-officio

- (a) Chairman of the Council of the National Grains Authority; Fertilizer Industry Authority, National Food and Agriculture Council, National Artificial Rain Stimulating Committee.
- (b) Vice-Chairman of the Philippine Council for Agriculture Research and the Board of Directors of the Greater Manila Terminal Food Market; and
- (c) Member of the Metric System Board, Board of Directors of the Philippine International Trading Corporation, Board of Trustees of the Tarlac College Technology, National Economic and Development Authority, Boards of Directors of the National Irrigation Administration, National Manpower and Youth Council, Price Control Council, Executive Committee of the National Security Council and the Agrarian Reform Coordinating Council.
- (d) The Secretary of Natural Resources shall be ex-officio Chairman of the Petroleum Board, Presidential Committee on Wood Industries Development, Presidential Action Committee on Land Problems, National Committee for Mineral Exploration and Survey Operation, Fishery Industry Development Council and Surigao Mineral Reservation Board.
- (e) Co-Chairman of the National Minorities Assistance Council, and
- (f) Member of the Metric System Board, Board of Directors of the Philippine International Trading Corporation, Committee to Study the Financing Scheme for Nationwide River Control and Reforestation Projects, National Economic and Development Authority, Executive Committee of the National Security Council, Agrarian Reform Coordinating Council, Philippine Council for Agricultural Research, Board of Directors of the National Irrigation Administration and Water Resource Council.

Section 16. All provisions of Chapter I, Part VIII of the Integrated Reorganization Plan and of the Letter of Implementation No. 9 which are not amended or not

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inconsistent with the foregoing provisions shall remain in full force and effect and shall be correspondingly applied in accordance with the intents and purposes of this Decree.

Section 17. The functions of the Department of Agriculture and National Resources pertaining to agricultural development and those relating to the administration of natural resources shall be respectively transferred to the Department of Agriculture and Department of Natural Resources. Such transfer shall include the corresponding balance of appropriations, records, equipment, property and such personnel as may be necessary. Additional funds, if necessary, shall be appropriated from funds in the National Treasury not otherwise appropriated for personal services in the two Departments. The appropriations for the Agricultural Guarantee and Loan Fund and for the procurement and distribution of fertilizers and certified seeds shall be transferred to the Department of Agriculture. The transfer of the bureaus to the two Departments shall include their respective balance of appropriations, records, equipment, property and personnel. The duly appointed Secretaries of each of the departments created hereby, shall promulgate the necessary administrative orders that will provide the implementing details of the provisions of this Section, and shall be responsible for carrying into immediate effect the intents and purposes of this Decree.

Section 18. This Decree shall take effect upon its approval.

Done in the City of Manila, this 17th day of May, in the year of Our Lord, nineteen hundred and seventy-four

By the President:

(Sgd.) **ALEJANDRO MELCHOR**
Executive Secretary

PRESIDENTIAL DECREE NO. 864

December 29, 1975

AMENDING PRESIDENTIAL DECREE 48 TO EXPAND THE
FUNCTIONS OF THE PHILIPPINE COUNCIL FOR AGRICULTURAL
RESEARCH TO INCLUDE MINES RESEARCH, AND CHANGE ITS NAME
TO PHILIPPINE COUNCIL FOR AGRICULTURE AND RESOURCES
RESEARCH

WHEREAS, the development and growth of our farm, fishery, and certain mineral resources is a matter of national concern;

WHEREAS, research is necessary to determine the alternative means of achieving national goals in the development of our agricultural and natural resources or to identify the best means among the alternatives;

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WHEREAS, mines are a natural resource which is one of the top foreign exchange earners of the country;

WHEREAS, there is a need to wisely utilize this exhaustible resource;

WHEREAS, mines research is best done in relation to agricultural, forestry, and fisheries resources in order to consider their combined effects in maintaining a favorable ecological balance;

WHEREAS, there is a need to strengthen the system and capability for mines research in the country; and

WHEREAS, this can best be done through the existing body which now monitors, coordinates, and manages all research in agriculture, forestry, and fisheries in the country;

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. The name of the Philippine Council for Agricultural Research, established under P.D. 48, is hereby changed to the PHILIPPINE COUNCIL FOR AGRICULTURE AND RESOURCES RESEARCH, hereinafter referred to as PCARR, with the following functions in addition to those stipulated in P.D. 48:

(a) Have authority and responsibility, as part of the scope of its operations, over all government-supported and funded research on mineral resources except petroleum and other mineral oils;

(b) Establish, support and manage the operation of a national network of centers of excellence for the various research programs in crops; livestock; forestry; fisheries; soil; waters; and mineral resources; and socio-economics research related to agriculture and natural resources; and

(c) Enter into agreements or relationships with other similar institutions or organizations, both national and international, in furtherance of the above purposes.

Section 2. The PCARR Governing Council shall be composed of the following officials:

- 1) The Chairman, National Science Development Board, Chairman;
- 2) The Secretary of Agriculture, Vice-Chairman;
- 3) The Secretary of Natural Resources, Vice-Chairman;
- 4) The Budget Commissioner;
- 5) A Representative of the National Economic and Development Authority;
- 6) The President, Association of Colleges of Agriculture of the Philippines;
- 7) The Chancellor, University of the Philippines at Los Baños,
- 8) The PCARR Director General; and

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- 9) Two outstanding leaders in the producers' and business sector of agriculture and natural resources to be appointed by the President of the Philippines upon recommendation of the PCARR Governing Council.

Section 3. The PCARR employee shall be exempt from the scope and coverage of the Wage and Position Classification Office (WAPCO).

Section 4. The PCARR Governing Council is hereby authorized to establish an Agriculture and Resources Research Service which will formulate rules and regulations covering qualifications, recruitment, compensation, performance evaluation, and separation from the service, of all government technical personnel engaged in research-oriented operations in agriculture and natural resources.

Section 5. The PCARR Governing Council is authorized to reorganize its Secretariat and Research Network by creating, consolidating or integrating as many divisions and research stations as may be necessary to accomplish its functions and objectives.

Section 6. All acts, parts of acts, executive orders, decrees, ordinances, rules and regulations, which are inconsistent with this Presidential Decree are hereby repealed, amended, or modified accordingly.

Section 7. This Decree shall take effect upon its promulgation.

Done in the City of Manila, this 29th day of December, in the year of Our Lord, nineteen hundred and seventy-five.

By the President:

(Sgd.) **JACOBO C. GLAVE**
Presidential Executive Assistant

PRESIDENTIAL DECREE NO. 1249

GRANTING AUTHORITY AND INCENTIVES TO THE PHILIPPINE COUNCIL FOR AGRICULTURE AND RESOURCES RESEARCH IN ITS GENERATION OF FOREIGN FUNDING FOR RESEARCH

WHEREAS, the Philippine Council for Agriculture and Resources Research (PCARR) as created by Presidential Decree No. 48 to provide a systematic approach in the planning, administration and implementation of the government's agriculture and resources research program;

WHEREAS, to effectively implement the national agriculture and resources research programs, it is necessary to develop research capability in terms of manpower, facilities, funding and programs;

WHEREAS, PCARR was mandated to develop and implement a fund generating strategy for supporting agriculture and resources research;

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WHEREAS, to augment research funds and to accelerate technology transfer and research, PCARR has entered into agreements with funding agencies and international research centers such as USAID, the International Potato Center (CIP), *Centro Internacional de Mejoramiento de Maíz y Trigo* (CYMMIT), *Centro internacional de Agricultura Tropical* (CIAT), the International Soybean Research Program (INTSOY), the Rubber Research Institute of Malaysia (RRIM) and other similar agencies;

WHEREAS, in order to encourage funding agencies and international research centers to enter into cooperative agreements or relationship, PCARR should provide appropriate incentives to encourage donation of research funds and facilitate the exchange of researchers, scientists and consultants between PCARR and these international agencies;

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

Section 1. The Philippine Council for Agriculture and Resources Research will plan and implement a fund-raising program to augment local research funds by entering into appropriate and beneficial agreements with international funding and research centers.

Section 2. Scientists and staff members of international agencies/organizations may be invited to participate in PCARR-sponsored research projects, workshops, conferences and symposia;

Section 3. Scientists and staff members of PCARR and agencies engaged in agricultural research are exempted from government restrictions on travel abroad and travel tax for purposes of advanced studies, observation trips to agricultural universities, institutes and research organizations with similar functions and attendance in scientific symposia and conferences;

Section 4. Items of equipment and supplies including but not limited to construction materials, laboratory supplies, fixtures, scientific equipment, machinery, household, office and laboratory furnishing and vehicles imported by PCARR or by representatives of international agencies/organizations in consultation with PCARR will be exempt from payment of customs duty or other tax;

Section 5. In the event which necessitate the residence in the Philippines of scientists or staff members of international agencies in connection with cooperative research agreement with PCARR, the appropriate offices/departments of the Philippine government shall:

- (a) expedite entry of said scientists and staff members to the country;
- (b) exempt from all forms of taxes and import duties and other imposts on any personal and household effects, goods and supplies for personal and family use of foreign scientists and staff members provided these are re-exported upon the termination of their stay in the country;

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- (c) exempt these scientists and staff members from payment of Philippine income tax and other taxes accorded to expatriate scientists paid by international organizations;
- (d) effect the free movement of germplasm into the country as may be required for the cooperative research programs with international agencies subject to normal quarantine procedures required to avoid the introduction of pests and diseases.

Section 6. All acts, part of acts, executive orders, decrees, ordinances, rules and regulations which are not consistent with this Decree are hereby repealed, amended or modified accordingly.

Section 7. This decree shall take effect immediately.

Done in the Manila, this 25th day of November, in the year of Our Lord, Nineteen Hundred and Seventy-Seven.

(Sgd) **FERDINAND E. MARCOS**
President of the Philippines

EXECUTIVE ORDER NO. 784

REORGANIZING THE NATIONAL SCIENCE DEVELOPMENT BOARD AND ITS AGENCIES INTO A NATIONAL SCIENCE AND TECHNOLOGY AUTHORITY AND FOR RELATED PURPOSES

Please see Sections 10, 11 and 14 of EXECUTIVE ORDER NO. 784 at page 68

EXECUTIVE ORDER NO. 128

REORGANIZING THE NATIONAL SCIENCE AND TECHNOLOGY AUTHORITY

Please see Sections 13, 35, 45 and 46 of EXECUTIVE ORDER NO. 128 at page 76

EXECUTIVE ORDER NO. 292

INSTITUTING THE "ADMINISTRATIVE CODE OF 1987"

Please see Sections 9, 10, 12 and 14 of EXECUTIVE ORDER NO. 292 at page 91

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**PHILIPPINE COUNCIL FOR HEALTH
RESEARCH AND DEVELOPMENT
(PCHRD)**

EXECUTIVE ORDER NO. 784

REORGANIZING THE NATIONAL SCIENCE DEVELOPMENT
BOARD AND ITS AGENCIES INTO A NATIONAL SCIENCE AND
TECHNOLOGY AUTHORITY AND FOR RELATED PURPOSES

Please see Sections 10, 11 and 12 of EXECUTIVE ORDER NO. 784 at page 68

EXECUTIVE ORDER NO. 128

REORGANIZING THE NATIONAL SCIENCE AND TECHNOLOGY
AUTHORITY

Please see Sections 13 and 16 of EXECUTIVE ORDER NO. 128 at page 76

EXECUTIVE ORDER NO. 292

INSTITUTING THE “ADMINISTRATIVE CODE OF 1987”

Please see Sections 10 and 13 of EXECUTIVE ORDER NO. 292 at page 91

REPUBLIC ACT NO. 10532

AN ACT INSTITUTIONALIZING THE PHILIPPINE NATIONAL HEALTH
RESEARCH SYSTEM

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

ARTICLE I

GENERAL PROVISIONS

SECTION 1. *Short Title.* – This Act shall be known as the “Philippine National Health Research System Act of 2013”.

SEC. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to protect and promote the right to health of the people, instill health consciousness among them and improve the quality of life of every Filipino through health research and development initiatives.

SEC. 3. *Definition of Terms.* – For the purpose of this Act, the following terms shall be defined as follows:

(a) *Health* shall refer to a state of optimal physical, mental and social well-being and the ability to function at the individual level.

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(b) *Health Research Stakeholders* shall refer to the national and the local public and private agencies/organizations, policymakers, the academe, medical and health societies, people's organizations and others who are concerned with and affected by health and development.

(c) *National Unified Health Research Agenda* shall refer to a set of research priorities determined by the country's stakeholders which addresses the health needs of the population *vis-a-vis* the health sector's goal for universal health care. This agenda is a platform to advocate for local, national and international support.

(d) *Philippine Council for Health Research and Development (PCHRD)* shall refer to one of the sectoral planning councils of the Department of Science and Technology (DOST) which provides central direction, leadership and coordination in health science and technology (S&T).

(e) *Philippine Health Research Ethics Board (PHREB)* shall refer to the national policymaking body on health research ethics, created under DOST Special Order No. 091, which is mandated to ensure that all phases of health research shall adhere to the universal ethical principles that value the protection and promotion of the dignity of health research participants.

(f) *Philippine National Health Research System (PNHRS)* shall refer to a framework anchored on the principles of Essential National Health Research on inclusiveness, participation, quality, equity, efficiency and effectiveness, which connect to, and converge with, the wider health, economic, political, educational and S&T systems of the country.

(g) *Regional Health Research Systems* shall refer to the regional health research consortia or communities in all the regions of the country which mirror the PNHRS framework at the regional level.

(h) *Research* shall refer to the development of knowledge with the aim of understanding health challenges and mounting an improved response to them. This covers the full spectrum of research in five (5) generic areas of activity: (1) measuring the problem; (2) understanding its cause(s); (3) elaborating solutions; (4) translating the solutions or evidence into policy, practice and products; and (5) evaluating the effectiveness of solutions.

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THE PHILIPPINE NATIONAL HEALTH RESEARCH SYSTEM

SEC. 4. Institutionalization of the Philippine National Health Research System (PNHRS). – The PNHRS, initiated through a Memorandum of Understanding between the DOST and the Department of Health (DOH) in 2003 and 2007, is hereby institutionalized within the mandate of the PCHRD, the national coordinating body for health research.

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SEC. 5. Objectives of the PNHRS. – The PNHRS aims to improve the health status, productivity and “the quality of life of Filipinos by:

- (a) Ensuring that health research is linked to the health system needs;
- (b) Ensuring that investments in health research yield the most benefit;
- (c) Promoting good governance among health research organizations through efficient, effective, transparent and ethical health research management system;
- (d) Engaging in national and international partnerships and networks for health research development; and
- (e) Ensuring sustainability of resources for health research.

SEC. 6. Composition of the PNHRS. – The PNHRS shall be composed of the Governing Council (GC), the Steering Committee, the Technical Working Committees (TWC) and the Secretariat, as described in Section 9 hereof. The whole health research community shall be deemed an indispensable partner and contributor in the effort to strengthen the PNHRS. The interrelationships among these various components shall be described in the implementing rules and regulations (IRR) of this Act.

SEC. 7. The PNHRS Governing Council. – The PCHRD Governing Council, created under Executive Order (EO) No. 784 of 1982 and EO No. 128 of 1987, shall be the Governing Council of the PNHRS. The PNHRS Governing Council shall be composed of the following:

- (a) The Secretary of the DOST, as Chair;
- (b) The Secretary of the DOH, as Co-Chair;
- (c) The Chair of the Commission on Higher Education (CHED);
- (d) The Chancellor of the University of the Philippines, Manila (UPM);
- (e) The National Nutrition Council Executive Director;
- (f) The PCHRD Executive Director; and
- (g) Five (5) representatives from the private sector.

SEC. 8. Powers and Functions of the PNHRS Governing Council. – The PNHRS Governing Council shall:

- (a) Set policies and directions for the PNHRS;
- (b) Periodically review and approve the long-term plans and programs of the PNHRS;
- (c) Evaluate and approve the National Unified Health Research Agenda, and identify areas that will serve as the foci of the National Health Research Agenda;
- (d) Review, approve or disapprove research programs; and
- (e) Create committees as the need arises to facilitate and ensure the achievement of its objectives.

SEC. 9. The PNHRS Secretariat. – The PCHRD Secretariat, headed by an Executive Director, shall serve as the PNHRS Secretariat. The Executive Director

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shall be responsible for, among others, the smooth implementation of programs and projects and shall, in pursuit thereof, exercise an oversight function over the PNHRS.

The Secretariat shall provide technical and administrative support in the following areas:

- (a) Research and Development Management;
- (b) Institution Development;
- (c) Research Information, Communication and Utilization; and
- (d) Finance and Administration.

SEC. 10. *Creation and Functions of the Steering Committee.* – (a) The Governing Council (GC) shall create a Steering Committee, to be headed by the PCHRD Executive Director. It shall be composed of the following:

- (1) The Executive Director, DOST-PCHRD;
- (2) The Director, Department of Health-Health Policy Development and Planning Bureau (DOH-HPDPB);
- (3) The Director, Commission on Higher Education, Office of Policy, Planning, Research and Information (CHED-OPPRI);
- (4) The Executive Director, University of the Philippines, Manila-National Institutes of Health (UPM-NIH);
- (5) The Director of the Social Development Services of the National Economic and Development Authority (NEDA);
- (6) The Chair of the Philippine Health Research Ethics Board (PHREB);
- (7) A representative from the Philippine Health Insurance Corporation (PHIC);
- (8) A representative from the National Statistics Office (NSO);
- (9) A representative from the Professional Regulation Commission (PRC);
- (10) A representative from the Department of Transportation and Communications-Land Transportation Office (DOTC-LTO);
- (11) A representative from the Department of Environment and Natural Resources-Environment Management Bureau (DENR-EMB);
- (12) A representative from the local government units (LGUs); and
- (13) The Chairpersons of relevant PNHRS TWC.

(b) The Steering Committee shall perform the following functions:

- (1) Recommend policies to the GC;
- (2) Perform oversight function on the implementation and harmonization of the PNHRS activities and the allocation of the PNHRS fund;
- (3) Coordinate and harmonize the activities of the six (6) PNHRS TWC; and
- (4) Monitor and report to the GC the progress of the PNHRS programs.

SEC. 11. *Creation of the Technical Working Committee (TWC).* – The GC shall create TWC aligned with research themes which are based on the country's health needs and the six (6) building blocks of the World Health Organization (WHO) to attain universal health care.

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The Committees shall develop and monitor their respective strategic plans. They shall work closely with the stakeholders and the Secretariat.

SEC. 12. *The Philippine Health Research Ethics Board (PHREB).* – The PHREB, created under DOST Special Order No. 091 s. 2006, shall ensure adherence to the universal principles for the protection of human participants in research. It shall, among other, things:

- (a) Formulate and update guidelines for the ethical conduct of human health research;
- (b) Develop guidelines for the establishment and management of ethics review committees and standardization of research ethics review;
- (c) Monitor and evaluate the performance of institutional ethics review committees in accordance with procedures outlined in a prior agreement;
- (d) Promote the establishment of functional and effective ethics review committees;
- (e) Provide advice and make recommendations to the PNHRS Governing Council and other appropriate entities regarding programs, policies and regulations as they relate to ethical issues in human health research;
- (f) Initiate and contribute to discourses and discussions on ethical issues in human health research; and
- (g) Network with relevant local, national and international organizations.

SEC. 13. *Regional Health Research Systems.* – The PNHRS framework shall be mirrored in all the regions of the country, forming a network of regional research consortia. The consortium setup varies depending on the culture and resources of the region. Each regional health research system shall address concerns relating to health research agenda, development of human resource in health research, conduct of researches, dissemination of research results, research utilization, resource mobilization, leadership and management.

ARTICLE III

FINAL PROVISIONS

SEC. 14. *Monitoring, Evaluation, Accountabilities and Annual Report.* – Regular monitoring and evaluation mechanisms shall be done by the GC through the Secretariat to determine the accountabilities of the PNHRS to the contributing agencies. The specifics/details of monitoring, evaluation, accountabilities and annual reporting shall be provided for in the implementing rules and regulations of this Act.

SEC. 15. *Implementing Rules and Regulations.* — The DOST-PCHRD, the DOH, the CHED and the UPM-NIH shall promulgate the implementing rules and regulations of this Act within sixty (60) days after the effectivity hereof.

SEC. 16. *Separability Clause.* – If any provision or part hereof is held invalid or unconstitutional, the remainder of the law or the provision not otherwise affected shall remain valid and subsisting.

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SEC. 17. *Repealing Clause.* – Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent with the provisions of this Act is hereby repealed, modified or amended accordingly.

SEC. 18. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in any newspaper of general circulation.

Approved,

MALACAÑANG
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

PROCLAMATION NO. 1309

DECLARING EVERY SECOND WEEK OF AUGUST AS THE PHILIPPINE
NATIONAL HEALTH RESEARCH SYSTEM WEEK

WHEREAS, health research plays a vital role in facilitating the development of national health policies towards an equitable, efficient and effective health system;

WHEREAS, the Philippine National Health Research System (PNHRS), as a concept and strategy in health research management, is part of a global movement which ensure that national health research systems create and sustain an enabling environment for health research to contribute to evidence-informed health policies and actions;

WHEREAS, the Department of Health (DOH), Department of Science and Technology (DOST) and Commission on Higher Education and Development (CHED) agreed to steer the PNHRS in order to promote and enhance cooperation among research organizations and network; to share and pool resources; to develop capacities for knowledge production, use and management; and, to conduct health research following ethical standards;

WHEREAS, the achievement and fulfillment of the strategic goals and objectives of the PNHRS necessitate the participation and commitment of its members, partners and advocates to make significant contribution on health outcomes;

WHEREAS, other government organizations, the private sector, non-government organizations and civil society, academic institutions, research organizations, researchers and health professionals participate in the PNHRS as producers, users, funders and advocates of research;

WHEREAS, holding regular forums promote better exchange, sharing and use of research and related information among health research stakeholders redound to better support to health policy and program development;

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WHEREAS, holding a nationwide event, with parallel activities in various sites in the country, on a specific time of the year, harmonizes event organizing by different stakeholders and rationalizes use of resources, while contributing to increased visibility and value of health research;

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby declare every second week of August as the Philippine National Health Research System Week.

To make this Proclamation operational, DOH, DOST and CHED are directed to take the lead in planning and organizing activities for the PNHRS Week. All other government organizations, the private sector, business and industry, non-government organizations and civil society, academic and research institutions are enjoined to participate and take an active role in the celebration and conduct of PNHRS Week activities.

IN WITNESS THEREOF, I have hereunto set my hand and caused the seal of the Republic of Philippines to be affixed.

DONE in the City of Manila, this 21st day of June, in the Year of Our Lord, Two Thousand and Seven.

(Sgd.) **GLORIA MACAPAGAL-ARROYO**

By the President:

(Sgd.) **EDUARDO R. ERMITA**
Executive Secretary

JOINT DOST-PCHRD, DOH, CHED AND UPM-NIH ADMINISTRATIVE ORDER NO. 001 S. 2013

IMPLEMENTING RULES AND REGULATIONS OF RA 10532

THE IMPLEMENTING RULES AND REGULATIONS OF REPUBLIC ACT
10532 OTHERWISE KNOWN AS THE “PHILIPPINE NATIONAL HEALTH
RESEARCH SYSTEM ACT OF 2013”

WHEREAS, Republic Act No. 10532, otherwise known as the “Philippine National Health Research System Act of 2013”, became effective on 1 June 2013;

WHEREAS, the implementing institutions of the Philippine National Health Research System (PNHRS), namely, Department of Science and Technology, Department of Health, Commission on Higher Education and University of the Philippines Manila – National Institutes of Health have signed the following agreements on the development of the Philippine National Health Research System, to wit: Memorandum of Understanding dated 17 March 2003, 11 April 2007, 16 March 2009 and 10 August 2011;

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WHEREAS, pursuant to Article III Section 13 of RA 10532, the Department of Science and Technology-Philippine Council for Health Research and Development, the Department of Health, the Commission on Higher Education and the University of the Philippines Manila – National Institutes of Health are mandated to issue and promulgate the rules and regulations to implement the provisions of Republic Act 10532;

NOW THEREFORE, the following Joint Administrative Order of the Department of Science and Technology, Department of Health, Commission on Higher Education and University of the Philippines Manila – National Institutes of Health covering the rules and regulations implementing Republic Act 105323 are hereby adopted and prescribed for the information and guidance of all concerned.

CHAPTER 1 GENERAL PROVISIONS

Rule 1. Title. These Rules shall be known and cited as the Implementing Rules and Regulations of Republic Act No. 10532, otherwise known as the “Philippine National Health Research System Act of 2013.”

Rule 2. Purpose. These Rules are hereby promulgated to prescribe the procedures and guidelines for the implementation of the PNHRS Act in order to facilitate collaboration, cooperation, and convergence among all stakeholders and to achieve the objectives of the Act.

Rule 3. Construction and Interpretation. All doubts in the implementation, construction and interpretation of these implementing rules and regulations shall be resolved in favor of the principle of promoting cooperation and collaboration among stakeholders as well as the integration and convergence of all health research efforts in the country to ensure that research contributes to evidence-informed health-related policies and actions.

Rule 4. Declaration Policy. It is hereby the policy of the State to protect and promote the right to health of the people, instill health consciousness among them and improve the quality of life of every Filipino through health research and development initiatives.

In pursuit of the above policy, it is the mission of the PNHRS to create and sustain an enabling environment for health research toward evidence-informed health-related policies and actions. Further, the PNHRS shall facilitate and enable the engagement of the stakeholders of the health research community.

Rule 5. Definition of Terms. For the purpose of this Act, the following terms shall be defined as follows:

- (a) Act shall refer to RA 10532.
- (b) *Health* shall refer to a state of optimal physical, mental and social well-being and the ability to function at the individual level.

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- (c) *Health Research Stakeholders* shall refer to the national and the local public and private agencies/organizations, policymakers, the academe, medical and health societies, people's organizations and other who are concerned with and affected by health and development.
- (d) *Health Research Community* shall refer to all stakeholders such as but not limited to policymakers, researchers, funders and/or advocates of research, users and/or beneficiaries of research at local, national, and/or international levels.
- (e) *Health System shall refer to:* (i) all the activities whose primary purpose is to promote, restore and/or maintain health; and (ii) the people, institutions and resources, organized together in accordance with established policies, to improve the health of the population they serve, while responding to people's legitimate expectations and protecting them against the cost of ill-health through a variety of activities whose primary intent is to improve health.
- (f) *International organizations* shall mean the following: (i) United Nations and its specialized agencies, (ii) ASEAN and its specialized agencies, (iii) international development and/or funding institutions recognized by the Philippine Government, and, (iv) all such other international organizations and/or institutions covered by a headquarters agreement and/or an international treaty signed by the Philippines Government.
- (g) *International Networks* shall mean both formal and informal linkages, collaborations, assistance, cooperation, information sharing and other similar activities with non-Filipino individuals or institutions and international organizations subject to existing constitutional and legal limitations and provisions.
- (h) *National Unified Health Research Agenda* shall refer to a set of research priorities determined by the country's stakeholders which addresses the health needs of the population vis-à-vis the health sector's goal for universal health care. This agenda is a platform to advocate for local, national and international support. The term *National Health Research Agenda* shall also have the same definition as the foregoing.
- (i) *Philippine Council for Health Research and Development (PCHRD)* shall refer to one of the sectoral planning councils of the Department of Science and Technology (DOST) which provides central directions, leadership and coordination in health science and technology (S&T). PCHRD shall serve as the national coordinating body for health research.
- (j) *Philippine Health Research Ethics Board (PHREB)* shall refer to the national policymaking body on health research ethics, created under DOST Special Order No. 091, which is mandated to ensure that all phases of health research shall adhere to the universal ethical principles that value the protection and promotion of the dignity of health research participants.
- (k) *Philippine National Health Research System (PNHRS)* shall refer to a framework anchored on the principles of Essential National Health Research on inclusiveness, participation, quality, equity, efficiency and effectiveness, which connect to, and converge with, the wider health, economic, political, educational and S&T systems of the country.

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- (l) *Philippine National Health Research Systems Network* shall refer to public and private agencies and institutions which are members of the regional health research and development consortia.
- (m) *Regional Health Research Systems* shall include regional health research consortia or communities in all the regions of the country which mirror the PNHRS framework at the regional level.
- (n) *Research* shall refer to the development of knowledge with the aim of understanding health challenges and mounting an improved response to them. This covers the full spectrum of research in five (5) generic areas of activity: (1) measuring the problem; (2) understanding its cause(s); (3) elaborating solutions; (4) translating the solutions or evidence into policy, practice and products; and (5) evaluating the effectiveness of solutions.
- (o) “*Research for Health*” or “*Health research*” shall refer to the fact that improving health outcomes requires the involvement of many sectors and disciplines. As identified in the work of the Global Forum for Health Research, it is research that seeks to understand the impact of health policies, programs, processes, actions, or events originating in any sector: to assist in developing interventions that will help prevent or mitigate the impact; and to contribute to the achievement of the Millennium Development Goals, health equity, and better health for all.
- (p) *Regional Unified Health Research Agenda* shall refer to a set of research priorities determined by the regional stakeholders which addresses the health needs of the population vis-à-vis the health sector’s goal for universal health care. This agenda is a platform to advocate for local, national and international support.
- (q) *Rules* shall refer to the Rules and Regulations.
- (r) *Universal Health Care* shall refer to a focused approach to health reform implementation, ensuring that all Filipinos especially the poor receive the benefits of health reform. This is a deliberated focus on the poor to ensure that they are given financial risk protection through enrollment to PhilHealth and that they are able to access affordable and quality health care and services in times of need.

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THE PHILIPPINE NATIONAL HEALTH RESEARCH SYSTEM

Rule 6. *Institutionalization of the Philippine National Health Research System (PNHRS).* The PNHRS, initiated through a Memorandum of Understanding between the DOST and the Department of Health (DOH) in 2003, and in 2007, is hereby institutionalized within the mandate of the PCHRD, the national coordinating body for health research.

The 2007 Memorandum of Understanding was also signed by the Commission on Higher Education and the University of the Philippines Manila – National Institutes of Health.

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Rule 7. Objectives of the PNHRS.

The PNHRS aims to improve the health status, productivity and the quality of life of Filipinos by:

- (a) Ensuring that health research is linked to the health system needs;
- (b) Ensuring that investment in health research yield the most benefit;
- (c) Promoting good governance among health research organizations through efficient, effective, transparent and ethical health research management system.
- (d) Engaging in national and international partnerships and networks for health research development; and
- (e) Ensuring sustainability of resources for health research.

In achieving these objectives, the PNHRS shall consider the provisions of existing laws.

Rule 8. Formulation of Research Agenda. The process in formulating the research agenda for the present and future requirements of the county's health system should consider alignment with societal goals in science and technology, education, the economy, environment, agriculture and other priority areas of the country. The national and regional research agenda shall be used as a strategic tool to direct research programs, funding priorities, and related activities.

Rule 9. Determination of Benefit. In ensuring that investments in health research will yield the most benefit, the health research should be anchored on the country's health agenda and emerging health issues, result in improved health outcomes, and optimize the resources invested.

Rule 10. Sustainability of Resources for Health Research. To ensure sustainability of resources for health research and development, the PNHRS implementing institutions shall allocate in their respective annual budget as well as in their work and financial plan the appropriate resources to support the plans and programs of the PNHRS.

Public and private organizations who are members of the PNHRS Network shall likewise allocate in their respective annual budget as well as in their work and financial plan the appropriate resources to support the plans and programs of the PNHRS. PNHRS shall tap other funding sources including any government revenues generated through various legal instruments or laws.

Public or private local, national or international institutions or organizations may contribute resources, such as funds, expertise, technic assistance, logistics, and facilities.

Rule 11. Composition of the PNHRS. The PNHRS shall be institutionalized within the mandate of the PCHRD, the national coordinating body for health research. It is composed of the Governing Council (GC), the Steering Committee, the Technical Working Committees (TWC) and the Secretariat, as described in Section 9 hereof.

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The whole health research community shall be deemed an indispensable partner and contributor in the effort to strengthen the PNHRs.

Rule 12. *The PNHRs Governing Council.* The PCHRD Governing Council, created under Executive Order (EO) No. 784 of 1982 and EO No. 128 of 1987, shall be the Governing Council of the PNHRs. The PNHRs Governing Council shall be composed of the following:

- (a) The Secretary of the DOST, as Chair;
- (b) The Secretary of the DOH, as Co-Chair;
- (c) The Chair of the Commission on Higher Education (CHED);
- (d) The Chancellor of the University of the Philippines Manila (UPM);
- (e) The National Nutrition Council Executive Director;
- (f) The PCHRD Executive Director; and
- (g) Five (5) representatives from the private sector.

Rule 13. *Private Sector Representatives.* The five (5) private sector representatives shall be appointed by the President of the Philippines for a term of two years. The criteria and terms of the appointment of four representatives shall be governed by EO 128, Section 16 while the fifth private sector representative shall represent a recognized health civil society organization.

Rule 14. *Meetings of the Governing Council.* The meetings of the PNHRs Governing Council shall follow the existing procedures of the PCHRD Governing Council.

Rule 15. *Powers and Functions of the PNHRs Governing Council.* the PNHRs Governing Council shall:

- (a) Set policies and directions for the PNHRs;
- (b) Periodically review and approve the long-term plans and programs of the PNHRs;
- (c) Evaluate and approve the National Unified Health Research Agenda, and identify Areas that will serve as the foci of the National Health Research Agenda;
- (d) Review, approve or disapprove research programs; and
- (e) Create committees as the need arises to facilitate and ensure that achievement of its objectives.

Rule 16. The GC shall develop its own guidelines in reviewing, approving, and disapproving research programs.

Rule 17. *The PNHRs Secretariat.* The PCHRD Secretariat, headed by an Executive Director, shall serve as the PNHRs Secretariat. The Executive Director shall be responsible for, among others, the smooth implementation of programs and projects and shall, in pursuit thereof, exercise an oversight function over the PNHRs.

The Secretariat shall provide technical and administrative support to the Technical Working Committees, Steering Committee and the Governing Council in the following areas:

- (a) Research and Development Management;
- (b) Institution Development;

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- (c) Research Information, Communication and Utilization; and
- (d) Finance and Administration.

Rule 18 *PNHRS Secretariat Staff and Budget.* The PNHRS Secretariat's staffing and budget shall be included in the PCHRD staffing and budget.

Rule 19. *Creation and Functions of the Steering Committee.*

(a) The Governing Council (GC) shall create an advisory group, the Steering Committee, to be headed by the PCHRD Executive Director. It shall be composed of the following:

- (a) The Executive Director, DOST-PCHRD;
- (b) The Director, Department of Health-Health Policy Development and Planning Bureau (DOH-HPDPB);
- (c) The Director, Commission on Higher Education, Office of Policy, Planning, Research and Information (CHED-OPPRI);
- (d) The Executive Director, University of the Philippines Manila –National Institutes of Health (UPM-NIH);
- (e) The Director of the Social Development Services of the National Economic and Development Authority (NEDA);
- (f) The Chair of the Philippine Health Research Ethics Board (PHREB);
- (g) A representative from the Philippine Health Insurance corporation (PHIC);
- (h) A representative from the National Statistics Office (NSO);
- (i) A representative from the Professional Regulation Commission (PRC);
- (j) A representative from the Department of Transportation and Communications-Land Transportation Office (DOTC-LTO);
- (k) A representative from the Department of Environment and Natural Resources-Environment Management Bureau (DENR-EMB);
- (l) A representative from the local government units (LGUs); and
- (m) The Chairpersons of relevant PNHRS TWC.

(b) The Steering Committee shall perform the following functions:

- (a) Recommend policies to the GC;
- (b) Perform oversight function on the implementation and harmonization of the PNHRS activities and the allocation of the PNHRS fund;
- (c) Coordinate and harmonize the activities of the six (6) PNHRS TWCs; and
- (d) Monitor and report to the GC the progress of the PNHRS programs.

The Steering Committee may also coordinate and harmonize the activities of the other PNHRS TWCs.

Rule 20. *Guidelines of the Steering Committee.* The Steering Committee shall promulgate is guidelines for the conduct of its meetings.

Rule 21. *Creation of the Technical Working Committees (TWC).* The GC shall create TWC aligned with research themes which are based on the country's health needs, and the six (6) building blocks of the World Health Organization (WHO) to attain universal health care. The Committee shall develop and monitor their respective strategic

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plans. They shall work closely with the stakeholders and the Secretariat. Other international references may also be used to determine the aforesaid research themes.

The number of PNHRs TWCs shall be increased or decreased depending on the circumstances as may be determined by the Governing Council. In doing this, the Governing Council may consider the original six PNHRs TWCs on research agenda, ethics, capacity building research utilization, resource mobilization, structure and organization, monitoring and evaluation.

Representation of the private sector, civil society and regional, national or international institutions or organizations shall be considered in the creation of national technical working committees.

Rule 22. *Interrelationships of the PNHRs Components.* The PNHRs Governing Council shall be the highest policymaking body. As such, its day-to-day operation shall be subsumed within the mandate, staff and budget of the PCHRD. The mode of operation of the PNHRs is through cooperation and collaboration between and among consortia, organizations, individuals and experts within the health research community. Engagement of stakeholders is through, but not limited to, the formation of advisory bodies, study groups, working groups, task forces, or similar bodies by the Governing Council or the Secretariat.

Rule 23. *The Philippine Health Research Ethics Board (PHREB).* The PHREB, created under DOST Special Order No. 091 s. 2006, shall ensure adherence to the universal principles for the protection of human participants in research.

The constitution of PHREB shall be governed by the same terms of reference contained in the above DOST Special Order.

The PHREB shall, among other things:

- (a) Formulate and update guidelines for the ethical conduct of human health research;

The National Ethical Guidelines for Health Research shall be regularly updated every five years or whenever necessary. For this purpose, PHREB shall constitute a committee which shall be responsible for this undertaking.

- (b) Develop guidelines for the establishment and management of ethics review committees and standardization of research ethics review;

All researches involving human subjects must undergo ethical review and clearance before implementation to ensure the safety, dignity, and well-being of research participants. The research ethics review shall be facilitated by an Ethics Review Committee duly registered with and/or accredited by PHREB as provided for in the Joint Memorandum Order 2012-001 of the Department of Science and Technology, Department of Health, Commission on Higher Education and the University of the Philippines Manila.

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The National Ethical Guidelines for Health Research shall include the standards for the establishment and management of ethics review committees and the standards for research ethics review.

PHREB may conduct the necessary training activities for researchers, ERC members, and administrator which, may function at the national, regional, or local levels; or as cluster or individual committees.

- (c) Monitor and evaluate the performance of institutional ethics review committees in accordance with procedures outlined in a prior agreement;

In carrying out its monitoring and evaluation function, PHREB shall establish or designated Regional Ethics Monitoring Boards. These Regional Ethics Monitoring Boards may be located within existing regional DOH, DOST, CHED offices or designated institutions' and shall directly supervise the Ethics Review Committees established in their regional area of responsibility.

PHREB and the Regional Ethics Monitoring Boards, in consultation with ethics review committees shall develop and agree on indicators of good performance which shall be used in ensuring and monitoring quality ethics review in health research.

- (d) Promote the establishment of functional and effective ethics review committees;

The standards for the establishment of functional and effective ethics review committee shall be included in the National Ethical Guidelines for Health Research for references of institutions and organizations.

Ethics review committees (ERCs) shall be categorized as follows:

- (a) Institution-based ERCs like those in hospital, academic and research institutions;
- (b) Government Agency-based ERCs;
- (c) Organization-based ERCs;
- (d) Cluster-based ERCs;
- (e) Research site-based ERCs

PHREB shall oversee and recognize functional and effective ERCs through the mechanisms of registration and accreditation as provided for in the Joint Memorandum Order 2012-001 of the Department of Science and Technology, Department of Health, Commission on Higher Education and the University of the Philippines Manila. Registration procedures must be described in the National Ethical Guidelines for Health Research and in the website of PHREB.

In coordination with the CHED and DOH-Food and Drug Administration, accreditation shall be made mandatory such that ERCs can be classified into different levels based on a set of criteria that shall determine the type and nature of researches the ERC is qualified to review.

CHAPTER II

- (e) Provide advice and make recommendations to the PNHRS Governing Council and other appropriate entities regarding programs, policies and regulations as they relate to ethical issues in human health research;
- (f) Initiate and contribute to discourses and discussions on ethical issues in human health research; and

PHREB shall institutionalize a Forum for Ethics Review Committees that shall meet at least annually during the PNHRS week, for discussions of ethical issues in human health research and other concerns.

- (g) Network with relevant local, national and international organizations.

PHREB shall link and cooperate with local, national and international organizations in furtherance of its goals and objectives to foster ethical health researches for the protection of human participants and promotion of the integrity of research data.

Rule 24. *Regional Health Research System*, the PNHRS framework of cooperation and collaboration, strategic directions and programs, shall be mirrored in all the regions of the country, forming a network of regional research consortia. The consortium setup varies depending on the culture and resources of the region. Each regional health research system shall address concerns relating to health research agenda, development of human resource in health research, conduct of researches, dissemination of research results, research utilization, resource mobilization, leadership and management.

The PNHRS Network will be strengthened to ensure equitable distribution of health research resources as well as to achieve full coverage within regions. Strategies to increase and sustain commitment of member institutions to participate in and share resources shall be pursued.

Rule 25. Inter-regional collaboration shall be encouraged through joint projects, information and resource sharing, participation in, and hosting of, the annual Philippine National Health Research System Week celebration, among other things.

CHAPTER III

MONITORING, EVALUATION, ACCOUNTABILITIES AND ANNUAL REPORT

Rule 26. *Monitoring Evaluation, Accountabilities and Annual Report.* Regular monitoring and evaluation mechanism shall be done by the Governing Council, through the Secretariat, to determine the accountabilities of the PNHRS to the contributing agencies.

Rule 27. The Secretariat, with the Technical Working Committees and the Steering Committee, shall develop and implement a monitoring and evaluation plan, with appropriate indicators, for approval of the Governing Council.

CHAPTER II

Rule 28. All health researches shall be registered in the Philippine Health Research Registry, and when published, to the national repository (HERDIN) of published health researches. The Secretariat shall develop and disseminate guidelines to enable institutions to share their research information to these registries and databases.

Rule 29. The PNHRS Network and implementing institutions shall develop policies and guidelines to institutionalize and operationalize their participation in the PNHRS.

Rule 30. The Secretariat shall submit an annual report of the accomplishments of the PNHRS to the Governing Council. This report shall be presented during the PNHRS Week celebration.

CHAPTER IV

MISCELLANEOUS AND FINAL PROVISIONS

Rule 31. *Amendments to the Rules.* Any amendment to these Rules can only be done in writing by any of the implementing agencies which shall be effective upon approval of all the implementing agencies.

Rule 32. *Review of the Rules.* This IRR shall be reviewed every three years.

Rule 33. *Repealing Clause.* All existing rules and regulations, or parts thereof which may be contrary to or inconsistent with these rules are hereby repealed or modified accordingly.

Rule 34. *Separability Clause.* If any provisions. Or parts, of these Rules are held invalid or unconstitutional, the remainder of the Rules not otherwise affected shall remain valid and subsisting.

Rule 35. *Effectivity Clause.* These Rules shall take effect fifteen (15) days after its publication in any newspaper of general circulation and upon filing at the UP Law Center in accordance with existing law.

NOW THEREFORE, the Parties have herein below affixed their signatures to the Joint DOST-PCHRD, DOH, CHED and UPM-NIH Administrative Order No. 001 this 30 day of JULY, 2013

(Sgd.) MARIO G. MONTEJO

Secretary

Department of Science and Technology

(Sgd.) ENRIQUE T. ONA

Secretary

Department of Health

(Sgd.) PATRICIA B. LICUANAN

Chairperson

Commission on Higher Education

(Sgd.) MANUEL B. AGULTO

Chancellor

University of the Philippines Manila

CHAPTER II

**PHILIPPINE COUNCIL FOR INDUSTRY
ENERGY AND EMERGING TECHNOLOGY
RESEARCH AND DEVELOPMENT
(PCIEERD)**

EXECUTIVE ORDER NO. 784

REORGANIZING THE NATIONAL SCIENCE DEVELOPMENT
BOARD AND ITS AGENCIES INTO A NATIONAL SCIENCE AND
TECHNOLOGY AUTHORITY AND FOR RELATED PURPOSES

Please see Sections 10, 11 and 13 of EXECUTIVE ORDER NO. 784 at page 68

EXECUTIVE ORDER NO. 128

REORGANIZING THE NATIONAL SCIENCE AND TECHNOLOGY
AUTHORITY

Please see Sections 13, 14 and 18 of EXECUTIVE ORDER NO. 128 at page 76

EXECUTIVE ORDER NO. 292

INSTITUTING THE “ADMINISTRATIVE CODE OF 1987”

Please see Sections 10 and 15 of EXECUTIVE ORDER NO. 292 at page 91

CHAPTER III

S&T SERVICE INSTITUTES

Science and Technology (S&T) Services such as science education, technology promotion, earthquake and volcanic activity monitoring, meteorological forecasting among others are currently performed by the following institutes:

- (1) Philippine Atmospheric Geophysical and Astronomical Services Administration (PAGASA)
- (2) Philippine Institute of Volcanology and Seismology (PHILVOCS)
- (3) Philippine Science High School System (PSHS)
- (4) Science Education Institute (SEI)
- (5) Science and Technology Information Institute (STII)
- (6) Technology Application and Promotion Institute (TAPI)

The then Information Communications Technology Office (ICTO) in charge for the advancement of ICT in the country, together with other related government offices were transferred to the Department of Information and Communications Technology (DICT) by virtue of Republic Act 10844 or the "DICT Law of 2015".

On the other hand, the Technology Resource Center (TRC) created under Presidential Decree No. 1097 s. 1977 is currently on its winding up process by virtue of GCG Memorandum Order No. 2015-11 s. 2015 implementing Section 5(a) of Republic Act No. 10149 or the "GOCC Governance Act of 2011."

PHILIPPINE ATMOSPHERIC GEOPHYSICAL AND ASTRONOMICAL SERVICES ADMINISTRATION (PAGASA)

ACT NO. 2711

AN ACT AMENDING THE ADMINISTRATIVE CODE

Please see sections under Chapter 50 of ACT NO. 2711 at page 12

PRESIDENTIAL DECREE NO. 78

ESTABLISHING THE PHILIPPINE ATMOSPHERIC GEOPHYSICAL AND ASTRONOMICAL SERVICES ADMINISTRATION

WHEREAS, there were pending before Congress prior to the promulgation of Proclamation No. 1081, dated September 21, 1972, certain priority measures vital to the national development program of the government, and which were duly certified by the President as urgent measures;

WHEREAS, one of these priority measures is the "Atmospheric, Geophysical and Astronomical Science Act of 1972, S. No. 940, establishing the Philippine Atmospheric Geophysical, and Astronomical Services Administration", introduced in the Senate;

WHEREAS, the "Atmospheric, Geophysical and Astronomical Science Act of 1972" is necessary for the successful prosecution of the Government's program to mitigate or reduce the losses of life, property, and the economy of the nation

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occasioned by typhoons, floods, drought, and other destructive weather disturbances;

NOW, THEREFORE, I, FERDINAND E. MARCOS, Commander-in-Chief of all the Armed Forces of the Philippines, and pursuant to Proclamation No. 1081 dated September 21, 1972, as amended, in order to achieve the Government's avowed objective of providing environmental protection and utilizing scientific knowledge as an effective instrument to ensure the safety, well-being, and economic security of all the people, and for the promotion of national progress, do hereby order and decree that the "Atmospheric, Geophysical and Astronomical Science Act of 1971", as follows, with some modifications, shall be as it is hereby adopted, approved and made part of the law of the land:

Section 1. *Title.* - This Act shall be known and cited as the "Atmospheric, Geophysical and Astronomical Science Act of 1972."

Section 2. *Declaration of Policy.* - It is hereby declared to be the policy of the State to provide protection against natural calamities and utilize scientific knowledge as an effective instrument to insure the safety, well-being, and economic security of all the people, and for promotion of national progress.

In the implementation of the foregoing policy, the government shall in accordance with the provisions of this Act:

- (a) Intensify research efforts in the atmospheric, geophysical and astronomical sciences and furnish incentives for same;
- (b) Undertake measures to further minimize the adverse effects of natural disasters such as typhoons, floods, earthquakes, and tsunami (seismic sea wave);
- (c) Recommend progressive innovations in the educational system of the country in order to infuse greater awareness of the growing needs for protection against natural calamities so that said system will provide a steady source of competent scientific personnel and technological manpower;
- (d) Facilitate the acquisition, collection, archiving, and processing of atmospheric, geophysical and astronomical data and making same available in usable form for the benefit of agriculture, commerce and industry, and the general public;
- (e) Promote coordination and cooperation in atmospheric, geophysical and astronomical science research, to obtain consolidated effort and minimize duplication thereby optimizing results;
- (f) Establish weather stations in strategic places throughout the country including Batanes, Camarines Norte, Camarines Sur, Albay, Sorsogon, Samar and Romblon.

Section 3. *Philippine Atmospheric, Geophysical and Astronomical Services: Powers, Duties and Functions.* - To carry out the provisions of the preceding section, there is hereby created a Philippine Atmospheric, Geophysical and Astronomical Services Administration, herein referred to as "PAGASA" which shall

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be under the Department of National Defense, with the following functions, powers and duties, among others:

- (a) To observe and report the weather of the Philippines and specified adjacent areas, issue forecasts and warnings of weather and flood conditions affecting national safety, welfare and economy;
- (b) To undertake in coordination with other agencies, activities geared towards the moderation of typhoons availing of modern scientific and technological advances in order to reduce their destructive potentials while retaining their beneficial effects and also to undertake other weather modification projects;
- (c) To conduct continuous earthquake recording and observation through an adequate seismological network throughout the country to gather as much information as may be necessary to provide basis for determination of safety factors in the design of building structures and infrastructures and also to serve as contributions to researches leading to earthquake prediction; issue advisories and precautionary measures to areas affected by strong earthquake for the welfare of the people thereat;
- (d) To coordinate with international organizations in tsunami (seismic sea wave) and typhoon warning dissemination particularly to the coastal regions of the Philippines bound to be affected;
- (e) To provide and disseminate the precise standard time of the Philippines; to maintain and operate an adequate satellite tracking and monitoring system especially for weather surveillance and for other astronomical information; to observe, analyze and interpret varied astronomical phenomena and collate observational data for publication and exchange with foreign observatories;
- (f) To provide for an adequate communications system for efficient reception and transmission of meteorological, seismic and astronomical reports or information to and from field stations throughout the country and to provide the same for an efficient international communication system for exchange of weather information with other countries are reported from land, sea and air;
- (g) To coordinate with other national agencies in pre-disaster and community preparedness planning to minimize losses to lives and property due to natural disasters such as typhoons, floods, earthquakes, and tsunamis;
- (h) To collect, process, archive, publish, disseminate atmospheric, geophysical and astronomical data for use by agriculture, commerce, industry, the scientific and engineering community, and the general public; and coordinate national activities in meteorological, geophysical and astronomical data problems with the world scientific organizations;
- (i) To conduct fundamental and applied research and investigations and experiments needed to achieve advances in applied meteorological, geophysical and astronomical fields in cooperation with the University of the Philippines and other science agencies; and provide the training facilities to meet the country's need for meteorological, geophysical and astronomical personnel; and
- (j) To accept donations in the form of equipment, scholarship awards, sites for stations, buildings, etc., from local and/or foreign sources to promote the objectives of the PAGASA.

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Section 4. Major Organizational Units; Powers, Duties, and Functions. - The PAGASA shall be composed of the following major organizational units: National Weather Service, National Atmospheric, Geophysical and Astronomical Information Service, and National Institute of Atmospheric, Geophysical and Astronomical Sciences.

- (a) The National Weather Service shall undertake operational activities pertaining to the observation, moderation, modification and reporting of the weather within the Philippine area of responsibility and issue forecasts and warning of weather and flood conditions affecting national safety, welfare and economy.
- (b) The National Atmospheric, Geophysical and Astronomical Data Service shall undertake activities concerning the acquisition, collection, quality control, processing and archiving of atmospheric and allied data, to include among others meteorological, seismic, oceanographic and astronomical data and observations and making same available in usable form for the benefit of agriculture, commerce and industry. This service shall also conduct continuing studies of Philippine Climatology, Agrometeorology, Solar Radiation, Wind Effects, or Custiness and other such technological studies vital to national progress.
- (c) The National Geophysical and Astronomical Service shall undertake activities or observations and studies of Geophysical and Astronomical phenomena essential for the safety and welfare of the people and also for the economy of the country. The service shall issue bulletins and/or technical advice to the public in case of significant geophysical events like severe earthquakes, and tsunami, and shall also serve as the official time service agency of the Philippines.
- (d) The National Institute of Atmospheric, Geophysical and Astronomical Sciences shall undertake activities to develop a high level of knowledge in the atmospheric, geophysical and astronomical sciences to provide for an adequate manpower supply of well-trained scientists and technological personnel in the country with respect to these fields. The institute shall also conduct researches in Atmospheric Science (especially) in weather moderation and/or modification among others, in Geophysics and in Astronomy.

Section 5. Administrator, Head of Major Organizational Units, Other Personnel. - The PAGASA shall be headed by an Administrator with a compensation equivalent to that of a class — a Bureau. The Administrator shall be appointed by the President of the Philippines, subject to the confirmation of the Commission on Appointments. He shall hold office during good behavior and shall not be removed therefrom except for cause. He shall be a citizen of the Philippines with proven executive ability who shall have distinguished himself in science and technology: Provided, That no one shall be appointed Administrator who is already holding an appointive or elective position in a concurrent capacity in the Government. Each head of major organizational units of PAGASA shall be a citizen of the Philippines with proven executive ability who shall have achieved distinction in the particular field of National Service.

All subordinate personnel of PAGASA below the rank of head of service or institute shall be appointed by the Administrator upon recommendation of the respective head of service or institute, in accordance with applicable civil service laws and rules.

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Section 6. Powers and Duties of the Administrator. - To implement the policies and objectives of the PAGASA as provided for in this Act, the administrator shall have the following functions, duties and powers, among others:

- (a) To promulgate such rules and regulations as may be necessary for the conduct and exercise of the essential functions of the organization;
- (b) To exercise supervision and control over all units under the Administration;
- (c) To delegate authority for the performance of any function to officers and employees under his direction;
- (d) To prescribe the office hours for employees of the PAGASA engaged in meteorological, geophysical, astronomical and other technical work in order to maintain a continuous 24 hours watch as necessary;
- (e) When necessary, duty beyond prescribed hours especially during the occurrence of very inclement weather, tropical cyclones, earthquakes, and tsunamis, may be required of any employee in the meteorological, geophysical and astronomical or any of its other services as directed by the Administrator. He may authorize corresponding overtime pay for services in excess of 40 hours a week on the regular rate plus at least twenty-five per centum additional, and provided further that such overtime pay shall be charged against the appropriation for the purpose or from salary savings of the agency;
- (f) In order to stimulate keen interest in research work among the scientific personnel of the Agency, a research incentive pay may be authorized by the Administrator in the form of fixed increment amounting to fifteen per cent of the researcher's monthly salary for each month for a period of one year to the researcher concerned following the completion and publication of his research work: Provided, however, That the award shall be made only after the technical paper is duly presented and defended in a scientific seminar prescribed for by the Administrator;
- (g) To provide at government expense compatible with available resources, living quarters for such personnel who by the nature of their duties are to be on call 24 hours a day; and
- (h) To submit within sixty days after the close of each fiscal year, an annual report to the Secretary of National Defense.

Section 7. Authority to Procure Scientific Equipment. - Any provision of law and regulation to the contrary notwithstanding, the Administrator is hereby authorized, subject to the approval of the Secretary of National Defense, to conduct sealed bids and/or canvass of the foreign and/or local market without the intervention of the Bureau of Supply Coordination in the procurement of instruments, materials, equipment and supplies of technical and scientific nature from local or foreign manufacturers.

Section 8. Authority to Make Disbursements in Actual Emergency. -

Any provision of law and regulation to the contrary notwithstanding, the Administrator is hereby authorized, in case of natural calamities related to the functions of the PAGASA, to disburse an amount not exceeding fifty thousand pesos a month from the funds of the PAGASA appropriated for specified purposes or from savings, without seeking prior authority or approval from any other office. In

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making such disbursements, the Administrator shall be answerable only to the Secretary of National Defense and the President of the Philippines, and in no case shall said disbursements be made except during an actual real emergency and for strictly official expenditures of the PAGASA.

Section 9. *Hazardous Duty Pay During National Calamities.* - In case of natural calamities, any officer or employee of the Administration, during the time that he is performing official duties or function involving exposure to personal danger, shall be entitled to additional compensation to be determined by the Administrator and approved by the Secretary of National Defense, exclusive of the usual per diems and other allowances: Provided, That in no case shall the total amount of such additional compensation exceed twenty-five per cent of his annual salary for a period of one year.

Section 10. *Appropriations.* - The sum of fourteen million pesos is hereby authorized to be appropriated, out of any funds in the National Treasury not otherwise appropriated, in addition to the current budget of the Weather Bureau, to carry into effect the provisions of this Act. Of this amount, ten million pesos shall be used exclusively for the purchase of modern weather equipment to rehabilitate, update, upgrade and replenish the worn out, defective, old and burned facilities; four million pesos shall be for capital outlay, personnel and other operating expenses of the PAGASA.

Section 11. *Transfer of Personnel, Property.* - The Weather Bureau is hereby abolished. The present personnel, records, assets, liabilities, funds, and unexpended balance of the appropriation of the Weather Bureau shall be transferred to PAGASA. The incumbent Director of the Weather Bureau shall continue to be the Administrator of the PAGASA. In his capacity as Administrator he is authorized to reorganize, subject to the limitations imposed by this Act, the internal organization of the Administration, whenever advisable for purposes of efficiency and economy: Provided, That any major reorganization shall be subject to the approval of the Secretary of National Defense.

Section 12. *Repeal of Inconsistent Laws.* - All laws, orders, proclamations, rules and regulations, or parts thereof, which are inconsistent with any provision of this Act, are hereby repealed or modified accordingly.

The implementation of the "Atmospheric, Geophysical and Astronomical Science Act of 1972" as herein adopted, approved, and decreed shall be carried out effective from date hereof as modification of the Integrated Reorganization Plan under Presidential Decree No. 1.

All concerned shall act accordingly pursuant to the contents of this decree.

Done in the City of Manila, this **8th day of December, in the year of Our Lord, nineteen hundred and seventy-two.**

(Sgd.) **FERDINAND E. MARCOS**
President of the Philippines

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PRESIDENTIAL DECREE NO. 1149

AMENDING CERTAIN SECTIONS OF PRESIDENTIAL DECREE NO. 78
OTHERWISE KNOWN AS “THE ATMOSPHERIC, GEOPHYSICAL AND
ASTRONOMICAL SCIENCE ACT OF 1972”

WHEREAS, under Letter of Instruction No. 41, dated December 11, 1975 the Typhoon Moderation Research and Development Council (TMRDC) created pursuant to Republic Act No. 6613 was transferred from the Office of the President and merged with the Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA), Department of National Defense;

WHEREAS, such transfer and merger included applicable appropriations, records, equipment, property and such personnel as may be necessary;

WHEREAS, there is a need to be given proper impetus to scientific research on typhoon moderation by integrating activities and functions relating thereto;

WHEREAS, the Philippines suffers considerable flood damages brought about by the occurrence of severe weather disturbances every year; which significantly reduces gains in the economic development of the Country;

WHEREAS, the government in its desire to reduce or mitigate flood damages has embarked on a program of expansion of the flood forecasting and warning service to cover flood-prone areas in the country;

WHEREAS, the International Science Conference “The Survival of Humankind: Philippine Experiment” has made definite recommendations with respect to typhoon moderation and flood forecasting as a viable strategy for national development;

WHEREAS, there is a need for consistency of functions and responsibilities and smoother operations among the various major organizational units of PAGASA in view of the additional activities;

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

Section 1. Section 4 of the Presidential Decree No. 78 is hereby amended to read as follows:

“Sec. 4. Major Organizational Units: Powers, Duties and Functions. The PAGASA shall be composed of the following major organizational units: The National Weather OFFICE, National Atmospheric, Geophysical and Astronomical Data OFFICE, National Geophysical and Astronomical OFFICE, National Institute of Atmospheric, Geophysical and Astronomical Sciences, TYPHOON MODERATION RESEARCH AND DEVELOPMENT OFFICE AND THE NATIONAL FLOOD FORECASTING OFFICE.

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(a) The National Weather Office shall undertake operational activities pertaining to the observation, COLLECTION and reporting of weather within the Philippine Area of responsibility, issue forecasts and warnings of weather conditions affecting national safety, welfare and economy.

(b) The National Atmospheric, Geophysical and Astronomical Data OFFICE shall undertake activities concerning the OBSERVATION acquisition, Collection, quality control, processing and archiving of atmospheric and allied data, to include among others, meteorological, seismic, oceanographic and astronomical data and observations and making same available in usable form for the benefit of agriculture, commerce and industry. This Office shall also conduct continuing studies of Philippine Climatology, Agrometeorology, Solar Radiation, Wind Effects, or Gustiness and other such technological studies vital to national progress.

(c) The National Geophysical and Astronomical OFFICE shall undertake activities or observations and studies of Geophysical and Astronomical phenomena essential for the safety and welfare of the people and also for the economy of the country. The OFFICE shall issue bulletins and/or technical advise to the public in case of significant geophysical events like severe earthquakes and tsunami, and shall also serve as the official time service agency of the Philippines.

(d) The National Institute of Atmospheric, Geophysical and Astronomical Sciences shall undertake activities to develop a high level of knowledge in the atmospheric, geophysical and astronomical sciences to provide for an adequate manpower supply of well-trained scientists and technological personnel in the country with respect to these fields. The Institute shall also conduct researches in Atmospheric Science, in Geophysics and in Astronomy AND SHALL ESTABLISH SYSTEMS AND FACILITIES FOR CARRYING OUT THESE FUNCTIONS.

(e) THE TYPHOON MODERATION RESEARCH AND DEVELOPMENT OFFICE SHALL UNDERTAKE RESEARCH ON THE STRUCTURE, DEVELOPMENT AND MOTION OF TYPHOONS; UTILIZE SCIENTIFIC MEASURES TO REDUCE THE INTENSITY OF TYPHOONS AND RESULTING DESTRUCTION; AND STUDY THE ENVIRONMENTAL IMPACT OF SUCH MEASURES AND ADOPT NECESSARY PRECAUTIONS TO PREVENT LOSS OR DESTRUCTION.

(f) THE NATIONAL FLOOD FORECASTING OFFICE SHALL UNDERTAKE OPERATIONAL ACTIVITIES IN FLOOD FORECASTING AND WARNING COVERING IMPORTANT RIVER BASINS IN THE COUNTRY; DEVELOP THE SYSTEMS AND FACILITIES NECESSARY TO CARRY OUT THESE FUNCTIONS; IMPROVE THE TECHNIQUES AND METHODS USED; AND COORDINATE WITH THE DEPARTMENT OF PUBLIC WORKS, TRANSPORTATION AND COMMUNICATION AND OTHER AGENCIES CONCERNED WITH FLOOD MITIGATION AND CONTROL.”

Section 2. Section 5 of the Presidential Decree No. 78 is hereby amended to read as follows:

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“Sec. 5. DIRECTOR-GENERAL, DIRECTORS of major organizational Units, Other Personnel. The PAGASA shall be headed by a DIRECTOR-GENERAL. The DIRECTOR-GENERAL shall be appointed by the President of the Philippines, subject to confirmation by the Commission on Appointments. He shall hold office during good behavior, and shall not be removed therefrom except for cause. He shall be a citizen of the Philippines with proven executive ability who shall have distinguished himself in science and technology; Provided, That no one shall be appointed DIRECTOR-GENERAL who is already holding an appointive or elective position in a concurrent capacity in the Government. Each DIRECTOR of major organizational units of PAGASA shall be APPOINTED BY THE PRESIDENT OF THE PHILIPPINES SUBJECT TO CONFIRMATION BY THE COMMISSION ON APPOINTMENTS. He shall be a citizen of the Philippines with proven executive ability who shall have achieved distinction in his particular field. PROVIDED, THAT THE INCUMBENT HEAD OF EACH MAJOR ORGANIZATIONAL UNIT OF PAGASA SHALL CONTINUE AS DIRECTOR OF HIS RESPECTIVE UNIT.

All subordinate personnel of PAGASA below the rank of DIRECTOR shall be appointed by the DIRECTOR-GENERAL upon recommendation OF THE RESPECTIVE DIRECTOR OF OFFICE or Institute, in accordance with applicable Civil Service laws and rules.”

Section 3. In Presidential Decree No. 78 all references to Administrator are hereby amended to read DIRECTOR-GENERAL.

Section 4. Section 9 of Presidential Decree No. 78 is hereby amended to read as follows:

“Sec. 9. Hazardous Duty Pay. Any officer or employee of the Administration, during the time that he is performing official duties or function involving exposure to personal danger, shall be entitled to additional compensation to be determined by the DIRECTOR-GENERAL and approved by the Secretary of National Defense, exclusive of the usual per diems and other allowances: Provided, that in no case shall the total amount of such additional compensation exceed twenty-five per cent of his annual salary for the period of one year.”

Section 5. Section 10 of Presidential Decree No. 78 is hereby amended to read as follows:

“Sec. 10. Appropriations. The sum of fourteen million pesos is hereby authorized to be appropriated, in addition to the current budget of PAGASA, to carry into effect the provisions of this Act. Of this amount, ten million pesos shall be used exclusively for the purchase of modern weather equipment to rehabilitate, update, upgrade and replenish the worn out, defective, old and burned facilities; four million pesos shall be for capital outlay, personnel and other operating expenses of the PAGASA; PROVIDED, THAT THE SUM OF TEN MILLION PESOS (P10,000,000.00) APPROPRIATED FOR THE TYPHOON MODERATION AND FLOOD CONTROL RESEARCH DEVELOPMENT COUNCIL UNDER REPUBLIC ACT NO. 6613 IS HEREBY TRANSFERRED TO THE PAGASA, AS WELL AS

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THE ADDITIONAL APPROPRIATION OF TEN MILLION PESOS (P10,000,000.00) ANNUALLY FOR EACH OF THE NEXT FOUR YEARS: PROVIDED, FINALLY, THAT THE SUM OF FOUR MILLION ONE HUNDRED THOUSAND PESOS, OR SO MUCH OF THE APPROPRIATION AS MAY BE NECESSARY SHALL BE SET ASIDE ANNUALLY TO BE USED EXCLUSIVELY FOR THE PURCHASE AND OPERATION OF THE TYPE OF AIRCRAFT REQUIRED TO CARRY OUT THE TYPHOON MODERATION RESEARCH AND DEVELOPMENT ACTIVITIES.”

Section 6. This Decree shall take effect immediately.

Done in the City of Manila, this 2nd day of June in the year of Our Lord, nineteen hundred and seventy-seven.

(Sgd.) **FERDINAND E. MARCOS**
President of the Republic of the Philippines

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 984

TRANSFERRING THE PHILIPPINE ATMOSPHERIC, GEOPHYSICAL AND ASTRONOMICAL SERVICES ADMINISTRATION TO THE NATIONAL SCIENCE AND TECHNOLOGY AUTHORITY, PROVIDING FOR ITS REORGANIZATION, AND FOR OTHER PURPOSES

WHEREAS, under the New Republic, national development shall be pursued with renewed dedication and greater determination through a more efficient, effective and economical government;

WHEREAS, the National Science and Technology Authority (NSTA) was established under Executive Order No. 784 to centrally direct the integration of all government scientific and technological efforts;

WHEREAS, the Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA), as created under Presidential Decree No. 78, as amended, largely performs scientific and technological functions which need to be integrated with the overall program of the central science and technology organization;

WHEREAS, it would therefore be desirable to transfer the PAGASA to the NSTA;

WHEREAS, as a result of such transfer, a reorganization of PAGASA would become necessary in order to effect needed adjustments that would eliminate overlaps and duplications with existing units of NSTA;

WHEREAS, under Presidential Decree No. 1416 as amended, the President is empowered to undertake such organizational and related improvements as may be appropriate in the light of changing circumstances and new developments;

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NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Republic of the Philippines, by virtue of the powers vested in me by the Constitution and the authority vested in me by Presidential Decree No. 1416 as amended, do hereby order and ordain:

SECTION 1. The Philippine Atmospheric, Geophysical and Astronomical Services Administration, hereinafter referred to as PAGASA, is hereby transferred from the Ministry of National Defense and placed under the supervision and control of the National Science and Technology Authority (NSTA). Such transfer shall include functions, applicable appropriations, records, property and equipment, and such personnel as may be necessary.

SECTION 2. The PAGASA shall be headed by an Administrator who shall be assisted by a Deputy Administrator, both of whom shall be appointed by the President upon recommendation of the Director General of NSTA.

SECTION 3. The Administrative shall have as its major organizational units the existing National Weather Office; National Atmospheric, Geophysical and Astronomical Data Office, which is hereby renamed National Institute of Climatology; National Institute of Atmospheric, Geophysical and Astronomical Sciences, which is hereby renamed National Institute of Atmospheric Sciences; National Flood Forecasting Office; and Typhoon Moderation and Research Office. The heads of these major organizational units shall be appointed by the President of the Philippines, upon recommendation of the NSTA Director General.

The organizational units shall continue to perform the functions presently assigned to them by law.

The National Geophysical and Astronomical Office of PAGASA is merged with the Philippine Institute of Volcanology of the NSTA, which is hereby renamed Institute of Volcanology and Seismology. Such merger shall include applicable functions, appropriations, records, property and equipment, and such personnel as may be necessary.

SECTION 4. The NSTA Director General is authorized to transfer such functions of the units of PAGASA to the appropriate units of the NSTA, as well as to reorganize PAGASA as necessary, including the Institute of Volcanology and Seismology of NSTA, in order to eliminate overlaps and duplicative functions between PAGASA units and NSTA units and among units of PAGASA: Provided, that any resulting reorganization and formulation of new staffing patterns as may be necessary shall be subject to the provisions of Section hereunder.

SECTION 5. The field units and personnel of PAGASA are placed under the administrative supervision of the NSTA regional offices, but under the technical supervision of PAGASA and/or its major organizational units: Provided, That the Director General is hereby authorized to allow field units and personnel of PAGASA to remain under the supervision and control of PAGASA or any of its units by reason of compelling and peculiar operational needs. In the event that PAGASA field units or portions thereof are placed under the administrative supervision of the NSTA

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regional director, the relevant technical standards, guidelines and orders of PAGASA shall be enforced through the NSTA regional directors.

SECTION 6. The NSTA Director General is hereby authorized to issue such orders, rules and regulations as may be necessary to implement the provisions of this Executive Order: Provided, that approval of the Office of Budget and Management is obtained relative to the new staffing patterns of units affected including appropriate salary rates, the internal organization at the divisional and section levels of units affected, and the alignment of existing appropriations. The NSTA Director General may appoint qualified personnel of units of PAGASA and NSTA affected by the reorganization to appropriate positions in the new staffing patterns and those not so appointed are deemed laid off.

The NSTA Director General shall effect the implementation of this Executive Order, particularly with respect to personnel actions required to be taken, with six months from the issuance of this Executive Order.

SECTION 7. All those who are laid off under the provisions of this Executive Order shall be entitled to all benefits and gratuities provided for under existing laws.

SECTION 8. All present incumbents of positions in the PAGASA and units of the NSTA affected shall continue to exercise their usual functions, duties and responsibilities pending the issuance of the appropriate implementing orders.

SECTION 9. All laws, decrees, orders, proclamations, rules, regulations, or parts thereof, which are inconsistent with any of the provisions of this Executive Order are hereby repealed or modified accordingly.

SECTION 10. Any portion or provision of this Executive Order that may be declared unconstitutional shall not have the effect of nullifying the other provisions thereof, provided that such remaining portions can still stand and be given effect in their entirety to accomplish the objectives of this Executive Order.

SECTION 11. This Executive Order shall take effect immediately.

DONE in the City of Manila, this 17th day of September, in the Year of Our Lord, Nineteen Hundred and Eighty-Four.

(Sgd.) **FERDINAND E. MARCOS**
President of the Philippines

By the President:

(Sgd.) **JUAN C. TUVERA**
Presidential Executive Assistant

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EXECUTIVE ORDER NO. 128

REORGANIZING THE NATIONAL SCIENCE AND TECHNOLOGY AUTHORITY

Please see Sections 29 and 46 of EXECUTIVE ORDER NO. 128 at page 76

EXECUTIVE ORDER NO. 292

INSTITUTING THE “ADMINISTRATIVE CODE OF 1987”

*Please see Sections 26 and 49 of EXECUTIVE ORDER NO. 128 ORDER NO. 292 at
page 91*

REPUBLIC ACT NO. 10692

AN ACT PROVIDING FOR THE MODERNIZATION OF THE PHILIPPINE ATMOSPHERIC, GEOPHYSICAL AND ASTRONOMICAL SERVICES ADMINISTRATION (PAGASA), PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES

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

SECTION 1. *Title.* – This Act shall be known as “The PAGASA Modernization Act of 2015”.

SECTION 2. *Declaration of Policy.* – It is hereby declared to be the policy of the State to utilize scientific and technical knowledge and information as an effective instrument to ensure the safety, well-being and economic security of the people; to safeguard the environment; and to promote national progress and sustainable socioeconomic development through various applications of meteorology, geophysics, astronomy and allied sciences.

The State also recognizes the need to strengthen the capability of government personnel tasked to provide atmospheric, geophysical, astronomical and other weather and climate-related services and information to the public. Towards this end, the State shall undertake the modernization of the Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA) to improve its technological operational capacity, strengthen its role as the premier national weather agency and to attain its vision as a center of excellence for weather-related information services.

SECTION 3. *Mandate of the PAGASA.* – The PAGASA shall provide adequate, up-to-date data, and timely information on atmospheric, astronomical and other weather-related phenomena using the advances achieved in the realm of science to help government and the people prepare for calamities caused by typhoons, floods, landslides, storm surges, extreme climatic events, and climate change, among others, to afford greater protection to the people. It shall also provide science and technology-based assessments pertinent to decision-making in relevant areas of concern such as in disaster risk reduction, climate change adaptation and integrated

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water resources management, as well as capacity building. The PAGASA shall ensure that the country fulfills its commitments to international meteorological and climate change agreements.

SECTION 4. Objectives. – Pursuant to the foregoing policy, the PAGASA Modernization Program shall be implemented in accordance with the following objectives:

(a) To upgrade physical resources and operational techniques through acquisition and development of state-of-the-art instruments, equipment, facilities and systems to enhance current capabilities in providing useful, timely, accurate and reliable weather, flood and climate monitoring, forecasting, and localized warning and information services for use in decision-making in disaster preparedness, climate change adaptation, water resources management, agriculture, transportation, health, tourism and other sectors;

(b) To enhance research and development capabilities by adopting a rationalized and integrated approach with focus on the improvement of basic operations and specialized services;

(c) To integrate disaster risk reduction and management, climate change adaptation and water resources management in the sustainable socioeconomic development planning at the national and local levels in coordination with appropriate government agencies and other entities;

(d) To strengthen linkages and cooperation at the national level among the various providers and users of weather, climate, and water-related information, products and services as well as to provide for the appropriate mechanisms for this purpose;

(e) To establish and enhance field weather service centers in strategic areas in the country to broaden the agency base for the delivery of service in the countryside;

(f) To strengthen a technology-based data center consistent with international standards to make information available to those involved, whether from the government or private sector in Disaster Risk Reduction and Management Plans, Climate Change Adaptation Program and Water Resources Program, among others;

(g) To enhance public information, education and advocacy on atmospheric, astronomical and hydro meteorological hazards such as heavy rainfall, strong winds, floods, landslides, storm surges, droughts, extreme weather and climatic events, and climate change, as well as their impacts, risks and vulnerability;

(h) To facilitate the appropriate appreciation and delivery of information, products and services to decision makers, media, other users and the general public; and

(i) To provide a more competitive base pay and other benefits for its personnel in order to promote professionalism and commitment to the service.

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SECTION 5. *Organizational Structure.* – The PAGASA shall be an attached agency of the Department of Science and Technology (DOST) for purposes of policy and program coordination, to ensure alignment in national science and technology policies and priorities. It shall be headed by an Administrator with the rank and compensation of a Department Undersecretary who shall be appointed by the President upon recommendation by the Secretary of the DOST.

The Administrator shall be assisted by three (3) Deputy Administrators for Operations and Regional Services, Research and Development and Administration, Finance and Engineering Services, to be appointed by the President.

SECTION 6. *Qualifications.* – No person shall be appointed as Administrator or Deputy Administrator unless that person is a citizen and resident of the Philippines, of good moral character, of proven integrity, with an advanced degree in Meteorology or related fields of study, and with at least five (5) years of competence and expertise in meteorology, geophysics, astronomy or allied sciences: *Provided*, That the Administrator and the two (2) Deputy Administrators shall be career executive officers.

SECTION 7. *Components of Modernization.* – The PAGASA modernization shall have the following components:

(a) Modernization of Physical Resources and Operational Techniques. – This shall entail the acquisition and/or upgrade of state-of-the-art instruments, equipment, facilities and systems, with emphasis on weather and flood monitoring and warning system and agro-meteorological observation system to strengthen services for agriculture and food security: *Provided*, That prior to such acquisition and/or upgrade, an inventory of all existing government and private weather instruments nationwide shall be undertaken: *Provided, further*, That the acquisition of new instruments, equipment and systems shall be harmonized with the phase-out of uneconomical and obsolete instruments, equipment and systems in the PAGASA inventory;

(b) Enhancement of Research and Development Capability. – This shall involve the enhancement of research and development capability through a more rationalized and totally integrated, approach and identified activities, with focus on improvement of operations, as well as the development of specialized services with cost recovery measures:

(c) Establishment of Regional Weather Service Centers. – This shall include the establishment of flood forecasting and warning sub-centers in strategic areas in the country to broaden the agency base for delivery of service to the countryside;

(d) Establishment of PAGASA Data Center. – This shall include the centralization of the different technical outputs which include facts, figures and statistics derived from the PAGASA operations and systems, through the establishment of a technology-based data-center that is consistent with international standards in order to make atmospheric, astronomical and weather-related information accessible and readily available to all government agencies involved in climate change adaptation

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and disaster risk reduction and management, the academe, researchers, media and the general public.

(e) Enhancement of Weather Data Collection and Information Dissemination Services. – This shall involve the development and use of effective weather information method using local dialects, nontechnical terms and familiar graphical presentations that will ensure the delivery of accurate, up-to-date and timely atmospheric, astronomical and weather-related information to create greater public awareness and draw appropriate response for disaster risk reduction: *Provided, That* PAGASA should partner with, other government agencies and private entities for the collection and dissemination of weather data and information.

(f) Creation of a Human Resource Development Program. – This component shall include the following:

- (i) New Salary Scale for PAGASA Personnel. – The Department of Budget and Management (DBM) shall develop a new salary scale for PAGASA personnel in consonance with Republic Act No. 8439, otherwise known as the “Magna Carta for Scientists, Engineers, Researchers and other Science and Technology Personnel in Government” with a corresponding increase in the base pay, allowances and other benefits;
- (ii) PAGASA Personnel Retention Incentive. – An additional incentive to be known as the “Personnel Retention Incentive” shall be provided to qualified PAGASA personnel, to be determined by PAGASA in consultation with DBM in an amount not exceeding twenty percent (20%) of the monthly basic salary subject to the implementing rules and regulations (IRR) which shall be hereinafter formulated; and
- (iii) Scholarship Program. – Not later than three (3) years from the enactment of this Act, scholarships shall be provided for undergraduate and graduate studies in meteorology and related fields as well as for specialized training programs, in coordination with the DOST, Commission on Higher Education (CHED) and Higher Education Institutions (HEIs). Cooperation on human resources upgrading and capability enhancement with regional and international organizations shall also be undertaken.

(g) Development of Regional and International Cooperation Program. – This shall entail the development of appropriate collaborative arrangements with relevant regional and international bodies and government institutions to complement the national effort for modernization.

SECTION 8. *Formulation and Submission of the PAGASA Modernization Program.* – The Secretary of the DOST and the Administrator of the PAGASA, in coordination with the Secretary of the DBM and the Director-General of the National Economic and Development Authority (NEDA), shall formulate the PAGASA Modernization Program and oversee its implementation based on the policy objectives provided, in this Act.

The PAGASA Modernization Program shall indicate among others:

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- (a) PAGASA's requirements in terms of personnel, equipment and facilities during the various stages of modernization;
- (b) The modernization projects, which shall indicate the equipment and technology acquisitions, including major construction or upgrade of facility and the particular objective and component to which such intended acquisition, construction and up grading belongs to; and
- (c) The priorities, schedules and estimated cost of each modernization project.

Within ninety (90) days from the effectivity of this Act, the Secretary of the DOST shall submit to the President the PAGASA Modernization Program for approval.

SECTION 9. *Period of Implementation.* – The modernization program under this Act shall be implemented for an initial period of three (3) years: *Provided*, That payments for multi-year contract obligations incurred under this Act may extend beyond this period: *Provided, further*, That PAGASA shall continue to modernize and constantly update its operational capabilities to keep pace with best global practices.

SECTION 10. *PAGASA Modernization Fund.* – There is hereby created the PAGASA Modernization Fund to be used exclusively for the PAGASA Modernization Program. The PAGASA Modernization Fund shall be sourced from the following:

- (a) The amount of three billion pesos (P3,000,000,000.00) to be taken from the share of the National Government in the gross income of the Philippine Amusement and Gaming Corporation (PAGCOR). For two (2) years after the effectivity of this Act, an amount of one billion five hundred million pesos (P1,500,000,000.00) per year shall be released to the PAGASA. The entire amount of three billion pesos (P3,000,000,000.00), including any interest income thereon, shall be used exclusively for capital outlay.
- (b) Income from PAGASA Specialized Products and Services and Cost Recovery Program provided under Section 11 of this Act; and
- (c) Loans, grants, bequests, and donations whether from local or foreign sources. The Secretary of the DOST with the approval of the NEDA and subsequently the Department of Finance (DOF) is hereby granted the authority to enter into loan agreements with foreign financial institutions.

The PAGASA Modernization Fund shall be administered by the Administrator of the PAGASA in accordance with existing government budgeting, accounting and auditing rules and regulations.

SECTION 11. *Specialized Products and Services and Cost Recovery Program.* – The PAGASA, with the approval of the Secretary of the DOST shall implement a sustainable PAGASA Specialized Services and Cost Recovery Program that will allow it to earn revenue from its issuance of specialized weather products and services, especially, but not limited to, those related to aviation and maritime industry, weather certifications, and scientific and technical publications for which the necessary fees can be charged: *Provided*, That no fees shall be charged on the issuance of regular and special forecasts, warnings that affect national safety, and such other relevant data, products and services for the public good.

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SECTION 12. *Progress Report.* – The Administrator of the PAGASA shall prepare an annual report on the status of the implementation of the PAGASA Modernization Program which shall be submitted, through the Secretary of the DOST, to the President and to the Chairpersons of the Committees on Science and Technology of the Senate and the House of Representatives not later than June 30 of the succeeding year.

SECTION 13. *Appropriations.* – The amount necessary to carry out the implementation of this Act shall be initially charged against the current fiscal year appropriations of the DOST – PAGASA. Thereafter, the amount needed for the continued implementation of the modernization program, shall be included in the annual General Appropriations Act.

The above-stated amount may be augmented by grants, bequests, contributions and donations whether from local or foreign sources: *Provided*, That acceptance of grants, bequests, contributions and donations from foreign governments shall be subject to the approval of the President upon the recommendation of the Secretaries of the DOST and the Department of Foreign Affairs (DFA).

SECTION 14. *Implementing Rules and Regulations (IRR).* – Within ninety (90) days from the effectivity of this Act, the DOST, PAGASA and DBM shall issue the IRR for the effective implementation of this Act.

SECTION 15. *Separability Clause.* – If any provision or part of this Act is declared invalid or unconstitutional, the other provisions hereof which are not affected thereby shall continue to be in full force and effect.

SECTION 16. *Repealing Clause.* – All laws, orders, proclamations, rules and regulations or parts thereof which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 17. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in at least two (2) national newspapers of general circulation.

Approved,

(Sgd.) **BENIGNO S. AQUINO, III**
President of the Philippines

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PHILIPPINE INSTITUTE OF VOLCANOLOGY AND SEISMOLOGY (PHIVOLCS)

ACT NO. 2711

AN ACT AMENDING THE ADMINISTRATIVE CODE

Please see sections under Chapter 50 of ACT NO. 2711 at page 12

REPUBLIC ACT NO. 766

AN ACT TO SAFEGUARD LIFE AND PROPERTY AGAINST VOLCANIC ERUPTIONS AND DANGERS BY CREATING A COMMISSION ON VOLCANOLOGY AND PROVIDING RELIEF FOR THE VICTIMS OF SUCH CALAMITY, AND FOR OTHER PURPOSE

Section 1. For the purpose of carrying into effect the provisions of this Act, there is hereby created under the Executive Board, National Research Council, an office to be known as the Commission on Volcanology.

Sec. 2. The Commission on Volcanology shall be composed of the Director of Mines, the Director of the Weather Bureau, the Chairman of the Section on Geology, Seismology and Volcanology of the National Research Council, the head of the Department of Geology, University of the Philippines, and a representative of the Geological Society of the Philippines. Said members shall elect from among themselves a Chairman who shall serve for a term of one year and until his successor is duly elected and has qualified as such. All the members shall serve without compensation. There shall be in said Commission such personnel and other employees to be appointed by the Executive Board, National Research Council, upon the recommendation of the Commission on Volcanology, as may be required to carry out the purposes of this Act.

Sec. 3. The Commission shall have the following powers and duties:

1. To investigate and conduct studies of all active Philippine volcanoes;
2. To establish necessary facilities in order to predict their eruption in advance, if possible;
3. To formulate in advance and in detail specific plans of action and of relief in the event of the eruption of any volcano;
4. To recommend to the President of the Philippines such measures as may be necessary to protect life and property in areas which may be affected by volcanic eruptions, including the declaration of certain areas as closed to human habitation or subject to regulation, as provided in section four hereof; and
5. To perform such other duties as may be necessary to carry out the purposes of this Act.

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Sec. 4. Whenever public interest and safety shall so demand, the President of the Philippines may, upon the recommendation of the Commission on Volcanology, declare any area affected by or exposed to volcanic eruptions and dangers closed to human habitation and entry thereunto and residence therein shall be prohibited or otherwise regulated.

When an area has been declared closed to human habitation due to its exposure to constant extreme danger from volcanic eruption, the property owners living therein shall be compensated for the loss of their properties by grants of public lands, the area and extent of which shall be determined by the value of the property abandoned by them: Provided, however, That such grants shall be subject to the limitations provided in the Constitutions and existing laws: And, provided, further, That persons removed from such closed areas who are indigent or without property shall have priority in the distribution of lands in the settlement projects of the Government.

Sec. 5. The President, through such agency or agencies as he may designate, shall authorize the extension of relief to victims of volcanic eruptions and shall adopt measures for their resettlement in safe areas.

Sec. 6. In order to carry out the purposes of this Act, there is hereby authorized to be appropriated out of any funds in the National Treasury not otherwise appropriated, the sum of one hundred and fifty thousand pesos.

Sec. 7. The President of the Philippines shall promulgate such rules and regulations as may be necessary to carry out the provisions of this Act. Any violation of the provisions of section four of this Act or of the rules and regulations promulgated hereunder shall be punished by imprisonment of not more than thirty days or a fine not exceeding one thousand pesos.

Sec. 8. This Act shall take effect upon its approval.

Approved: June 20, 1952

(Sgd.) ELPIDIO QUIRINO

President of the Republic of the Philippines

LETTER OF IMPLEMENTATION NO. 14
RELATIVE TO PART XIII ON SCIENCE AND TECHNOLOGY AND
OTHER PERTINENT PROVISIONS OF THE INTEGRATED
REORGANIZATION PLAN

Please see Section 18 and Subsections 18.1, 18.2, 18.3 and 18.4 of LETTER OF IMPLEMENTATION NO. 14 at page 47

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EXECUTIVE ORDER NO. 784

REORGANIZING THE NATIONAL SCIENCE DEVELOPMENT BOARD AND ITS AGENCIES INTO A NATIONAL SCIENCE AND TECHNOLOGY AUTHORITY AND FOR RELATED PURPOSES

Please see Section 7 of EXECUTIVE ORDER NO. 784 at page 68

EXECUTIVE ORDER NO. 128

REORGANIZING THE NATIONAL SCIENCE AND TECHNOLOGY AUTHORITY

Please see Section 30 of EXECUTIVE ORDER NO. 128 at page 76

EXECUTIVE ORDER NO. 292

INSTITUTING THE "ADMINISTRATIVE CODE OF 1987"

Please see Sections 16 and 27 of EXECUTIVE ORDER NO. 292 at page 91

PHILIPPINE SCIENCE HIGH SCHOOL SYSTEM (PSHS)

REPUBLIC ACT NO. 3661

AN ACT TO ESTABLISH THE PHILIPPINE SCIENCE HIGH SCHOOL

Section 1. There is hereby established a high school to be known as the "Philippine Science High School."

Sec. 2. The purpose of the said high school shall be to offer on a free scholarship basis a secondary course with special emphasis on subjects pertaining to the sciences with the end in view of pertaining its students for a science career.

Sec. 3. The head of this high school shall be known as the Director of the Philippine Science High School. He shall be appointed by the Chairman subject to the approval of, and his compensation shall be fixed by, the Board of Trustees. He shall not be removed therefrom except for cause. His functions, powers and duties, in addition to those specifically provided for in this Act, shall be those usually pertaining to the office of the principal of a public high school.

Sec. 4. The Philippine Science High School shall have the general powers set out in Section thirteen of Act Numbered Fourteen hundred and fifty-nine, as amended, and the exercise of its corporate powers is hereby vested exclusively in the Board of Trustees and in the Director of the High School insofar as authorized by said Board. The Board of Trustees shall be composed of the Chairman of the National Science Development Board, who shall be ex officio Chairman of the Board, the Secretary of Education, who shall be ex officio Vice-Chairman, and the following members: the President of the University of the Philippines, the Chairman of the UNESCO

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National Commission of the Philippines, the President of the Science Foundation of the Philippines, the Director of the Philippine Science High School, all as ex officio members, a representative from the American-Philippine Science Foundation, Inc., to be designated by its President, two representatives from scientific and technological associations or societies, one member representing industry, and one member representing agriculture. All the members who are not receiving regular compensation from the government shall receive a per diem of fifty pesos each per session of the Board.

The members of the Board representing scientific and technological associations or societies, industry, and agriculture shall be appointed by the President of the Philippines upon recommendation of the Chairman of the Board of Trustees. Two of them shall serve for six years, one for four years, and one for two years.

The Vice-Chairman of the National Science Development Board and the Undersecretary of Education shall, in the absence of the heads of their respective agencies, act as ex officio Chairman and ex officio Vice-Chairman of the Board of Trustees, respectively.

Sec. 5. The Board of Trustees shall exercise for the Philippine Science High School all the powers and prerogatives of a board of directors of a private corporation. It shall also have the following powers and duties:

- (a) To affix the site of the Science High School;
- (b) To receive and appropriate to the ends specified by law such sums as may be provided by law for the support of the High School;
- (c) To approve appointments made and contracts entered into by the Director in connection with the employment of professors, instructors, lecturers, and other employees of the school, subject to the provisions of Section eleven of this Act; to fix their compensation and other conditions of employment; and to remove them for cause after an investigation and hearing shall have been had;
- (d) To approve the curricula, course of study, and rules of discipline drawn up by the Executive Council as hereinafter provided;
- (e) To provide fellowship for faculty members and approve the grant of scholarship, stipends and such other allowances to deserving students;
- (f) To approve the issuance of certificates of diplomas to successful candidates for graduation;
- (g) To provide its own rules of procedure, and to prescribe for the administration of the High School such general rules and regulations, not contrary to law, as are consistent with the purpose of the High School, as defined in Section two of this Act;
- (h) To receive in trust legacies, gifts, and donations of real and personal property of all kinds and to administer the same in accordance with the directions and instructions of the donor, and in default thereof, in such manner as the Board of Trustees may in its discretion determine, for the benefit of the High School or for aid to any of its students; and
- (i) To establish the criteria for the selection and admission of students which shall include, among others, national competitive examinations.

Sec. 6. A quorum of the Board of Trustees shall consist of a majority of all the

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members holding office at the time the meeting of the Board is called. All processes against the Board of Trustees shall be served on the Director or secretary thereof.

Sec. 7. On or before the fifteenth of June of each year, the Board of Trustees shall file with the President and Congress of the Philippines a detailed report, setting forth the progress, condition, and needs of the High School.

Sec. 8. There shall be an Executive Council consisting of the Director, the heads of departments, and such other ranking faculty members or officials of the High School as may be determined by the Director. The Council shall have power to screen and select the students to be admitted to the High School; to select students who shall be recipients of scholarship, stipends and other allowances; and to develop the curricula, course of study, and rules of discipline, all subject to the approval of the Board. The Council shall have the exclusive power to recommend students eligible for graduation. Through the Director it shall have disciplinary power over the students.

The Council shall implement and execute the policies laid down by the Board of Trustees and exercise such other functions, powers and duties as the Board may prescribe.

Sec. 9. There shall be a registrar of the High School who shall also act as Secretary of the Board, to be appointed by the Director with the approval of the Board of Trustees. He shall keep such records as may be prescribed by the Board.

Sec. 10. There shall be a treasurer of the Philippine Science High School who shall be appointed by the Director with the approval of the Board of Trustees. All accounts and expenses shall be audited by the Auditor General or his duly authorized representative.

Sec. 11. Professors, instructors and other faculty members of the High School shall be exempt as such from any civil service examination or regulations as a requisite to appointment. They shall be selected in accordance with such criteria as may be established by the Board of Trustees which shall include, if necessary and practicable, screening and competitive examination.

Said professors, instructors and faculty members, as well as the school's administrative staff, shall be exempt from the provisions of laws, rules and regulations on wage and position classification.

Sec. 12. All legacies, gifts and conditions for the benefit of the High School or for its support and maintenance or for aid to any of its students shall be tax-exempt and shall be an allowable deduction from the gross income of the donors. For the purpose of the income tax, the High School shall be exempt from the payment of all taxes, fees, assessments and other charges of the Government, its branches and subdivisions.

Sec. 13. All incomes and donations to the High School created under this Act shall

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constitute a special fund to be known as a Science High School Fund. This fund shall be expended by the Board of Trustees exclusively for the purpose of this Act.

Sec. 14. Heads of bureaus or offices of the National Government are hereby authorized to loan or transfer, upon request of the Director of the High School, such apparatus, supplies and other properties as may be needed by the High School, and to detail employees for duty therein, when in the judgment of the head of the bureau or office, they can be spared without serious detriment to the public service. Employees so detailed shall perform such duties as are required under such detail, and the time employed shall be counted as part of their regular official hours, all laws, rules and regulations limiting the detail of government employees notwithstanding.

Any officer, or employee of the Government engaged as lecturer in the High School, may receive a compensation in addition to his salary at the rate to be fixed by the Board: Provided, That his duties as such lecturer are performed outside of the regular office hours.

Sec. 15. To carry out the purpose of this Act, including the operation of the High School, the acquisition, improvement, and conditioning of the land on which the High School shall be located, the construction, maintenance, and repair of buildings and improvements, and the acquisition of furniture, fixtures and equipment, the sum of nine million seven hundred forty thousand pesos is hereby appropriated out of any funds in the National Treasury not otherwise appropriated. Said sum shall be released for expenditure in amounts and on the date herein below set forth:

Upon approval of this Act, for the purpose above-mentioned P4,700,000.00

On	July 1, 1963	300,000.00
On	July 1, 1964	350,000.00
On	July 1, 1965	470,000.00
On	July 1, 1966	560,000.00
On	July 1, 1967	560,000.00
On	July 1, 1968	560,000.00
On	July 1, 1969	560,000.00
On	July 1, 1970	560,000.00
On	July 1, 1971	560,000.00
On	July 1, 1972	560,000.00
	Total	P9,740,000.00

Thereafter, the expenses of the High School, for the purposes above-described, shall be provided in the yearly General Appropriation Acts of the National Government: Provided, however, that any unexpected balance for any shall also form part of the aforementioned Science High School Fund.

Sec. 16. If any provision of this Act or the application of such provision to any person or circumstance is held invalid, the remainder of this Act or application of such provision to other persons or circumstances shall not be affected thereby.

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Sec. 17. All laws, rules and orders inconsistent with the provisions of this Act are hereby repealed.

Sec. 18. This Act shall take effect upon its approval.

Approved, June 22, 1963

(Sgd.) **FERDINAND E. MARCOS**

President of the Philippines

EXECUTIVE ORDER NO. 784

REORGANIZING THE NATIONAL SCIENCE DEVELOPMENT
BOARD AND ITS AGENCIES INTO A NATIONAL SCIENCE AND
TECHNOLOGY AUTHORITY AND FOR RELATED PURPOSES

Please see Section 9 of EXECUTIVE ORDER NO. 784 at page 68

EXECUTIVE ORDER NO. 128

REORGANIZING THE NATIONAL SCIENCE AND TECHNOLOGY
AUTHORITY

Please see Section 33 of EXECUTIVE ORDER NO. 128 at page 76

IMPLEMENTING RULES AND REGULATIONS OF REPUBLIC ACT NO. 8496

REPUBLIC ACT NO. 8496

AN ACT TO ESTABLISH THE PHILIPPINE SCIENCE HIGH SCHOOL
SYSTEM AND PROVIDING FUNDS THEREFOR

BACKGROUND

Pursuant to Section 12 of Republic Act No. 8496, otherwise known as an Act to Establish the Philippine Science High School System and Providing Funds Therefor approved on February 12, 1998 and which took effect on March 6, 1998, the following Rules and Regulations are hereby adopted to effectively implement the provisions of the Act.

RULE I COVERAGE

Sec. 1 Declaration of Policy

The State shall give priority to Research and Development, invention, innovation, and their utilization, and to Science and Technology education, training services. It shall support indigenous, appropriate and self-reliant scientific and technological capabilities, and their application to the country's productive system and national life. To achieve these, the State hereby establishes a PSHS System that will assume a leadership role in secondary level science and technology education.

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Sec. 2 Definition of Terms

- 2.1 Philippine Science High Schools are secondary schools offering scholarships to deserving students who shall be admitted and trained under a curriculum especially designed to prepare them for careers in S&T.
 - 2.1.1 Deserving students refer to those who qualify for admission to the PSHS National Competitive Examination.
 - 2.1.2 Scholarships refer to the awards or grants for secondary education based on a special curriculum consistent with the science and technology human resource needs and requirements of the country as defined by the Department of Science and Technology (DOST).
 - 2.1.3 Careers in S&T include the pursuit of professions in the fields of basic and applied science, mathematics, engineering, technology, science education and such other fields certified by the Science Education Institute, DOST, as part of the human resource development plan.

Sec. 3 Scope

- 3.1 The Philippine Science High School System shall be composed of the existing PSHS campuses at Diliman, Eastern Visayas, Western Visayas, and Mindanao, and future campuses which shall be established under this law.
 - 3.1.1 There shall be only one PSHS campus in each administrative region to equitably distribute resources and opportunities for quality education.
 - 3.1.2 The PSHS Diliman shall be considered as the flagship campus of the PSHS System.
 - 3.1.3 The campuses in Palo, Leyte; Jaro, Iloilo City; Brgy, Sto. Niño, Tugbok District, Davao City shall be considered as PSHS campus for Region V111, Region V1, and Region X1, respectively.

Sec. 4 Objectives

In implementing the policy stated in Section 1, the PSHS System shall pursue the following objectives:

- 4.1 Integrated the existing PSHS at Diliman, Eastern Visayas, Western Visayas and Mindanao into one system of governance and management;
 - 4.1.1 Develop, strengthen and integrated future campuses into the PSHS system.
- 4.2 Ensure uniformity in quality standards and systematize operations of schools under the PSHS System; and
- 4.3 Rationalize the establishment of science high schools as defined in this Act.

RULE II. GOVERNANCE

Sec. 1 Overall Coordinating Authority

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- 1.1 The PSHS System shall be under the administrative supervision of the Department of Science and Technology (DOST).
 - 1.1.1 The PSHS System shall be one of the service agencies of the DOST. As such, all DOST policies related to planning and budgeting, research management, financial management as well as development and management of human resources shall apply to the PSHS System.
 - 1.1.2 Subject to the approval of the DOST Secretary, and the PSHS Board of Trustees, the pertinent provisions of R.A. 8439 otherwise known as the Magna Carta for Scientists, Engineers, Researchers and other S&T Personnel and its Implementing Rules and Regulations shall apply to the PSHS System.

Sec. 2 Policy-making body of the PSHS System. The board of Trustees (BOT) shall be the policy-making body of the PSHS System.

Sec. 3 Composition of the Board of Trustees

- 3.1 The Board of Trustees shall be composed of the following:
 - 3.1.1 The DOST Secretary as ex-officio Chairman
 - 3.1.2 The DECS Secretary as ex-officio Vice-chairman.
 - 3.1.3 The ex-officio members are the President of the University of the Philippines, the Executive Director of the PSHS, the Director of the Science Education Institute (SEI) and the President of the PSHS National Alumni Association.
 - 3.1.4 There shall be one representative each from the private sector representing higher education, education for the gifted, industry, agriculture, and new and emerging technologies.
 - 3.1.5 The private sector representatives shall be appointed by the Chairman subject to the confirmation of the Board of Trustees.
 - 3.1.6 For the first set of appointments three of them shall serve for four years, while the other two shall serve for two years; thereafter succeeding appointments shall have a fixed term of four years.
 - 3.1.6.1 For the initial appointments, the members from higher education, education for the gifted and agriculture shall serve for four years; while the members from industry and new and emerging technologies shall serve for two years; thereafter; succeeding appointees for all sectors shall serve for four years.

Sec. 4 Powers of the Board. The Board shall exercise the following powers:

- 4.1 Formulate policies and guidelines for the administration and operation of the PSHS System.
 - 4.1.1 It shall review the current policies and guidelines of the existing campuses and develop common policies and guidelines for the PSHS system.

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- 4.1.2 Exceptions from the common set of policies resulting from region-specific culture and tradition may be allowed subject to the approval of the BOT.
- 4.2 Formulate policies on the appointment, promotion, retention, removal, renewal, rewards and incentives for administrators, faculty and staff.
 - 4.2.1 The appointment, retention, renewal or removal, promotion of faculty, staff and administrators shall be based on a merit system which will take into consideration educational qualification, relevant training, and performance and shall be in accordance with the PSHS Career Teacher Path, Magna Carta for Scientists, Engineers, Researchers and other S&T Personnel and its Implementing Rules and Regulations, and Civil Service rules and regulations.
 - 4.2.2 All appointments and promotions of faculty to permanent positions shall be subject to the approval of the BOT.
 - 4.2.3 All appointments and renewal of faculty members to temporary positions shall be approved by the Executive Committee upon the recommendation of the LSB. Such appointments shall be noted by the BOT.
 - 4.2.4 All appointments and promotions of administrative staff to positions with salary grade 24 and above shall be subject to the approval of the BOT.
 - 4.2.5 All appointments of administrative staff from salary grade 23 and below shall be approved by the Executive Committee upon the recommendation of the LSB. Such appointments shall be noted by the BOT.
- 4.3 Approve the curricula submitted by the Executive Director
 - 4.3.1 Core subjects and electives in the curriculum shall be approved by the BOT.
 - 4.3.2 The Campus Director may recommend electives suitable to the needs and/or resources of their respective areas.
- 4.4 Approve the criteria for the selection and admission of the students
 - 4.4.1 The criteria for the selection and admission of students shall be based primarily on their performance in the PSHS National Competitive Examination and such other requirements prescribed by the BOT.
 - 4.4.2 Any change in the criteria shall be subject to approval of the BOT.
- 4.5 Approve the grant of scholarship, stipend and allowances for students. The scholarship grants to which a PSHS scholar is entitled shall be based on criteria approved by the BOT and shall be subject to periodic review.
- 4.6 Approve the graduation of successful candidates of the various campuses. Upon recommendation of the Local School Board, the BOT shall approve the graduation of successful candidates from the various campuses.
- 4.7 Formulate policies and rules of discipline for students, faculty, and staff
 - 4.7.1 The philosophy of the rules of discipline for the students is character formation. The PSHS Student Handbook shall form part of this Implementing Rules and Regulations (IRR).
 - 4.7.2 Republic Act 6713 otherwise known as the “Code of Conduct and Ethical Standards for Public Officials and Employees,” the PSHS

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- Faculty Manual and the PSHS Employees' Manual shall likewise form part of this IRR.
- 4.8 Approve the PSHS System budget and appropriate to the ends specified by law such sums as may be provided by law for the support of the System. The BOT shall approve the internal operating budget of the campuses and that of the Office of the Executive Director.
- 4.9 Receive grants whether cash, land, buildings and improvements thereof; donations, contributions, bequests, gifts and to formulate policies for the administrative thereof.
- 4.9.1 The BOT shall receive in trust, legacies, gifts and donations of real and personal property of all kinds and to administer the same in accordance with the instructions of the donor for the benefit of the System or for aid of any of its students (Sec. 5.h. RA 3661)
- 4.9.2 All income and donations to the PSHS shall constitute as trust receipts subject to DBM and COA rules and regulations.
- 4.9.3 Regional campuses may accept donations subject to the approval of the BOT and appropriate DBM and COA rules and regulations.
- 4.9.4 All legacies, gifts and donations for the benefit of the High School or for its support and maintenance or for aid to any of its students shall be tax-exempt and shall be an allowable deduction from the gross income of the donors. (Sec. 12, R.A. 3661)
- 4.10 Develop policies for the expansion of enrolment in the campuses under the PSHS System
- 4.10.1 The expansion of student enrolment shall be based on the following factors among others:
- Availability of budgetary support
 - Availability of highly qualified faculty members
 - Maintenance of desirable student-teacher ratio
 - Availability of laboratory and other school facilities
- 4.10.2 A strong support system to enhance the academic potential and emotional well-being of students shall be provided through the participation of the parents, faculty and staff, alumni, local government units and other concerned sectors.
- 4.11 Set policies and criteria to rationalize the establishments of science high schools under the System.
- 4.11.1 The following criteria shall guide the BOT in the establishment of new campuses:
- Availability of a site which shall not be less than 5 hectares
 - Preferably, proximity to a university which is a part of the network of flagship or satellite institutions of higher learning
 - Availability of highly qualified teachers
 - Availability of funds for infrastructure and school operation
 - Other relevant criteria
- 4.11.2 By way of transition, for the PSHS future campuses, only those who qualified under the PSHS National Competitive Examination shall be entitled to all the rights and privileges of a PSHS scholar, including the right to be awarded a PSHS diploma.

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- 4.12 Prepare strategic plans to enhance the capability of the System in developing human resources with focus on youth with special talents in science and mathematics
 - 4.12.1 The System shall harness the resources of its campuses to expand its linkages with academic institutions and industries to tap their expertise and resources for programs which focus on youth.
 - 4.12.2 The System shall source funds for a research program focusing on the training of the gifted in science and mathematics.

RULE III. MANAGEMNET AND STRUCTURE

Sec. 1 There shall be an Executive Director who shall be appointed by the Chairman subject to the approval of the Board and shall be conferred the rank equivalent to a Bureau Director with a fixed term of sixth year renewable for another term.

- 1.1 The System shall be managed by the Executive Director.
- 1.2 The Search Committee, created by the DOST Secretary, shall set the criteria for the selection of the Executive Director. It shall recommend the appointment of the ED.
 - 1.2.1 The selection of the ED shall be undertaken by a Search Committee. The BOT shall appoint the ED from among the nominees of the committee.

Sec. 2 Functions of the Executive Director

The Executive Director shall coordinate the Implementation of policies and guidelines set by the Board of Trustees. As a member of the Board of Trustees, the ED shall articulate to the Board the mutual concerns of all the campuses.

The ED shall perform the following roles and functions:

- 2.1 Coordinate curriculum planning activities for the PSHS System
 - 2.2.1 The Executive Director, in coordination with the Campus Directors shall coordinate the planning and development of a core curriculum, which, upon approval of the BOT, shall be implemented by the various campuses.
 - 2.1.2 He/she shall conduct a continuing evaluation of the approved curriculum.
- 2.2 Oversee research projects on the gifted in science and mathematics. He/she shall coordinate, monitor and evaluate research projects on the gifted in science and mathematics.
- 2.3 Coordinate the publication of research outputs of teachers, administrators and students of the PSHS System
 - 2.3.1 He/she shall oversee the publication of research journal of projects completed by the teachers, administrators and students of the various campuses.
 - 2.3.2 He/she shall constitute an editorial board whose members shall be drawn from the faculty and/or external resource persons to maintain the quality of the published materials.

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- 2.4 Provide legal and technical support to the members of the System. He/she be provided with a legal and technical staff who shall provide legal and technical assistance to the campuses on a continuing basis.
- 2.5 Coordinate exchange programs with other educational institutions both local and foreign. The Executive Director shall establish linkages with local and foreign institutions for exchange programs to upgrade the level of expertise of both the faculty and students.
- 2.6 Develop and coordinate linkages and networking among the campuses of the PSHS System with other institutions.
 - 2.6.1 He/she shall develop a system of complementation and sharing of resources, expertise and equipment.
 - 2.6.2 He/she shall develop a system-wide outreach program to assist in upgrading the teaching of science and mathematics in other science high schools outside of the PSHS System and provide support within the capabilities and resources of the various regional campuses.
- 2.7 Coordinate the implementation of the program for the identification and selection of scholars for the PSHS System. In consultation with the Campus Directors, he/she shall develop and implement a system-wide program for the identification and selection of scholars.
- 2.8 Provide secretariat services to the Board of Trustees

Sec. 3 Staff of the Office of the Executive Director

- 3.1 For the efficient and effective implementation of the aforecited functions, the Executive Director shall be provided with a staff.

Sec. 4 Management of the Campuses

- 4.1 Each school shall be headed by a Campus Director (CD) who shall be appointed by the Board, upon recommendation of the Executive Director on the basis of a search process. He shall have a fixed term of six years, renewable for another term at the option of the Board. The CD shall not be removed from office except for cause.
 - 4.1.1 The selection of the CD shall be undertaken by a Search Committee created by the DOST Secretary. The BOT shall appoint the CD upon the recommendation of the ED after the search process.
 - 4.1.2 The selection of the CDs shall be based on the following criteria:
 - Educational attainment
 - Relevant experience
 - Professional recognition
 - Institutional leadership and linkages
 - Other relevant factors
- 4.2 The CD shall be the administrative and academic head of his/her campus and will be responsible for its smooth operation.

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- 4.2.1 He/she shall implement system-wide policies related to curriculum, selection, admission and discipline of students, as well as faculty hiring and promotion.
- 4.2.2 He/she shall be responsible for planning and implementing an infrastructure development program for his campus.
- 4.2.3 He/she submit to the Executive Committee an annual budget proposal as well as its plans programs of activities.
- 4.2.4 He/she shall plan and support a human resource development program to continuously upgrade the capabilities of the faculty and staff.
- 4.3 The CD may constitute a consultative body which may act as a citizen's arm to interpret the educational needs of the service area of the campus.
 - 4.3.1 For consistency of policies, a consultative body called the Local School Board (LSB), may be composed of the following: Regional Director, DOST, Chairperson; the Regional Director, DECS, Vice-chairperson; the Campus Director, Member-Secretary; the UP Chancellor or the President of an appropriate institute of higher learning; the Regional Director, NEDA; the President, PSHS Campus PTA, as ex-officio members; and two representatives from the private sector, to be appointed by the Chairman of the PSHS Board of Trustees.
 - 4.3.2 The Executive Director, may be invited as a resource person in the LSB as the need arises.
 - 4.3.3 Once constituted, the Local School Board shall
 - 4.3.3.1 act as citizen's committee to interpret the educational needs of the regions.
 - 4.3.3.2 exercise such other functions, powers and duties as the Board of Trustees may prescribe or delegate.
- 4.4 The incumbent CD may serve the unexpired term as defined in this Act.
 - 4.4.1 All incumbent CDs may be appointed, subject to the approval of the BOT, as the first Directors under this law.
 - 4.4.2 Campus Directors who have reached the compulsory retirement age shall not be allowed to serve the unexpired term of his/her office.
- 4.5 Faculty rank for Campus Directors. The highest faculty rank in the PSHS System shall be made available to a Campus Director who may opt to remain with the PSHS System upon the expiration of his/her term provided there is no diminution in salary.
- 4.6 Executive Committee

There shall be an Executive Committee composed of the Executive Director who shall serve as chairperson, and the Campus Directors as members. The Committee shall be collegial in character.

 - 4.6.1 The Executive Committee shall perform functions as may be delegated by the BOT

RULE IV. SEPARABILITY CLAUSE

If, for any reason, any section or provision of these IRR shall be declared as unconstitutional or invalid, no other or provision therefor shall be affected thereby.

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RULE V. EFFECTIVITY

These rules and regulations shall take effect on October 1, 1998.

(Sgd) WILLIAM G. PADOLINA
Secretary, DOST

REPUBLIC ACT NO. 8496

AN ACT TO ESTABLISH THE PHILIPPINE SCIENCE HIGH SCHOOL SYSTEM AND PROVIDING FUNDS THEREFOR

Section 1. *Short Title.* – This Act shall be known as the "*Philippine Science High School (PSHS) System Act of 1997.*"

Section 2. *Declaration of Policy.* – The State shall give priority to Research and Development, invention, innovation, and their utilization; and to Science and Technology education, training and services. It shall support indigenous, appropriate, and self-reliant scientific and technological capabilities, and their application to the country's productive systems and national life. To achieve these, the State hereby establishes a PSHS System that will assume a leadership role in secondary level science and technology education.

Section 3. *Objectives.* – In implementing the foregoing policy, the State shall pursue the following objectives:

- (a) Integrate the existing PSHS at Diliman, Eastern Visayas, Western Visayas and Mindanao into one system of governance and management;
- (b) Ensure uniformity in quality standards and systematize operations of schools under the PSHS System; and
- (c) Rationalize the establishment of science high schools as defined in this Act.

TITLE I

DEFINITION OF TERMS, STRUCTURE, MANAGEMENT AND GOVERNANCE

Section 4. *Definition of Terms.* –

- (a) Philippine Science High Schools (PSHS) – are secondary schools offering scholarships to deserving students who shall be admitted and trained under a curriculum specially designed to prepare them for careers in S & T.
- (b) Term – refers to the "term of office," with a duration of six (6) years in one term.

Section 5. *Scope.* – The Philippine Science High School System shall be composed of the existing PSHS campuses at Diliman, Eastern Visayas, Western Visayas and Mindanao, and future campuses which shall be established under this law.

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Section 6. Overall Coordinating Authority. – The PSHS System shall be under the administrative supervision of the Department of Science and Technology (DOST).

Section 7. Board of Trustees. – There shall be a Board of Trustees composed of the secretary of the DOST as ex-officio Chairman, the secretary of DECS as ex-officio Vice Chairman, and the following members: The President of the U.P., the Executive Director of PSHS, the Director of the Science Education Institute (SEI) and the President from the PSHS National Alumni Association as ex-officio members; and one (1) representative each from the private sector representing higher education, education for the gifted, industry, agriculture, and new and emerging technologies. The private sector representatives shall be appointed by the Chairman subject to the confirmation of the Board of Trustees. For the first set of appointments, three (3) of them shall serve for four (4) years, while the other two (2) for two (2) years, thereafter, succeeding appointments shall have a fixed term of four (4) years.

The Board shall exercise the following powers:

- (a) Formulate policies and guidelines for the administration and operation of the PSHS System;
- (b) Formulate policies on the appointment, promotion, retention, removal, renewal, rewards and incentives for administrators, faculty and staff;
- (c) Approve the curricula submitted by the Executive Director;
- (d) Approve the criteria for the selection and admission of students;
- (e) Approve the grant of scholarship, stipend and such allowances for students;
- (f) Approve the graduation of successful candidates from the various PSHS campuses;
- (g) Formulate policies and rules of discipline for students, faculty and staff;
- (h) Approve the PSHS System budget and appropriate to the ends specified by law such sums as may be provided by law for the support of the System;
- (i) Receive grants whether cash, land, buildings and improvements thereof; donations, contributions, bequest, gifts, and to formulate policies for the administration thereof;
- (j) Develop policies for the expansion of enrollment in the campuses under the PSHS System;
- (k) Set policies and criteria to rationalize the establishment of science high schools under the System, for its evaluation and approval thereof; and
- (l) Prepare strategic plans to enhance the capability of the System in developing human resources with focus on youth with special talents in science and mathematics.

Section 8. Executive Director (ED). – There shall be an Executive Director who shall be appointed by the Chairman, subject to the approval of the Board and shall be conferred the rank equivalent to a bureau director with a fixed term of six (6) years, renewable for another term. The ED shall coordinate the implementation of policies and guidelines set by the Board of Trustees. As a member of the Board of Trustees, the ED shall articulate to the Board the mutual concern of all the campuses.

The ED shall perform the following roles and functions:

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- 8.1 Coordinate curriculum planning activities for the PSHS System;
- 8.2 Oversee research projects on the gifted in science and math;
- 8.3 Coordinate publication of research outputs of the teachers, administrators and students from the PSHS System;
- 8.4 Provide legal and technical support to the members of the System;
- 8.5 Coordinate exchange programs with other educational institutions both local and foreign;
- 8.6 Develop and coordinate linkages and networking among the campuses of the PSHS System with other institutions;
- 8.7 Coordinate the implementation of the program for the identification and selection of scholars for the PSHS System;
- 8.8 Provide for the secretariat services of the Board of Trustees;
- 8.9 Perform other functions as may be deemed necessary.

For the efficient and effective implementation of the foregoing functions, the Executive Director shall be provided with a staff.

Section 9. *Campus Director (CD).* – The school shall be headed by a CD who shall be appointed by the Board, upon recommendation of the Executive Director on the basis of a search process. He/she shall have a fixed term of six (6) years, renewable for another term at the option of the Board. The CD shall not be removed from office except for cause.

The CD shall be the administrative and academic head of his/her campus and will be responsible for its smooth operations. The CD may constitute a consultative body which may act as a citizen's arm to interpret the educational needs of the service area of the campus.

The incumbent CD may serve the unexpired term as defined in this Act.

Section 10. *Executive Committee.* – There shall be an Executive Committee composed of the Executive Director and the Campus Directors in the PSHS System as members. The committee shall be collegial in character.

TITLE II

MISCELLANEOUS PROVISIONS

Section 11. *Funding.* – The amount necessary to carry out the initial implementation of this Act shall be charged against the current year's appropriations of the Philippine Science High School campuses. Thereafter, such sums as may be needed for the continued operation of the Philippine Science High School System shall be included in the annual General Appropriations Act.

The amount of Twenty Million Pesos (P20,000,000.00) is hereby appropriated to be included for the initial year of operation of the System, in addition to the budget of the existing individual campuses.

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Section 12. *Implementing Rules and Regulations.* – The Board of Trustees shall formulate the implementing rules and regulations to carry out the implementation of this Act.

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Section 14. *Repealing Clause.* – All laws, decrees, orders, rules and regulations or portions thereof, inconsistent with this Act are hereby repealed or modified accordingly.

Section 15. *Effectivity.* – This Act shall take effect on the day following its complete publication in at least two (2) newspapers of general circulation.

Approved: Feb. 12 1998

FIDEL V. RAMOS

President of the Philippines

REPUBLIC ACT NO. 9036

AN ACT STRENGTHENING THE GOVERNANCE AND DEFINING THE SCOPE OF THE PHILIPPINE SCIENCE HIGH SCHOOL (PSHS) SYSTEM, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 8496

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

Section 1. A second paragraph is hereby added under Section 2 of Republic Act No. 8496, otherwise known as the Philippine Science High School (PSHS) System Act of 1997, to read as follows:

"The State shall also ensure that every region is given equal opportunity to benefit from the establishment of the PSHS System. Towards this end, only one (1) PSHS campus shall be established in each of the administrative regions of the country."

Section 2. Section 3, paragraph (a) of the same Act is hereby amended to read as follows:

"(a) Integrate the existing PSHS at Diliman, Nueva Vizcaya, Camarines Sur, Iloilo City, Leyte, Lanao del Norte and Davao City into one system of governance and management;"

Section 3. Section 5 of the same Act is hereby amended to read as follows:

"**Section 5. Scope.** - The Philippine Science High School System shall be composed of the existing PSHS campuses herein mentioned and future campuses which shall be established under this Act. The existing campuses at Diliman, Quezon City; Bayombong, Nueva Vizcaya; Goa, Camarines Sur; Jaro, Iloilo City; Palo, Leyte; Tugbok, Davao City; and Balo-i, Lanao del Norte, shall be known as the PSHS main campus, PSHS Cagayan Valley, PSHS Bicol Region, PSHS Western Visayas, PSHS Eastern Visayas, PSHS Southern Mindanao and PSHS Central Mindanao, respectively.

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The Nueva Vizcaya Science High School, established under Republic Act No. 7622, as amended by Republic Act No. 8364, is hereby absorbed by the PSHS System and shall become PSHS Cagayan Valley campus.

The PSHS Bicol campus located in the Municipality of Goa, Camarines Sur, established under Republic Act No. 8304, as amended by Republic Act No. 8619, shall be considered distinct and separate from the San Rafael National High School in the Municipality of Tigaon, Camarines Sur. The San Rafael National High School shall continue to exist under the supervision of the Department of Education, Culture and Sports (DECS) pursuant to the provisions of Batas Pambansa Blg. 580, as amended, and shall maintain all personnel, assets, liabilities and records previously transferred and absorbed by the PSHS Bicol campus.

In the establishment of future campuses, the Board of Trustees shall consider San Ildefonso, Ilocos Sur and Aborlan, Palawan as the sites of PSHS Ilocos Region and Palawan campuses."

Section 4. A new Section 6 is hereby inserted between Sections 5 and 6 of the same Act, to read as follows:

"Section 6. Restriction on the Conversion of High Schools Into a Philippine Science High School. - In addition to the guidelines/criteria that may be established by the PSHS Board of Trustees in the establishment and operation of Philippine Science High Schools, the conversion and inclusion of existing high schools into the PSHS System shall not be allowed."

Section 5. Section 6 of the same Act is hereby amended to read as follows:

"Section 7. Overall Coordinating Authority. - The PSHS System shall be under the administrative supervision of the Department of Science and Technology (DOST). The PSHS System Board of Trustees (BOT) shall be the Governing Board of all the PSHS campuses wherever situated."

Section 6. Section 7 of the same Act is hereby amended to read as follows:

"Section 8. Board of Trustees. - There shall be a Board of Trustees composed of the secretary of the DOST as ex officio Chairman, the secretary of DECS as ex officio Vice Chairman and the following members: The President of the U.P., the Executive Director of PSHS, the Director of the Science Education Institute (SEI), the President from the PSHS National Alumni Association, and the chairpersons of the congressional committees on science and technology as ex officio members; and one (1) representative each from the private sector representing higher education, education for the gifted, industry, agriculture, and new and emerging technologies. The private sector representatives shall be appointed by the Board of Trustees upon recommendation of a duly constituted search committee. As much as practicable, the private sector representatives shall come from the various geographic regions. For the first set of appointments,

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three (3) of them shall serve for four (4) years, while the other two (2) for two (2) years, thereafter, succeeding appointments shall have a fixed term of four (4) years.

The Board shall exercise the following powers:

- (a) Formulate policies and guidelines for the administration and operation of the PSHS System;
- (b) Establish a PSHS campus in each of the administrative regions;
- (c) Approve appointment, promotion, retention, renewal, rewards and incentives for faculty and staff, fix their compensation and other conditions of employment, and remove them for cause after proper investigation and hearing;
- (d) Approve the curricula submitted by the Executive Director;
- (e) Approve the criteria for the selection and admission of students;
- (f) Approve the grant of scholarship, stipend and such allowances for students;
- (g) Approve the graduation of successful candidates from the various PSHS campuses;
- (h) Formulate policies and rules of discipline for students, faculty and staff;
- (i) Approve the PSHS System budget, receive and appropriate to the ends specified by law such sums as may be provided by law for the support of the System;
- (j) Receive grants whether cash, land, buildings and improvements thereof; donations, contributions, bequests, gifts, and to formulate policies for the administration thereof;
- (k) Approve the use of all income generated by the school in the pursuit of its functions and donations received in trust by individual campuses, according to the purpose of the donor and intention of the donation. In cases where income/donation received is not intended for a particular campus, the Board shall likewise appropriate the same for the benefit of the System or any part thereof;
- (l) Develop policies for the expansion of enrollment in the campuses under the PSHS System;
- (m) Establish policies and formulate guidelines/criteria, requirements necessary to rationalize the establishment and operation of science high schools under the System in order to maintain the quality and uniform standard inherent of a bona fide PSHS; and
- (n) Prepare strategic plans to enhance the capability of the System in developing human resources with focus on youth with special talents in science and mathematics."

Section 7. Section 8 of the same Act is hereby amended to read as follows:

"Section 9. Executive Director (ED). - There shall be an Executive Director who shall be appointed by the Board and shall have the rank of a bureau director, with a fixed term of six (6) years, renewable for another term. The ED shall exercise administrative supervision over all campus directors and shall be the primary implementor of policies and guidelines set by the Board of Trustees. As a member of the Board of Trustees, the ED shall articulate to the Board the mutual concern of all the campuses."

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Section 8. A new Section 10 is hereby inserted between Sections 8 and 9 of the same Act, to read as follows:

"Section 10. Deputy Executive Director (DED). - There shall be a Deputy Executive Director (DED) who shall be appointed by the Board for a term of six (6) years, renewable for another term. The DED shall perform the duties and functions assigned by the Executive Director."

Section 9. Section 9 of the same Act is hereby renumbered as Section 11.

Section 10. Section 10 of the same Act shall be amended, to read as follows:

"Section 12. Executive Committee. - There shall be an Executive Committee in the PSHS System composed of the Executive Director as ex officio chairperson and the Campus Directors as members."

Section 11. Sections 11,12,13,14 and 15 of the same Act are hereby renumbered accordingly.

Section 12. Separability Clause. - If, for any reason, any provision of this Act is declared unconstitutional or invalid, the other parts or provisions hereof which are not affected shall continue to be in full force and effect.

Section 13. Repealing and Amending Clause. - All laws, executive orders, presidential decrees, rules and regulations or parts thereof which are inconsistent with any provision of this Act are hereby repealed or amended accordingly.

Section 14. Effectivity. - This Act shall take effect immediately upon its approval.
Approved: March 12, 2001

(Sgd.) **GLORIA MACAPAGAL-ARROYO**

President of the Philippines

IMPLEMENTING RULES AND REGULATIONS OF REPUBLIC ACT NO. 8496 AS AMENDED BY REPUBLIC ACT NO. 9036

IN VIEW OF THE AMENDMENT OF RA No. 8496 BY RA No. 9036 ON MARCH 12, 2001, THE IMPLEMENTING RULES AND REGULATIONS OF RA No. 8496 PROMULGATED ON OCTOBER 1, 1998 IS LIKEWISE AMENDED TO EFFECTIVELY IMPLEMENT THE PROVISIONS OF THE AMENDATORY LAW.

RULE I. POLICIES AND OBJECTIVES

Section 1. Declaration of Policy

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The state shall give priority to Research and Development, invention, innovation, and their utilization, and to Science and Technology education, training and services. It shall support indigenous, appropriate and self-reliant scientific and technological capabilities, and their application to the country's productive system and national life. To achieve these, the State hereby establishes a Philippine Science High School (PSHS) System that will assume a leadership role in secondary level science and technology education.

There shall be only one PSHS Campus in each administrative region to equitably distribute resources and opportunities for quality education.

Section 2. Statement of Objectives

In implementing the policy stated in Section 1, the PSHS System shall pursue the following objectives:

- 2.1 Integrate the existing PSHS campuses at Diliman, Nueva Vizcaya, Camarines Sur, Iloilo City, Leyte, Lanao Del Norte, Davao City and future campuses into one system of governance and management
- 2.2 Ensure uniformity in quality standards and systematize operations of schools under the PSHS System.
- 2.3 Rationalize the establishment of science high schools as defined in this Act.

Section 3. Definition of Terms

- 3.1 The Philippine Science High School System or the PSHS System or System as referred to in this document – consists of the existing PSHS campuses above-mentioned and such other future campuses that may be established under this Act.
- 3.2 Philippine Science High Schools – are schools that offer scholarships to deserving students who shall be admitted and trained under a curriculum especially designed to prepare them for careers in science and technology.
- 3.3 “Deserving students” – refers to those who qualify for admission through the PSHS National Competitive Examination (NCE).
- 3.4 “Scholarships” – refers to the awards or grants for secondary education given by the PSHS Schools to deserving students.
- 3.5 “Careers in S&T” – includes the pursuit of professions in the fields of basic and applied sciences, mathematics, engineering, technology and science education and new and emerging technologies as part of the country's human resource development plan.
- 3.6 “Administrative Regions” – refers to the administrative regions where the Department of Science and Technology (DOST) holds regional offices.

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RULES II. SCOPE

Section 1. The Philippine Science High School System shall be composed of the existing PSHS campuses and future campuses which shall be established under this Act.

The existing PSHS campuses in Diliman, Quezon City; Bayombong Neva Vizcaya; Goa, Camarines Sur; Jaro, Iloilo City; Palo, Leyte; Davao City; and Balo-I, Lanao del Norte, shall be known as the PSHS Main Campus, PSHS Cagayan Valley, PSHS Bicol Region, PSHS Western Visayas, PSHS Eastern Visayas, PSHS Southern Mindanao and PSHS Central Mindanao, respectively.

Future PSHS campuses shall know as the PSHS campus of the region where they will be established.

RULE III. GOVERNANCE

Section 1. Overall Coordinating Authority

The PSHS System shall be under the administrative supervision of the DOST.

The PSHS System shall be one of the agencies of the DOST responsible for the development of the country's scientific manpower.

Subject to the approval of the DOST Secretary and the PSHS System Board of Trustees, the pertinent provisions of R.A. No. 8439, otherwise known as the Magna Carta for Scientists, Engineers, Researchers and other S&T Personnel and its Implementing Rules and Regulations (IRR) shall apply to the PSHS System.

Section 2. Governing Board of the PSHS System

- 2.1 The PSHS System Board of Trustees (BOT) shall be the governing board of all the PSHS campuses wherever situated.
- 2.2 Composition of the Board of Trustees
The Board of Trustees shall be composed of the following:
 - 2.2.1 The DOST Secretary as *ex officio* Chairman
 - 2.2.2 The Department of Education (DepEd) Secretary as *ex officio* Vice-chairman
 - 2.2.3 The other *ex officio* members are i) the President of the University of the Philippines; ii) the Executive Director of the PSHS System; iii) the Director of the DOST Science Education Institute (SEI); iv) the President of the PSHS National Alumni Association; v) the Chairperson of the House Committee on Science and Technology; and vi) the Chairperson of the Senate Committee on Science and Technology.
 - 2.2.3.1 An *ex officio* member of the BOT shall designate only one permanent representative who shall attend the BOT meetings in his/her absence.

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- 2.2.4 There shall be private sector representatives (PSR) from each of the following sectors; i) higher education; ii) education for the gifted; iii) industry; iv) agriculture; and v) new and emerging technologies.
 - 2.2.4.1 The private sector representatives shall be appointed by the Board of Trustees upon recommendation of a duly constituted Search Committee.
 - 2.2.4.2 A private sector representative cannot be represented by an alternate.
 - 2.2.4.3 For the first set of PSR appointments in 1998, the members from the sectors of higher education, education for the gifted and agriculture shall serve for four years, while the members from industry and new and emerging technologies sectors shall serve for two years; thereafter, succeeding PSR appointees shall serve for four years.
- 2.2.5 As much as practicable, the private sector representative shall come from the various geographic regions.
- 2.3 Powers of the Board. - The Board of Trustees shall exercise the following powers:
 - 2.3.1 Formulate policies and guidelines for the administration and operation of the PSHS System.
 - 2.3.1.1 Approve the various operations manuals embodying the methods and procedures in undertaking activities supporting the various functions of the System. These include the operations manual for personnel administration and financial management, the faculty manual, the Student Handbook and Code of Conduct and such other manuals that may be necessary to ensure uniformity and the standard application of methods and procedures in all System campuses.
 - 2.3.2 Establish a PSHS campus in each of the administrative regions.
 - 2.3.3 Formulate policies on the appointment, promotion, retention, removal, renewal, rewards and incentives for administrators, faculty and staff, fix their compensation and other conditions of employment and remove them for cause after proper investigation and hearing.
 - 2.3.3.1 Determine the appointment and number of administrators, faculty and staff and their respective compensation, within the limits of approved appropriation guided by approved constitutional and legislative policies on compensation.
 - 2.3.3.2 Furnish the Department of Budget and Management (DBM), Commission on Audit (COA) and Civil Service Commission (CSC) a copy of the annual approved Plantilla of Personnel.
 - 2.3.4 Approve the curricula submitted by the Executive Director.
 - 2.3.5 Approve the criteria for the selection and admission of students.

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- 2.3.6 Approve the grant of scholarship, stipend and such allowances for students.
- 2.3.7 Approve the graduation of successful candidates from the various PSHS campuses.
- 2.3.8 Formulate policies and rules of discipline for students, faculty and staff.
- 2.3.9 Approve the PSHS System budget, receive and appropriate to the ends specified by law such sums as may be provided by law for the support of the System.
 - 2.3.9.1 Submit to the national government its annual program of expenditures covering both national government subsidy and estimated income which shall be the basis for incorporating the budget for the PSHS System in the General Appropriations Act.
 - 2.3.9.2 Approve the guidelines to allocate financial and other resources to each campus in the PSHS Internal Operating Budget (IOB). For budgeting purposes, the Office of the Executive Director (OED) shall have a budget separate and distinct from that of the regional campuses.
 - 2.3.9.3 Approve realignments of appropriations in the PSHS IOB from income.
 - 2.3.9.4 Approve supplemental budgets.
- 2.3.10 Receive grants whether cash, land, buildings and improvements thereof; donations, contributions, bequests, gifts, and to formulate policies for the administration thereof.
 - 2.3.10.1 Approve the use and allocation to campuses of grants and donations given to the System without conditions and specific use set by the grantors/donors.
- 2.3.11 Approve the use of all income generated by the school in the pursuit of its functions and donations received in trust by individual campuses, according to the purpose of the donor and intention of the donation.
 - 2.3.11.1 Approve the use of income as proposed in the PSHS IOB. All receipts collected and received by the PSHS System, including income and non-income receipts (trust liability) shall be deposited in savings and current accounts in any authorized government depository bank for the account of the PSHS System.
 - 2.3.11.2 Approve the use of donations received in trust by individual campuses according to the purpose of the donor an intention of the donation.
- 2.3.12 Develop policies for the expansion of enrolment in the campuses under the PSHS System.
- 2.3.13 Establish policies and formulate guidelines, criteria and requirements necessary to rationalize the establishment and operation of science high schools under the System in order to maintain the quality and uniform standard inherent of a bonafide PSHS.

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- 2.3.14 Prepare strategic plans to enhance the capability of the System in developing human resources with focus on youth with special talents in science and mathematics.

RULE IV. MANAGEMENT AND STRUCTURE

The Executive Director

Section 1. There shall be an Executive Director (ED) who shall be appointed by the BOT and who shall have the rank equivalent to a Bureau Director with a fixed term of six (6) years renewable for another term.

The selection of the ED shall be undertaken by a Search Committee. The BOT shall appoint the ED from among the nominees of the committee.

Section 2. Functions of the Executive Director

- 2.1 The Executive Director shall exercise administrative supervision over all Campus Directors and shall be the primary implementer of policies and guidelines set by the BOT. As a member of the BOT, the ED shall articulate to the Board the mutual concerns of all the campuses.
- 2.2 The ED shall perform the following roles and functions:
 - 2.2.1 Coordinate curriculum planning activities for the PSHS System.
 - 2.2.1.1 The ED, in consultation with the Campus Directors, shall coordinate research-based planning and development of a core curriculum, which upon approval of the BOT, shall be implemented by the various campuses.
 - 2.2.1.2 The ED shall conduct a continuing evaluation of the implementation of approved curriculum.
 - 2.2.2 Oversee research projects on the gifted in science and mathematics.
 - 2.2.2.1 The ED shall coordinate, monitor and evaluate research projects on the gifted in science and mathematics.
 - 2.2.3 Coordinate the publication of research outputs of teachers, administrators and students from the PSHS System.
 - 2.2.3.1 The ED shall oversee the publication of projects completed by the teachers, administrators and students of the various campuses.
 - 2.2.4 Provide legal and technical support to the members of the System.
 - 2.2.4.1 The ED shall be provided with a legal and technical staff who shall provide legal and technical assistance to the campuses on a continuing basis.
 - 2.2.5 Coordinate exchange programs with other educational institutions both local and foreign.
 - 2.2.5.1 The ED shall establish linkages with local and foreign institutions for exchange program to upgrade the level of expertise of both the faculty and students.
 - 2.2.6 Develop and coordinate linkages and networking among the campuses of the PSHS System with other institutions.

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- 2.2.6.1 The ED shall develop a system of complementation and sharing of resources, expertise and equipment.
- 2.2.6.2 The ED shall develop a system-wide outreach program to assist in upgrading the teaching of science high schools outside of the PSHS System and provide support within the capabilities and resources of the various regional campuses.
- 2.2.7 Coordinate the implementation of the program for the identification and selection of scholars for the PSHS System.
 - 2.2.7.1 The ED, in consultation with the Campus Directors, shall develop and implement a system-wide program for the identification and selection of scholars.
- 2.2.8 Provide for the secretariat services of the Board of Trustees.
- 2.2.9 Perform other functions as may be deemed necessary.
- 2.3 Staff of the Executive Director
 - 2.3.1 The ED shall be provided with the necessary staff for the efficient and effective implementation of the aforesaid functions.

The Deputy Executive Director

Section 3. There shall be a Deputy Executive Director (DED) who shall be appointed by the BOT for a term of six (6) years, renewable for another term.

- 3.1 The DED shall assist the ED in the performance of the duties and functions of the office and may be assigned other responsibility by the ED.
- 3.2 The DED shall perform the duties and responsibilities of the ED in the absence of the latter.
- 3.3 The DED shall be selected in the same manner as the ED.

The Campus Director

Section 4. The school shall be headed by a Campus Director (CD) who shall be appointed by the BOT upon recommendation of the Executive Director on the basis of a search process.

- 4.1 The CD shall have a fixed term of six (6) years, renewable for another term at the option of the BOT.
- 4.2 The selection of the CD shall be undertaken by a Search Committee created by the BOT. The BOT shall appoint the CD upon the recommendation of the ED after a search process.
- 4.3 The CD shall not be removed from office except for cause.
- 4.4 Functions of the Campus Director
 - 4.4.1 The CD shall be the administrative and academic head of the Campus and shall be responsible for its smooth operation.
 - 4.4.2 The CD shall:
 - 4.4.2.1 Oversee the instruction and support services programs of the campus.

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- 4.4.2.2 Implement system-wide policies related to curriculum, selection, admission and discipline of students, as well as faculty and staff hiring and promotion.
- 4.4.2.3 Be responsible for planning and implementing an infrastructure development program for the campus.
- 4.4.2.4 Submit to the Executive Director an annual budget proposal as well as its plans and programs of activities.
- 4.4.2.5 Plan and support a human resource development program to continuously upgrade the capabilities of the faculty and staff.
- 4.4.2.6 Perform such other related functions inherent in the office.

Section 5. The CD may constitute a consultative body which may act as a citizen's arm to interpret the educational needs of the service area of the campus.

- 5.1 Once constituted, such consultative body shall be consulted on matters that pertain to:
 - 5.1.1 generating resources for the campus.
 - 5.1.2 establishing linkages.
 - 5.1.3 developing outreach programs and increasing community involvement. improving the school's physical plant.

D. The Executive Committee

Section 6. There shall be an Executive Committee in the PSHS System composed of the Executive Director as *ex-officio* chairperson and the Campus Directors as members.

- 6.1 The Executive Committee shall perform functions as may be delegated by the BOT.

RULE V. PERSONNEL POLICIES AND STANDARDS

Section 1. Policies on appointment, promotion, retention, removal and renewal of faculty and staff.

The appointment, retention, renewal, removal, and promotion of faculty and staff shall be based on a merit system which will take into consideration educational qualification, relevant training and performance and shall be in accordance with the PSHS Career Teacher Path, R.A. N0. 8439 and its IRR; and Civil Service rules and regulations.

All the appointments and promotions of faculty and staff positions shall be subject to the approval of the BOT.

Section 2. Policies on compensation, rewards and incentives

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- 2.1 The BOT shall approve the compensation plan of the faculty and staff.
- 2.2 The BOT shall approve a system of rewards and incentives for faculty, staff and administrators which will recognize their performance and contributions to the enhancement of the PSHS System.

RULE VI. MAINTAINING QUALITY STANDARDS AND SYSTEMATIZING SCHOOL OPERATIONS

Section 1. Policies on compensation, rewards and incentives

- 1.1 The BOT shall approve the compensation plan of the faculty and staff.
- 1.2 The BOT shall approve a system of rewards and incentives for faculty, staff and administrators which will recognize their performance and contributions to the enhancement of the PSHS System.

RULE VI. MAINTAINING QUALITY STANDARDS AND SYSTEMATIZING SCHOOL OPERATIONS

Section 1. Harmonization of policies and guidelines

The PSHS Board of Trustees shall continually review the current policies and guidelines of the existing campuses and develop common policies and guidelines for the PSHS System.

Exceptions from the common set of policies resulting from region-specific culture and tradition may be allowed, subject to the approval of the BOT.

Section 2. Curriculum of the PSHS System

- 2.1 The curriculum of the PSHS System is science and technology-oriented; it is prescribed by the Board of Trustees.
- 2.2 Core subjects, elective and revisions in the curriculum are subject to the approval of the BOT.
- 2.3 The Executive Committee may recommend to the BOT electives for a particular campus suitable to the needs and/or resources of that region.

Section 3. Selection of students

- 3.1 The criteria for the selection and admission of students shall be based on performance in the PSHS National Competitive Examination.
- 3.2 Any change in the criteria for selection shall be subject to the approval of the BOT.

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Section 4. Grant of scholarship

- 4.1 The criteria for the grant of scholarship, stipend and other allowances shall be subject to the approval of the BOT.

Section 5. Graduation

- 5.1 Upon recommendation of the Executive Committee, the BOT shall approve the graduation of successful candidates from the various campuses.

Section 6. Rules of Discipline

- 6.1 The philosophy of the rules of discipline for students is character formation for scholars of the nation.
- 6.2 The PSHS System Code of Conduct shall form part of this Implementing Rules and Regulations.

Section 7. Enhancing the capability of the PSHS System in developing the scientifically and technology -inclined youth.

- 7.1 The PSHS System shall harness the resources of its campuses by:
 - 7.1.1 expanding linkages with academic institutions and industries.
 - 7.1.2 tapping the expertise of these institutions/industries for programs which focus on the youth.
- 7.2 A strong support system to enhance the academic potential and emotional well-being of students shall be provided through the participation of the faculty, staff, parents, alumni. Local government units and other concerned sectors.

RULE VII. RATIONALIZATION OF THE ESTABLISHMENT OF PSHS CAMPUSES

Section 1. There shall be only one PSHS campus in each of the administrative regions of the country.

Section 2. The conservation and inclusion of existing high schools into the PSHS System shall not be allowed.

Section 3. The Board shall determine the criteria for the establishments of new campuses.

Section 4. The establishment of a PSHS regional campus shall be embodied in a resolution of the Board of Trustees.

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RULE VIII. SEPARABILITY CLAUSE

If for any reasons, any section or provision of this IRR shall be declared unconstitutional or invalid, no other section or provision therefor shall be affected thereby.

RULE IX. EFFECTIVITY

This Implementing Rules and Regulations (IRR) shall take effect upon its approval and publication in the Official Gazette or in a newspaper of general circulation. Quezon City, September 28, 2001.

APPROVED:

(Sgd) **ESTRELLA F. ALABASTRO**
Chairman, PSHS System Board of Trustees
Secretary, Department of Science and Technology

SCIENCE AND TECHNOLOGY INFORMATION INSTITUTE (STII)

EXECUTIVE ORDER NO. 128
REORGANIZING THE NATIONAL SCIENCE AND TECHNOLOGY
AUTHORITY

Please see Sections 19, 27 and 35 of EXECUTIVE ORDER NO. 128 at page 76

TECHNOLOGY APPLICATION AND PROMOTION INSTITUTE (TAPI)

REPUBLIC ACT NO. 3850
AN ACT TO CREATE A PHILIPPINE INVENTORS COMMISSION, DEFINE
ITS POWERS, FUNCTIONS AND DUTIES, AND FOR OTHER PURPOSES
THAT WILL PROMOTE AND ENCOURAGE PHILIPPINE INVENTIONS
AND THEIR MANUFACTURE.

Section 1. This Act shall be known and cited as the "Philippine Inventors Incentives Act."

Section 2. There is hereby created a Philippine Inventors Commission, under the supervision of the National Science Development Board, hereinafter referred to as the Commission, for the purpose of giving technical, financial and legal assistance to inventors in the Philippines.

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Section 3. The Commission shall have the following functions, powers and duties:

- (a) To give technical assistance to inventors by examining their submitted inventions to determine their patentability and by helping them prepare their patent applications under certain term and conditions;
- (b) To grant financial aid to inventors to enable them to develop, perfect and produce their patented inventions or those which are pending patent, under certain terms and conditions;
- (c) To render legal assistance to inventors by representing them in filing their patent applications here and/or abroad and in protecting their secured patents from infringement in patent cases, under certain terms and conditions;
- (d) To recommend to government lending institutions inventions that are beneficial to our country for long term loans not exceeding seventeen years to enable inventors to manufacture their inventions, with only their letters patent as collateral, the amount of loan to be granted depending upon the importance and market of their inventions as determined by the Commission;
- (e) To help inventors find markets for their inventions here and abroad;
- (f) To encourage Philippine inventors to make known their inventions by giving annually sizeable cash awards and medals, to be known as the "President Awards for Inventions," to patented inventions in the Philippines in the field of agriculture, chemistry, commerce, communications, education, engineering, fishery, forestry, medicine, national defense, pharmacy, physics, public safety and welfare, public works, transportation and other fields of science chosen by three distinguished persons in these respective fields of endeavor appointed annually by the President of the Philippines to serve as judges of the contest which shall be open to all inventors in the Philippines without distinction as to nationality or position who may submit entries in one or more fields;
- (g) To establish and maintain a public research laboratory and experimental station where authorized inventors and researchers may avail themselves of its facilities and services for carrying out or perfecting their approved inventions and researches: Provided, That the inventor or researcher shall, before making use of its facilities and services, agree to give to the Commission at least one tenth of all royalties arising from his invention or research, depending upon the extent of facility or service to be given to him, to help maintain the public research laboratory and experimental station: Provided, further, that the laboratory facilities and services of the national Institute of Science and Technology and other governmental agencies, offices and instrumentalities shall be made available to inventors or researchers who may need the same, as recommended by the head of the Commission, against whom the expenses incurred in such laboratories shall be chargeable;
- (h) To promote and encourage inventiveness and creativeness among our people by inducing them to submit new and useful ideas, researches or gadgets in the fields mentioned in paragraph

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(i) that may solve the problems of our country through an annual "Creative Research Contest" with cash prizes and medals to the winners chosen by the respective judges of the "Presidential Awards for Inventions;"

(j) To publish and disseminate information about inventions, researches and science in general;

(k) To hold regular monthly sessions for the exchange of ideas among inventors;

(l) To help Philippine inventors join international competitions on inventions or researches, or recommend them to such competitions; and

(m) To organize creative societies in schools, colleges and universities to promote and encourage creativeness among our youth.

Section 4. All functions referring to the promotion and development of inventions conferred upon the National Science Development Board in Republic Act Numbered Two thousand sixty-seven are hereby transferred to the Commission which shall hereafter exercise those functions.

Section 5. The Commission shall be under a Commissioner and an Assistant Commissioner appointed by the President of the Philippines with the consent of the Commission on Appointments. Each shall a Filipino citizen, at least twenty-five years of age and an inventor with at least one invention or utility model patent issued by the Philippine Patent Office. The Commissioner and the Assistant Commissioner shall receive an annual compensation of twelve thousand pesos and ten thousand pesos, respectively, and both shall hold office during good behavior and may be removed from office only for cause.

Section 6. The Commissioner shall promulgate, subject to approval of the National Science Development Board, such rules and regulations as may be necessary for the conduct and exercise of the functions, powers and duties of the Commission under this Act: Provided, That any assistance rendered by the Commission in accordance with paragraphs (a), (b), (c) and/or (g) of Section three of this Act shall be given on condition that the inventor-applicant shall sign a contract agreeing to give to the Commission at least ten per cent of all royalties arising from the local and foreign patents of his invention developed and perfected or secured and/or protected through the service and or financing of the Commission, depending upon the extent of the service or given to him. The proceeds from these contract shall accrue to the general funds of the Commission and shall be used to carry out its objectives. The invention and the patent that may be obtained therefor shall belong to the inventor, subject to the provision of this section.

Section 7. The Commissioner, with the approval of the National Science Development Board, may select a suitable location on any public land owned by the National Government for the site of its public research laboratory and experimental station or branch thereof with an area not exceeding twenty-four hectares and with housing facilities for the inventors and researchers working therein. Within three

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months from receipt of the choice of the Commissioner duly approved, the Director of Lands shall cause the chosen site to be surveyed, delimited and transferred to the

Commission to be under its exclusive jurisdiction and control.

Section 8. The Commission shall have the following divisions: Patent Examining Division, Research Division, Legal Division, Evaluation and Financing Division, Administrative Division and other divisions that the Commission, with the approval of the National Science Development Board, may deem necessary to create. To better assure the attainment of the objectives of this Act, the heads of divisions of the Commission, shall be Filipino inventors, at least twenty-three years of age and except the head of the Legal Division, with at least one invention or utility model patent issued by the Philippine Patent Office. The division heads shall receive an annual compensation of eight thousand four hundred pesos.

Such technical and administrative personnel as may be necessary to carry out the functions of the Commission shall be appointed by the Chairman of the National Science Development Board upon recommendation of the Commissioner of the Commission and subject to the approval of the Board.

In view of the limited number of persons who may qualify for positions in the Commission requiring the appointee to be an inventor with at least one invention or utility model patent issued by the Philippine Patent Office where nobody qualifies for a given position, an officer of the Commission or of the National Science Development Board, may temporarily appointed to that position and may receive additional compensation not exceeding one-half of the compensation for the second position until qualified inventor can fill the vacancy.

Section 9. All donations and grants to the Commission shall be tax-exempt and deductible in full from the donor's income tax returns and when evidence by a certificate duly issued by the Commissioner. Any person who evades or defeats, or attempts to evade or defeat in any manner any tax imposed by law by availing himself of the provisions of this section through fraud or misrepresentation shall be punished by a fine of not exceeding one year or both, in the discretion of the court. In case the violator is a corporation or association, the president or general manager thereof shall criminally liable, without prejudice to the criminal responsibility of the member, officer or employee thereof committing such violation.

Section 10. To promote and encourage the manufacture of local inventions, they shall be exempted from all kinds of taxes, licenses and permits during the first five years from the date of the grant of the letters of patent: Provided, That their capitalization does not exceed fifty thousand pesos: And provided, further, That their manufacture is carried out by the inventor himself as a home industry.

Section 11. The Commission shall be constituted within one month from the approval of this Act and the sum of five hundred thousand pesos is hereby appropriated out of any funds in the National Treasury not otherwise appropriated to be released immediately to the Commission to enable it to carry out as soon as possible the objectives of this Act.

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Section 12. There is hereby authorized to be appropriated annually such sums as may be necessary to carry out the provisions and objectives of this Act to be included under the general appropriations for the National Science Development Board: Provided, That these sums shall not be less than the original appropriation of five hundred thousand pesos. At least fifty percent of the annual appropriation shall be used to grant aid to inventors to enable them to develop, perfect and produce their patented inventions or those with pending patents, and at least ten percent of the balance shall be used for the awards of the Commission to encourage the patenting of inventions and promote science-consciousness and creativeness among our people.

Section 13. The unconstitutionality of any section, subsection, sentence, clause or term of this Act shall not affect the validity of the other provisions thereof.

Section 14. All provisions of law, rules, regulations or orders contrary to or inconsistent with the provisions of this Act are hereby repealed.

Section 15. This Act shall take effect upon its approval.

Approved: April 13, 1964

EXECUTIVE ORDER NO. 128 REORGANIZING THE NATIONAL SCIENCE AND TECHNOLOGY AUTHORITY

Please see Sections 19, 28 and 35 of EXECUTIVE ORDER NO. 128 at page 76

REPUBLIC ACT NO. 7459 AN ACT PROVIDING INCENTIVES TO FILIPINO INVESTORS AND EXPANDING THE FUNCTIONS OF THE TECHNOLOGY APPLICATION AND PROMOTION INSTITUTE, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES

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

ARTICLE I TITLE, POLICY PROGRAM AND DEFINITION OF TERMS

Section 1. Title. — This Act shall be known as the "Investors and Invention Incentives Act of the Philippines."

Section 2. Declaration of National Policy and Program. — It is hereby declared to be the national policy to give priority to invention and its utilization on the country's productive systems and national life; and to this end provide incentives to investors and protect their exclusive right to their invention, particularly when the

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invention is beneficial to the people and contributes to national development and progress.

Pursuant to the national policy, the Government shall provide a program to set up a climate conducive to invention and innovation, give encouragement and support to inventors who are creative and resourceful, as well as the imbued with a deep sense of nationalism, and maximize the capability and productivity and inventors through incentives and other forms of assistance and support.

Section. 3. *Definition of Terms.* —

- (a) Inventor refers to, for purpose of this Act, any patented machine, product, process including implements or tools and other related gadgets of invention, utility model and industrial design patents.
- (b) Investor refers to the patentee/s, heir/s, assignment/s, of an Invention letters patent, Utility Model letters or Industrial Design letters patent.
- (c) Technology means the application of knowledge or science which shall include all others such an invention, innovations and results of researches.
- (d) Department refers to the Department of Science and Technology.
- (e) Institute refers to the Technology Application and Promotion Institute.
- (f) Patent Office refers to the Bureau of Patent, Trademark and Technology Transfer.
- (g) RDI's refer to the Research and Development Institute of the Department of Science and Technology.

ARTICLE II CASH REWARDS

Section. 4. *Presidential Awards for Inventions.* — Presidential awards for inventions consisting of Cash Rewards shall be granted to patented inventions in the Philippines to be chosen by a screening committee with members consisting of technical representatives from the Department of Science and Technology, the Filipino Inventors Society, and the Department of Environment and Natural Resources.

Outstanding inventors shall be divided into four (4) categories with the corresponding cash rewards as follows:

- (1) Inventions.
 - (i) First Prize, One hundred thousand pesos (P100,000.00);
 - (ii) Second prize, Fifty thousand pesos (P50,000.00); and
 - (iii) Third prize, Twenty thousand pesos (P20,000.00);

- (2) Utility Models.
 - (i) First Prize, Fifty thousand pesos (P50,000.00);
 - (ii) Second prize, Twenty thousand pesos (P20,000.00); and
 - (iii) Third prize, Ten thousand pesos (P10,000.00):

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(3) Industrial Design.

- (i) First Prize, Fifty thousand pesos (P50,000.00);
- (ii) Second Prize, Twenty thousand pesos (P20,000.00); and
- (iii) Third prize, Ten thousand pesos (P10,000.00);

(4) Creative Research,

- (i) First prize, Twenty thousand pesos (P20,000.00);
- (ii) Second Prize, Ten thousand pesos (P10,000.00); and
- (iii) Third prize, Five thousand pesos (P5,000.00);

A round-trip ticket fare in addition to necessary and reasonable expenses but not more than Three Hundred Pesos (P300.00) a day shall be provided to all provincial awardees. Upon recommendation of the Screening Committee, all winners may be sent by the Philippine Government to other countries where their winning inventions or areas of interest are advanced.

The Screening Committee may adjust the cash awards and the additional expenses aforesaid subject to the approval of the Institute.

ARTICLE III TAX INCENTIVES AND TAX EXEMPTIONS

Section. 5. *Tax Incentives.* — Inventors, as certified by the Filipino Inventors Society and duly confirmed by the Screening Committee, shall be exempt from payment of license fees, permit fees and other business taxes in the development of their particular inventions. This is an exception to the taxing power of the local government units. The certification shall state that the manufacture of the invention is made on a commercial scale.

Inventors shall exempt from paying any fees involved in their application for registration of their inventions.

Section. 6. *Tax Exemption.* — To promote, encourage, develop and accelerate commercialization of technologies developed by local researchers or adapted locally from foreign sources including inventions, any income derived from these technologies shall be exempted from all kinds of taxes during the first ten (10) years from the date of the first sale, subject to the rules and regulations of the Department of Finance:

Provided, that this tax exemption privilege pertaining to invention shall be extended to the legal heir or assignee upon the death of the inventor.

The technologies, their manufacture or sale, shall also be exempt from payment of license, permit fees, customs duties and charges on imports.

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ARTICLE IV INVENTION DEVELOPMENT ASSISTANCE FUND

Section. 7. *Inventions Development Assistance Fund.* — There is hereby established an Invention Development Assistance Fund from the operations of the Technology Application and Promotion Institute in the amount of at least twelve percent (12%) of the annual operations fund of the Institute and from donations, bequests, and other sources, public, private or domestic or foreign, for assisting potential or actual inventors in the initial experiments and prototype development and other inventor-development related activities of invention or innovation. The Fund shall be administered by the Institute and in the performance of the advisory board of inventors from the public and private sector. All donations to the Assistance Fund shall be tax exempt or tax deductible.

Section. 8. *Expanded Functions of the Institute.* — In order to carry out the Incentives in this Act, the Institute shall have the following expanded functions;

- (a) Assist technologies, inventors and researches, avail of the laboratories and other facilities of the RDI's including regional offices and other government agencies, offices and instrumentalities upon recommendation of the Director of the Institute: Provided, That the receipt of such assistance agree to give to the Institute at least one-tenth (1/10) of all royalties arising from the technology or invention depending upon the extent of facility or services utilized to help maintain the research laboratories;
- (b) Accredite and recognize inventor organization throughout their activities.

ARTICLE V INVENTION GUARANTEE FUND

Section 9. *Invention Guarantee Fund.* — For the effective implementation of this Act, the Invention Guarantee Fund (IGF) created by Republic Act No. 3850, as amended, deposited with the Development Bank of the Philippines, and the interest earnings thereof, shall be made available to finance and guarantee the loan assistance of any patented Filipino invention duly certified by the Filipino Investors Society and by the Screening Committee created under Section 4 of this Act. Appropriations under this Act and interest earnings of the Fund shall form part of the Fund to pay for the finance and guarantee of loan assistance, cash rewards and other incentives to investors provided under this Act.

A continuing annual appropriation in the amount of not less than Ten Million Pesos (P10,000,000.00) shall also be provided for this purpose in the annual budget of the Department of Science and Technology. The Fund shall also be used for special financing programs for Filipino inventions pursuant under this Act.

Section 10. *Financial and Loan Assistance from Government Banks.* — Loan assistance for the commercial production of an invention, either locally or for export and duly certified by the Filipino Inventors Society and the Screening Committee created under Section 4, shall be extended by government banks: Provided, That said

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invention meets the criteria that would enhance the economy of the country such as profitability and viability, dollar-earning capacity, and generation of employment opportunities for Filipinos: Provided, further, That said loan shall be guaranteed by the IGF.

Loans under this Section of not more than Two Hundred Thousand Pesos (P200,000.00) shall be granted without a need of real estate collateral: Provided, however, That an assignment of rights to the invention shall be executed in favor of the bank or financing institution, subject to other lending terms, conditions and availability of loanable funds by the bank.

No limit to the amount of loan applied for shall be granted to the inventor who can provide fifteen per centum (15%) equity of the loan applied for: Provided, that acceptable collaterals can be presented to fully secure his loan.

However, when there is existing foreign irrevocable letter of credit issued in favor of the inventor or the duly registered company producing his invention for export, all government banks, after verification of the commercial production and availability of such products covered by the letter of credit, shall grant up to eighty per centum (80%) of the peso value of the foreign letter of credit: Provided, however, That the inventor of the manufacturing company assigns the letter of credit to the bank where the loan is arranged and whatever goods that the inventor or his company will produce, or warehouse receipts, if any, to show evidence that the goods have been partially produced.

Section 11. *Government Agencies Assistance.* — In order to facilitate the granting of loans or financial assistance by any government bank, all government agencies concerned are required to extend all possible assistance, such as the use of its facilities in the preparation of project feasibility studies and evaluations and products to be produced by the inventor.

ARTICLE VI RULES AND REGULATIONS, COMMON PROVISIONS

Section 12. *Rules and Regulations.* — Subject to the approval of the Secretary of the Department, the Institute, in consultation with the Filipino Inventors Society, shall promulgate rules and regulations necessary to carry out the purposes of this Act.

All rules and regulations, orders and other issuance, awards to loan recipients, and other acts affecting third persons or requiring the award of funds under this Act, shall take effect after their publication in a national newspaper of general circulation.

Section 13. *Separability Clause.* — If any part or provisions of this Act be held unconstitutional or invalid, other parts or provisions hereof which are not affected thereby shall continue in full force and effect.

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Section. 14. *Repealing Clause.* — Any law, decree, rules, or regulations, executive orders or parts thereof inconsistent with this Act are hereby repealed or modified accordingly.

Section. 15. *Effectivity.* — This Act shall take effect upon its publication in at least two (2) national newspapers of general circulation.

Approved: April 28, 1992

(Sgd.) **CORAZON C. AQUINO**
President of the Philippines

THE 2005 IMPLEMENTING RULES AND REGULATIONS OF R.A NO.
7459 OTHERWISE KNOWN AS INVENTIONS AND INVENTION
INCENTIVES ACT OF THE PHILIPPINES

Pursuant to R.A. No. 7459, otherwise known as the “*Inventors and Invention Incentives Act of the Philippines*”, the following rules and regulations are hereby promulgated.

Section 1. Definition of Terms

As used herein, the following terms shall mean:

- 1.1 **ACT** shall refer to Republic Act No. 7459 otherwise known as the “*Inventors and Invention Incentives Act of the Philippines*”;
- 1.2 **ASSIGNEE** shall refer to any person or entity to whom the inventor has transferred the entire right, title or interest in the patent and the invention covered thereby, or an undivided share of the entire patent and invention;
- 1.3 **COMMERCIAL SCALE** shall refer to the definition adopted by the Bureau of Internal Revenue (BIR).
- 1.4 **DEPARTMENT** shall refer to the Department of Science and Technology (DOST)
- 1.5 **FIS** or Filipino Investors Society shall refer to the organization duly accredited and recognized by the Department. The membership of the FIS shall be open only to Filipino inventors, and to inventors’ organizations duly accredited by the Institute;
- 1.6 **INVENTION GUARANTEE FUND** or IGF shall refer to the fund created by Republic Act No. 3850, as amended, deposited with the Development Bank of the Philippines, and interest earnings thereof, and the continuing annual appropriation in the amount of not less than Ten Million Pesos (Php10,000,000) provided for the purpose in the annual budget of the Department, and its interest earning shall form part of the IGF to pay for the finance and guarantee of loan assistance, cash rewards, and other incentives provided under the Act.
- 1.7 **ANNUAL OPERATING FUND** shall refer to the total MOOE (inclusive of grants-in-aid) allotment released by the Department of Budget and Management (DBM) to the Institute for a given budget year.
- 1.8 **INVENTION DEVELOPMENT ASSISTANCE FUND (IDAF)** shall refer to the fund established pursuant to Republic Act No. 7459 which shall

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be equivalent to at least twelve percent (12%) of the annual operating fund of the Technology Application and Promotion Institute (TAPI) and from donations, bequests and other sources whether public or private, domestic or foreign in order to assist potential and actual investors in their initial experiment and prototype development and other inventor-development related activities for certain invention or innovation.

- 1.9 **INVENTION** shall refer to any patented machine, product, process including implements or tools and other related gadgets of invention, utility model and industrial design patents;
- 1.10 **INVENTOR** shall refer to the patentee, heir/s or assignee/s of an invention;
- 1.11 **HEIR** shall refer to a person called to the succession either by the provision of a will or by operation of law;
- 1.12 **PATENT OFFICE** shall refer to the Intellectual Property Office (IPO);
- 1.13 **SCREENING COMMITTEE** shall refer to the committee composed of technical representatives from the Department of Science and Technology, the Filipino Inventors Society, the Department of Trade and Industry, the Department of Agriculture, and the Department of Environment and Natural Resources;
- 1.14 **RDIs** shall refer to the Research and Development Institutes of the Department;
- 1.15 **TECHNOLOGY** shall generally include the application of knowledge of science including inventions, innovations and results of researches;

Section 2. Cash Rewards

- 2.1 Granting of cash rewards shall be done through a National Invention Contest organized for the purpose;
- 2.2 Contest shall be open to Filipino inventors, researchers and scientists;
- 2.3 There shall be four categories as follows:
 - 2.3.1 Invention
 - 2.3.2 Utility Model
 - 2.3.3 Industrial Design
 - 2.3.4 Creative Research
- 2.4 For the purpose of implementing 2.3, the following definitions are hereby provided:
 - 2.4.1 Invention shall refer to any technical solution of a problem in any field of human activity which is new, involves an inventive step and is industrially applicable. It may be, or may relate to a product, or process, and their improvements, (Sec 21, RA 8293);
 - 2.4.2 Utility model shall refer to any technical solution of a problem in any field of human activity which is new and industrially applicable, within the contemplation of the above statute (Sec. 109 RA 8293);
 - 2.4.3 Industrial design shall refer to any composition of lines or colors or any three – dimensional form whether or not associated with lines or colors; provided, that such composition or form gives a special appearance to and can serve as pattern for an industrial product or handicraft within contemplation of the above statute (Sec. 112, RA 8293);

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- 2.4.4 Creative research shall refer to research results with demonstrable qualities and potential for improvement and/or widespread commercialization/dissemination not elsewhere qualified;
- 2.5 Cash awards and additional expenses may be adjusted by the Screening Committee subject to the approval of the Institute;
- 2.6 At the discretion of the Institute, local contests at the regional or provincial level may be organized to select/screen contests for the national contest;
- 2.7 Members of the Screening Committee shall serve as members of the panel of judges and may delegate the role of judging to other technical representatives from said agencies including private sector as approved by the Institute.

Section 3. Screening Committee

3.1 Composition

- 3.1.1 The Screening Committee (SC) shall consist of technical representatives from the Department of Science and Technology, the Filipino Inventors Society, the Department of Trade and Industry, the Department of Agriculture and the Department of Environment and Natural Resources. The representative from the Department of Science and Technology (DOST) shall be the chairman of the Screening Committee.

3.2 Functions

- 3.2.1 Prescribe rules and criteria for the presidential awards for inventions.
- 3.2.2 Choose patented inventions in the Philippines to be granted Presidential Awards.
- 3.2.3 Recommend sending of winners to other countries where their winning inventions or areas of interest are advanced.
- 3.2.4 Adjust cash awards for invention contest and the additional expenses subject to the approval of the Institute.
- 3.2.5 To confirm the certification of FIS issues to inventors for tax incentives request.
- 3.2.6 To certify with FIS that the invention meets the criteria that would enhance the economy of the country such as profitability and viability, dollar-earning capacity and generation of employment opportunities for Filipinos, for purposes of applying for loan assistance from government banks requiring guarantee under IGF.

Section 4. Tax Incentives and Duty Exemption

- 4.1 Tax Incentives – Investors, as certified by the Filipino Inventors’ Society and duly confirmed by the Screening Committee, shall be exempt from payment of license fees, permit fees and other business taxes in the development of their particular inventions. This is an exception to the taxing power of the local government units. The certification shall state that the manufacture of the invention has not been made on a commercial scale.
- 4.2 Exemption from payment of local fees involved in the application for the manufacture and sale of the inventions shall be governed by issuances from

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the Local Government Units concerned implementing the provisions of the Act.

- 4.3 Tax and duty exemptions shall be principally governed by orders, revenue regulations and/or administrative issuances from the Department of Finance through the Bureau of Internal Revenue (BIR) and the Bureau of Customs (BOC). All inventors availing of these incentives should be pre-registered with BIR and/or BOC.

Section 5. Invention Development Assistance Fund (IDAF)

5.1 Establishment, Sources and Use of IDAF

5.1.1 Pursuant to Section 7 of the Act, there must be an Invention Development Assistance Fund that shall be established. IDAF shall be used to assist potential and actual inventors in their initial experiments and proto-type development as well as in other development-related activities for certain Invention or Innovation. Such fund shall be sourced from the following:

5.1.1.1 Allotment covering grants-in-aid released by DBM to the Institute during a given budget year. It shall be at least 12% of the annual operating fund of the Institute for a given budget year.

5.1.1.2 Donations, bequests and other sources, whether coming from public or private, domestic or foreign, intended by the donor for use as stated under 5.1.1 above. Funds from this source shall be exempted from the donor's tax or shall be allowed as deduction from the gross Income for income tax purposes, subject to pertinent provisions of the Tax Code.

5.1.2 As a rule, all funds accruing under IDAF shall be received, disposed of, recorded and accounted for in the books of accounts of the Institute pursuant to pertinent accounting and auditing rules and regulations.

5.1.2.1 For this purpose, component of the fund which has been sourced from the grants-in-aid shall be recorded, accounted for and utilized in accordance with the existing operating procedures of the Institute.

5.1.2.2 Funds coming from donations, bequests and other sources whether from public or private, domestic or foreign specially made for the purpose shall be deposited, recorded and accounted for in the books of accounts of the Institute as trust fund subject to existing budgeting, accounting and auditing rules and regulations on the matter. The aforesaid trust fund shall be utilized in accordance with the guideline and procedures formulated by the Institute and approved by the DOST Secretary.

5.1.3 Portion of the IDAF sourced from the grants-in-aid equivalent to not more than twenty percent (20%) of the aforesaid fund may be utilized to cover incidental and other administrative relates cost incurred by the staff in overseeing and supporting the implementation of the programs, projects and activities funded under this Fund.

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However, in case of funding constraint and at the discretion of the Director of the Institute, such amount allocated for payment of the above incidental and other administrative related cost may be augmented chargeable against the Institute's regular MOOE, subject to the observance of pertinent budgeting, accounting and auditing rules and regulations on the matter.

Moreover, pursuant to pertinent provision of the Tax Code, portion of the IDAF sourced from the aforesaid donations, bequests and other sources equivalent to at least thirty percent (30%) may be allocated to cover administrative cost in the Implementation of programs and projects.

Section 6. Invention Guarantee Fund (IGF)

6.1 Purpose

- 6.1.1 To guarantee the loan assistance of government banks to patented Filipino invention as provided for in Sec. 10 of the Act.
- 6.1.2 To pay for cash rewards and other incentives to investors provided under Section 4 of the Act.
- 6.1.3 To utilize the Fund in undertaking special financing programs for Filipino inventions as may be determined by the Institute.

6.2 Eligible Projects Covered by the Guarantee Fund

6.2.1 Commercialization, specifically production of patented inventions as defined in Section 1.9 of IRR that:

- a) Converse, save or substitute fossil energy;
- b) Promote or increase Philippine exports;
- c) Result in import substitution/dollar saving;
- d) Produce gadgets or other products that increase efficiency and/or lowest cost of production;
- e) Enhance use of technology to agricultural/industrial areas;
- f) Result in increased productivity in primary industries;
- g) Increase local material content in imported/manufactured items; and
- h) Contribute to the improvement of the environment.

6.2.2 Projects that fall under DOST priority sectors.

6.2.3 Types of business organizations:

- a) Sole Proprietorship – applicant must a Filipino citizen and holding a valid patent with the Intellectual Property Office (IPO).
- b) Partnership – the inventor must be a full partner of the duly registered partnership-applicant.
- c) Corporation – at least 60% Filipino-owned and with the inventor as a stockholder. For tax purposes, the inventor/patentee must be own the majority interest.

6.2.4 The maximum guarantee coverage is P200,000 under the Act, provided that assignment of rights to the invention should be executed in favor of the bank or government financing Institution.

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- 6.2.5 Endorsed by the government banks for guarantee coverage and has passed the bank assessment and evaluation.

Section 7. Financing and Loan Assistance from Government Banks that maybe Covered by IGF (Article V, Sec 10, RA No. 7459)

Subject to the Rules/Guidance of the Government Banks/Financing Institutions:

- 7.1 The amount of loan shall depend on the need and growth potential of the project and paying capacity of the proponent.
- 7.2 The term of the loan shall be determined by the cash flow and/or return of Investment (ROI) of the project. In no case shall the term exceed five (5) years unless a longer term is justified.
- 7.3 Equity/Collateral Requirement
 - 7.3.1 The equity requirement shall not be less than 15% of the total project cost.
 - 7.3.2 The loan shall be secured through offer of collateral in the form of chattel and/or real estate mortgage, the loan value of which are 50% to 60% of the appraised value, respectively.
- 7.4 Loans of not more than Php200,000 shall be granted without need of real estate collateral. Provided, however, that an assignment of rights to the invention shall be executed in favor of the government bank or financing institution, subject to other lending terms, conditions and availability of loanable funds by the government bank or financing institution 4.
- 7.5 No limit on the amount of the loan applied for shall be granted to the Inventor who can provide fifteen percent (15%) equity of the loan 22 applied for, provided, that acceptable collaterals can be presented to fully secure his loan.
- 7.6 Other Financing Scheme that may be availed of:
 - 7.6.1 Rediscounting of foreign/domestic irrevocable letters of credit/purchase orders shall not exceed 80% of its peso value.

Section 8. Expanded Function of the Institute

- 8.1 In order to carry out the incentives in this Act, the Institute shall have the following expanded function:
 - 8.1.1 Assist technologies, inventors and researchers, avail of the laboratories and other facilities of the RDI's including regional offices and other government agencies, offices and instrumentalities upon recommendation of the Director of the Institute. Provided, that the recipient of such assistance agree to give to the Institute at least one-tenth (1/10) of all royalties arising from the technology or invention depending upon the extent of facility or services utilized to help maintain the research laboratories;
 - 8.1.2 Accredite and recognize inventor organizations throughout their activities.
- 8.2 For these purposes, the Institute shall prescribe guidelines and procedures.
- 8.3 The operational and administrative procedures of the IRR will be covered by Circulars and Issuances of the Department/Institute.

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Section 9. Amendatory Clause

These guidelines, rules and regulations shall be amended from time to time as condition warrants.

Section 10. Separability Clause

If any part or provisions of this rules and regulations be held unconstitutional or invalid, other parts or provisions hereof which are not affected thereby shall continue in full force and effect.

Section 11. Repealing Clause

Any rules and regulations, executive orders or parts thereof inconsistent with this rules and regulations are hereby repealed or modified accordingly.

Section 12. Effectivity

These rules and regulations shall take effect immediately upon publication in one (1) newspaper of general circulation and registration with the UP Law Center.

(Sgd) ESTRELLA F. ALABASTRO
Secretary, DOST

IMPLEMENTING RULES AND REGULATIONS OF REPUBLIC ACT NO.
7459 s. 2005
Republic of the Philippines
DEPARTMENT OF SCIENCE AND TECHNOLOGY

The 2005 Implementing Rules and Regulations of R.A. No..7459 otherwise known as “Investors and Invention Incentives Act of the Philippines” is hereby amended to add the following under Section 7 hereof:
“7.6 Other Financing Scheme that maybe availed of:

7.6.2 Payment of guarantee premiums for inventors who will avail of the guarantee program on loan granted by the government bank to support the commercialization of their inventions and/or expansion of their project.”

Effective immediately. Feb 03 2010

(Sgd) ESTRELLA F. ALABASTRO
Secretary, DOST

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R&D INSTITUTES

There are seven (7) research and development institutes (RDIs) concerned with basic and applied research on various fields

ADVANCE SCIENCE AND TECHNOLOGY INSTITUTE (ASTI)

EXECUTIVE ORDER NO. 128
REORGANIZING THE NATIONAL SCIENCE AND TECHNOLOGY
AUTHORITY

Please see Sections 19 and 25 of EXECUTIVE ORDER NO. 128 at page 76

EXECUTIVE ORDER NO. 292
INSTITUTING THE “ADMINISTRATIVE CODE OF 1987”

Please see Sections 16 and 22 of EXECUTIVE ORDER NO. 292 at page 91

FOOD AND NUTRITION RESEARCH INSTITUTE (FNRI)

EXECUTIVE ORDER NO. 94
REORGANIZING THE DIFFERENT EXECUTIVE DEPARTMENTS,
BUREAUS, OFFICES, AND AGENCIES OF THE GOVERNMENT OF THE
REPUBLIC OF THE PHILIPPINES, MAKING CERTAIN
READJUSTMENTS OF PERSONNEL AND REALLOTMENTS OF FUNDS
IN CONNECTION THEREWITH, AND FOR OTHER PURPOSES

Please see Section 30 EXECUTIVE ORDER NO. 94 at page 19

ADMINISTRATIVE ORDER NO. 81
AUTHORIZING THE INSTITUTE OF NUTRITION TO CONDUCT
RESEARCHES AND INVESTIGATIONS IN THE APPLIED SCIENCE OF
FOOD AND NUTRITION AND IN OTHER ACTIVITIES TOWARDS
EFFECTIVE IMPROVEMENT OF NUTRITION IN THE PHILIPPINES

In order to attain a more effective improvement of the level of nutrition of the people of the Philippines, I, Elpidio Quirino, President of the Philippines, by virtue of the powers vested in me by law, do hereby authorize the Institute of Nutrition to conduct researches and investigations in the applied science of food and nutrition, and to engage in other activities tending to bring about the amelioration of the nutrition of

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the masses of our people, in addition to the powers and functions vested in said institute by existing law.

Done in the City of Manila, this 25th day of January, in the year of Our Lord, nineteen hundred and forty-nine, and of the Independence of the Philippines, the third.

(Sgd.) **ELPIDIO QUIRINO**
President of the Philippines

EXECUTIVE ORDER NO. 392

FURTHER REORGANIZING THE DIFFERENT DEPARTMENTS, BUREAUS, OFFICES AND AGENCIES OF THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES, MAKING CERTAIN READJUSTMENTS OF PERSONNEL AND REALLOTMENTS OF FUNDS IN CONNECTION THEREWITH, AND FOR OTHER PURPOSES.

Pursuant to the powers vested in me by Republic Act Numbered Four hundred and twenty-two, I, Elpidio Quirino, President of the Philippines do hereby order:

xxx

TRANSFER OF INSTITUTE OF NUTRITION

SEC. 40. The Institute of Nutrition, under the Executive Office, together with its personnel, records, equipment, properties, powers, duties, functions and activities, are hereby transferred to the Department of Health.

The Division of Biological Research and the Division of Food Technology of the Institute of Science, together with their activities and functions, personnel, equipment, records and properties, shall be transferred to the Institute of Nutrition. The remaining divisions or units of the Institute of Science are hereby organized and constituted into the Institute of Applied Science and Technology which is hereby placed under the executive supervision of the Administrator of Economic Coordination. The Board of Regents of the Institute of Science shall hereafter be known as the Advisory Board thereof.

xxx

Done in the City of Manila, this thirty-first day of December, in the year of Our Lord, nineteen hundred and fifty and of the Independence of the Philippines, the fifth.

(Sgd.) **ELPIDIO QUIRINO**
President of the Philippines

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REPUBLIC ACT NO. 2067

As Amended by Republic Act No. 3589

AN ACT TO INTEGRATE, COORDINATE, AND INTENSIFY SCIENTIFIC AND TECHNOLOGICAL RESEARCH AND DEVELOPMENT AND TO FOSTER INVENTION; TO PROVIDE FUNDS THEREFOR; AND FOR OTHER PURPOSES.

Please see Section 14 REPUBLIC ACT NO. 2067 at page 38

LETTER OF IMPLEMENTATION NO. 14

RELATIVE TO PART XIII ON SCIENCE AND TECHNOLOGY AND OTHER PERTINENT PROVISIONS OF THE INTEGRATED REORGANIZATION PLAN

Please see Section 16 LETTER OF IMPLEMENTATION NO. 14 at page 47

EXECUTIVE ORDER NO. 784

REORGANIZING THE NATIONAL SCIENCE DEVELOPMENT BOARD AND ITS AGENCIES INTO A NATIONAL SCIENCE AND TECHNOLOGY AUTHORITY AND FOR RELATED PURPOSES

Please see Section 7 EXECUTIVE ORDER NO. 784 at page 68

EXECUTIVE ORDER NO. 128

REORGANIZING THE NATIONAL SCIENCE AND TECHNOLOGY AUTHORITY

Please see Section 7 EXECUTIVE ORDER NO. 128 at page 76

EXECUTIVE ORDER NO. 292

INSTITUTING THE “ADMINISTRATIVE CODE OF 1987”

Please see Section 19 EXECUTIVE ORDER NO. 292 at page 91

**FOREST PRODUCT RESEARCH AND
DEVELOPMENT INSTITUTE (FPRDI)**

EXECUTIVE ORDER NO. 257
PROVIDING FOR THE IMPLEMENTING DETAILS FOR
REORGANIZATION PLAN NO. 77 RELATIVE TO THE FOREST
PRODUCTS RESEARCH INSTITUTE

Pursuant to the powers vested in me by Republic Act Numbered Nine hundred and ninety-seven, as amended by Republic Act Numbered One thousand two hundred and forty-one, and upon the recommendation of the Government Survey and Reorganization Commission, the following Implementing Details of Reorganization Plan No. 77 which relate to the Forest Products Research Institute are hereby promulgated to govern the organization, powers, duties, and functions of said entity:

**ORGANIZATION OF THE FOREST PRODUCTS RESEARCH
INSTITUTE**

SECTION 1. The organization, functions, and operation of the Forest Products Research Institute, hereinafter referred to as the "Institute," shall be in accordance with the provisions of Reorganization Plan No. 77, hereinafter referred to as the "Plan," and these Implementing Details.

SECTION 2. The organization of the Institute, as graphically depicted in the following organization chart, shall consist of the Forest Products Research Board; the Office of the Director which shall consist of the Director and the Assistant Director; and five divisions, namely: Administrative Services Division, Industrial Investigations Division, Wood Technology Division, Chemical Investigations Division, and Wood Preservation Division, with their subordinate sections and Units.

**FUNCTIONAL STATEMENTS OF THE FOREST PRODUCTS
RESEARCH INSTITUTE**

Functions of the Forest Products Research Board

SECTION 3. The functions, powers, duties, and responsibilities of the Board shall consist of, but not be limited to, those specifically enumerated under section 13 of the Plan.

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Functions of the Institute

SECTION 4. In addition to the functions, powers, duties, and responsibilities of the Institute as specifically enumerated under section 4 of the Plan, it shall have those functions which are transferred to it from the Forest Products Laboratory and Forest Products Research Section, Forest investigation Division of the Bureau of Forestry which can be interpreted to include, but not be limited to, the following:

a. study, compare, and determine the strength properties and characteristics of different species of wood for the purpose of determining their usefulness as raw materials;

b. develop new industries or improve old ones so that wood may carry its full share in the industrialization, of the country;

c. make wood products serve the users better through increased durability and suitability;

d. conduct studies to distinguish one wood from another and analyze their structural characteristics;

e. study the best methods of producing plywood and glued products and find the suitability of the different species for the manufacture of pulp, paper, wallboard, and similar products;

f. conduct natural and artificial seasoning of the different species of wood for industrial use;

g. study the uses of minor products of the forest, such as rattan, resin, extractives, and others with a view to develop or improve industries based on them;

h. study the durability and treatability of different Philippine woods and search for preservatives and methods of treatment that will protect them from fungus and insect pests; and

i. effectuate such other investigations as will make research a sustaining element in the general objectives of promoting the integration of forest industries.

Functions of the Office of the Director

SECTION 5. The functions, powers, duties, and responsibilities of the Director or the Assistant Director in the former's absence or temporary inability to perform office functions, and upon proper designation, shall consist of, but not be limited to, those specifically provided under section 14 of the Plan. In addition, the Assistant

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Director shall advise and assist the Director in the development of policies, financial programs, and research programs, in conducting the business and research activities of the Institute, in attending meetings and conferences, and shall undertake such other responsibilities and functions as the Director may delegate.

Functions of the Administrative Services Division

SECTION 6. The Administrative Services Division shall, among others, provide housekeeping and auxiliary services needed by the various divisions and sections of the Institute, including personnel administration, budgets, internal audits, fiscal management and disbursement, procurement, installation, records and maintenance, organization and methods analysis, liaison and information services, reference and library services, and common office services. It shall also provide such secretarial, clerical, and other auxiliary services as may be needed by the Board, including keeping of minutes of Board meetings.

SECTION 7. The Administrative Services Division shall have five sections and Liaison Unit in Manila, with specific duties and responsibilities as follows:

a. The Personnel Section shall have the following functions, among others:

- (1) initiate and maintain a personnel program consistent with existing civil service and other personnel laws, rules, and regulations, which includes training of personnel, analysis of positions and qualifications, setting standards for selective recruitment, appointments, transfers, and related work;
- (2) process such papers as appointments, promotions, reinstatements, requests for leave of absence, personnel investigations and disciplinary actions, and other personnel transactions which need action by the Director;
- (3) keep and maintain current personnel records and a plantilla of personnel for the Institute; and
- (4) carry on a vigorous and continuous campaign to promote the safety and health of employees, avoid possible hazards in the operation of the apparatus and equipment and other activities of the Institute, and develop safety consciousness in employees.

b. The Budget and Finance Section shall have the following functions, among others:

- (1) prepare, review, and consolidate budget estimates with justification data for budget requests, and submit the same to proper authorities;

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(2) pass or availability of funds for purchasing equipment and supplies and for other expenditures, and prepare vouchers and checks covering payments therefor;

(3) control expenditures in accordance with budgetary allotments;

(4) handle receipt and disbursement activities, the preparation of payrolls and payment of salaries of employees, and report collections, deposits, and disbursements as required by accounting and auditing rules and regulations; and

(5) maintain adequate records of budget, financial, contractual, and business activities and obligations of the Institute.

c. The Engineer and Shops Section shall have the following functions, among others:

(1) perform plant construction, installation, repair and maintenance, or supervise the performance of the same by contractors;

(2) operate the Institute's sawmills and shops and the mechanical and electrical equipment for general service, not assigned to some other division or section;

(3) make plans for plant layout and construction, and study the more efficient operation of plant machinery and equipment; and

(4) operate the Institute's motor pool.

d. The General Services Section shall have the following functions, among others:

(1) procure, keep and maintain the Institute's property, supplies, and equipment, and dispose of, under strict regulations, property that has become worn out obsolete, or useless;

(2) maintain adequate records of supplies and equipment received and issued to entities and officials of the Institute and keep current inventories of property, supplies, and equipment;

(3) handle purchase requisitions and make purchases for the entities and officials of the Institute;

(4) supervise use and maintenance of office equipment and property;

(5) keep and maintain records, reports, and documents not specifically assigned to other sections of the Division or other Divisions;

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(6) maintain and manage the janitorial, messengerial, clerical, security, and other facilitating services;

(7) provide for the maintenance of buildings and grounds;

(8) develop and maintain currently a manual or manuals of rules, regulations, policies, and standard operating procedures of the Institute with instructions for their use with assistance from other sections and divisions; and

(9) receive, sort, distribute, dispatch, and record incoming and outgoing mail, correspondence, and other written communications.

e. The Publications and Information Section shall have the following functions, among others:

(1) prepare informational material for press release and publication purposes submitted by any of the divisions and units of the organization;

(2) facilitate the exchange of technical information on forestry and forest products between the Institute and the Bureau of Forestry, with industry and the general public;

(3) handle publication and public relations activities of the Institute;

(4) maintain liaison with entities of the government concerned with the dissemination of informational and educational materials to the public; and

(5) maintain and administer the technical reference library of the Institute.

The Manila Liaison Unit shall be located in the Bureau of Forestry and have the following functions, among others:

(1) serve as a government liaison and local industry contact office;

(2) attend to local procurement of supplies and equipment in accordance with delegated authority; and

(3) provide information to the public, as requested locally.

SECTION 9. The functions, powers duties, and responsibilities of the Industrial Investigations Division shall include, among others, investigations on the mechanical properties of wood, comparison of behavior of different species under various

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woodworking operations, recommendations as to uses for which different species are suited, and assistance to manufacturers in selecting suitable wood.

SECTION 10. The Industrial Investigations Division shall have two sections, with specific duties and responsibilities as follows:

a. The Mechanical Properties Section shall have the following functions, among others:

(1) investigate the mechanical properties of different species of wood, including tests on static bending, impact bending, toughness, compression, shear, hardness and other mechanical properties as needed;

(2) investigate the strength of nailed, bolted, and similar joints used in timber structures to compare their effectiveness and usefulness under different conditions; and

(3) investigate the strength of structural elements of timber such as posts, beams, trusses, laminated beams and arches, and similar members to determine their reliability and to assist in their efficient design.

b. The Quality, Evaluation, Machining, and Selection Section shall have the following functions, among others:

(1) compare and evaluate different species of wood with regard to their behavior and response during various processing operations, such as sawing, nailing, planing, sanding, boring, painting, varnishing, and the like;

(2) recommend the uses for which the various species of wood are best suited, according to their specific gravity, individual strength properties, shrinkage, seasoning properties, durability and other characteristics, properties, and behavior;

(3) assist manufacturers and others in selecting the most suitable woods for various kinds of wood products; and

(4) assist in finding suitable uses for neglected species that are not now in profitable commercial use.

Functions of the Wood Technology Division

SECTION 11. The functions, powers, duties, and responsibilities of the Wood Technology Division shall include, among others, investigations on the microscopic structure of woods the relations between structure and properties, the manufacture

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of veneer, plywood, and laminated products, the gluing of wood, and the production of minor forest products.

SECTION 12. The Wood Technology Division shall have three sections, with specific duties and responsibilities as follows:

a. The Wood Structure Museum and Herbarium Section shall have the following functions, among others:

- (1) investigate the microscopic anatomical structure of wood of different species in order to determine their distinguishing characteristics;
- (2) investigate the relations between the microscopic and macroscopic structure of different species and their properties and usefulness;
- (3) investigate the fiber length, diameter, and other related characteristics of wood fibers to provide information on their suitability for paper making and on palm fibers to provide information on their suitability for brush manufacture;
- (4) maintain the wood collection of the Institute, to serve as basic reference material for the identification of unknown wood samples and the herbarium material collected for establishing the species identification of the trees used in the Institute testing program; and
- (5) maintain a museum for the illustration and demonstration of forest products, processing methods, results of research and related material.

b. The Veneer, Plywood, and Gluing Section shall have the following functions, among others:

- (1) investigate the suitability for veneer and plywood of species not now used for the purpose and develop the techniques for using them successfully;
- (2) develop improvements in the methods used for manufacturing veneer and plywood and in the properties of the finished products from the species now in use; and
- (3) study the gluing properties of different species of wood and develop the technique of using them successfully in the manufacture of laminated structural timbers and other glued products.

c. The Minor Forest Products Section shall have the following functions, among others:

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(1) investigate the production and marketing of the minor, non-chemical products of the forest, such as fibers, barks, nuts, and other miscellaneous products, for the purpose of encouraging their production, improving their quality and increasing their marketability and usefulness; and

(2) stimulate the small scale manufacture of wood products from waste or other residues by means of inexpensive machinery or equipment.

Functions of the Chemical Investigations Division

SECTION 13. The functions, powers, duties, and responsibilities of the Chemical Investigations Division shall include, among others, the investigation of the pulping, wallboard, and paper-making properties of different wood species, the chemical analysis of different species, and the production and processing of minor chemical products.

SECTION 14. The Chemical Investigations Division shall have two sections, with specific duties and responsibilities as follows:

a. The Pulping and wallboard Section shall have the following functions, among others:

(1) investigate the pulping and paper-making properties and processing of the different species of wood and find out which species and mixtures can be used profitably for manufacturing paper of various commercial kinds; and

(2) study the manufacture of wallboards and hard-boards by different methods from the various species and develop the technique of producing acceptable grades and qualities from different species and mixtures.

b. The Chemical Composition Section shall have the following functions, among others:

(1) study the chemical composition and properties of different species of wood and look for characteristics and chemical differences that bear on wood suitability for various uses or may make them attractive as sources of tannins or other extractives of commercial value;

(2) make chemical studies of all kinds needed to improve chemical processing or properties or encourage the profitable and more efficient utilization of forest and mill wastes and by-products; and

(3) study minor chemical products, especially those that can be produced from waste woods, such as charcoal, extractives, and other chemical by-products and develop

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improvements in processing needed to make them commercially useful and profitable.

Functions of the Wood Preservation Division

SECTION 15. The functions of the Wood Preservation Division shall include, among others, the investigation of the seasoning and physical properties of different species, the study of the ability of different species to take preservative treatment, the study of the habits of wood-damaging fungi and insects and the search for methods for their control, investigation of the decay, insect, and fire resistance of different species, and investigations on the effectiveness of wood preservatives.

SECTION 16. The Wood Preservation Division shall have four sections, with specific duties and responsibilities as follows:

a. The Physical Properties and Seasoning Section shall have the following functions, among others:

- (1) investigate and compare the physical properties of wood such as shrinkage, specific gravity, electrical properties, and moisture relations;
- (2) study and compare the seasoning properties of different woods by air drying and kiln drying methods in order to classify them with regard to their ease of seasoning; and
- (3) devise practical means or drying schedules for air drying or kiln drying; each important species with minimum loss or damage.

b. The Wood Preservative Treatment Section shall have the following functions, among others:

- (1) investigate the treatability of different species in order to classify them with regard to their resistance to impregnation with wood preservatives;
- (2) devise practical methods and treatments to overcome the resistance to penetration in the species that are difficult to impregnate;
- (3) study and compare the natural resistance of different species to fungi and insects;
- (4) compare through field tests the effectiveness of different preservatives and treatments in prolonging the life of wood exposed to deteriorating conditions; and
- (5) compare the fire resistance of different species and devise means of increasing the resistance by means of impregnated chemicals or coating.

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c. The Pathology Section shall have the following functions, among others:

- (1) study the life habits of wood destroying and wood staining fungi, in order to avoid their depredations;
- (2) study the blue staining of rattan and lumber and devise methods for its prevention; and
- (3) make laboratory tests on the toxicity and effectiveness of wood preservatives and stain preventives.

d. The Entomology Section shall have the following functions, among others:

- (1) investigate the life habits of insects that damage wood, in order to find ways to avoid their attacks;
- (2) investigate the damage caused by log-boring insects in freshly cut logs and the effectiveness of methods and materials for preventing the damage; and
- (3) devise methods for protecting wood products and wood structures from the attacks of boring insects such as termites (anay), powder-pest beetles (bokbok) and the like.

REALLOCATION OF APPROPRIATIONS

SECTION 17. From the total appropriations authorized for the period from July first, nineteen hundred and fifty-six to June thirtieth, nineteen hundred and fifty-seven, consisting of the following:

- a.* Under Republic Act Numbered 1600 the following sums, subject to adjustment by the Commissioner of the Budget based on the unexpended balance of the appropriations available as of the effective date of these Implementing Details, are reallocated for the operation of the Institute during the period from July first, nineteen hundred and fifty-six to June thirtieth nineteen hundred and fifty seven, except where otherwise provided.

1) For the Forest Products Laboratory, Bureau of Forestry, General Fund	₱325,720.00
2) For the Forest Products Research Section, Bureau of Forestry, General Fund	22,320.00
3) For the Administrative Division, Bureau of Forestry, General Fund	4,200.00
4) For the National Economic Council, CP 774	59,980.00
TOTAL APPROPRIATIONS	₱412.220.00

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A. CURRENT OPERATING EXPENDITURES

(1) *Forest Products Research Institute*

PROGRAM I: ADMINISTRATION AND EXECUTION OF RESEARCH ON THE UTILIZATION OF FOREST PRODUCTS

For the administration and execution of research on the utilization of forest products, including executive direction and administrative services and research: <i>Provided</i> , That out of this appropriation so much as may be necessary shall be made available, from the lump sum of ₱7,892 for emergency laborers for the payment of per diems of the members of the Forest Products Research Board at ₱25 each per meeting actually attended, but not to exceed 1 any month; <i>Provided, further</i> , That only those members who are not government employees are entitled to per diems.	₱412,220.00
(1) Executive Direction and Administrative Services	₱136,880.00
(2) Research	275,340.00
TOTAL FUNDS	412,220.00
TOTAL APPROPRIATIONS	412,220.00

B. SPECIAL PROVISIONS

The total current operating expenditures of ₱412,220 authorized for the Institute in these Implementing Details shall be paid out of the following funds:

a. Counterpart Fund	₱59,980.00
b. General Fund	352,240.00

C. GENERAL PROVISIONS

The “General Provisions” of Republic Act Numbered Sixteen hundred, to which reference is hereby made, shall remain in full force and effect and is made a part of this Section on “Reallocation of Appropriations,” except that Section 16, thereof, “Officials entitled to transportation allowance,” is modified to include therein the Director of Forest Products Research Institute; and section 17 thereof, “Bureaus and offices entitled to use, operate, and maintain government motor vehicles and launches,” is modified to include the Forest Products Research Institute.

SECTION. 19. The following Staffing Pattern by project activity is provided for the Institute for the period from the effective date of these Implementing Details to June thirtieth, nineteen hundred and fifty-seven, subject to the provisions of Reorganization Plans Nos. 1-A, 2-A and 3-A, except that authority is hereby granted to the Director subject to approval of the Commissioner of the Budget, to make

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necessary salary adjustments resulting from final selection of personnel to fit the positions in the Staffing Pattern, in order that no incumbent receives a reduction in salary, and further to make necessary salary adjustments resulting from new appointments, promotions, or salary increases: *Provided*, That no such adjustment may result in a salary rate which exceeds the minimum of the applicable salary range as provided in Reorganization Plan No. 2-A: *Provided, further*, That new appointments, promotions, and salary increases presently pending which would exceed the maximum rate, of the appropriate salary range are cancelled until further notice: *And provided, finally* That nothing in the said Staffing Pattern shall be construed as depriving the Government Survey and Reorganization Commission, during its existence and the Commissioner of the Budget thereafter, of its power to make changes therein, to correct mistakes, discriminations, or other injustices that may, in its opinion, have been committed in the preparation thereof:

(1) *Forest Products Research Institute*

PROGRAM I: ADMINISTRATION AND EXECUTION OF RESEARCH ON THE UTILIZATION OF FOREST PRODUCTS

PROJECT 1: *Executive Direction and Administrative Services*

Class title	Number	Salary range	Amount
OFFICE OF THE DIRECTOR			
Director of Forest Products Research Institute	1	(55)	₱6,000.00
Assistant Director, Forest Products Research Institute	1	(52)	5,100.00
Secretary	1	(30)	2,544.00
OFFICE TOTAL	3		₱13,644.00
ADMINISTRATIVE SERVICES DIVISION			
<i>Office of the Chief</i>			
Administrative Officer II (Division Chief)	1	(45)	₱3,984.00
Stenographer	1	(25)	1,800.00
<i>Personnel Section</i>			
Personnel Officer I (Section Chief)	1	(37)	₱3,120.00
Personnel Aid	1	(25)	1,980.00
Clerk I	1	(23)	1,560.00
	3		₱6,660.00
<i>Budget and Finance Section</i>			
Budget Officer I (Section Chief)	1	(39)	₱3,960.00
Cashier I	1	(32)	2,808.00
Accounting Clerk II	1	(25)	1,980.00

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Class title	Number	Salary range	Amount
Clerk I	1	(23)	1,560.00
	4		₱10,308.00
<i>Engineering and Shops Section</i>			
Mechanical Plant Chief (Section Chief)	1	(42)	₱3,720.00
Mechanical Plant Supervisor	1	(31)	2,280.00
Senior Mechanical Plant Operator	1	(27)	1,800.00
Mechanical Plant Operator II	1	(23)	1,800.00
Field Electrician	1	(23)	1,560.00
Heavy Equipment Operator	1	(23)	1,800.00
Carpenter	4	(23)	6,120.00
Mechanical Plant Operator I	1	(21)	1,560.00
Light Equipment Operator II	1	(20)	1,560.00
	12		₱22,200.00
<i>General Services Section</i>			
Administrative Assistant II (Section Chief)	1	(37)	₱2,400.00
Storekeeper I	1	(23)	1,560.00
Security Guard	4	(22)	6,120.00
Clerical Aide	1	(18)	1,440.00
Groundsman-Gardener	1	(14)	1,440.00
Janitor	3	(14)	4,320.00
Laborer	7	(14)	10,080.00
	18		₱27,360.00
<i>Publications and Information Section</i>			
Information Editor II (Section Chief)	1	(36)	3,432.00
Senior Librarian	1	(33)	2,760.00
Microphotographer	1	(30)	2,040.00
Clerk I	1	(23)	1,560.00
	4		₱9,792.00
<i>Manila Liaison Unit</i>			
Forester III		(39)	₱3,480.00
Assistant Buyer		(26)	2,040.00
Clerical Aide		(18)	1,440.00
	3		₱6,960.00
DIVISION TOTAL	46		₱89,064.00
TOTAL PERMANENT POSITIONS—SALARIES	49		₱102,708.00
LUMP SUM FOR WAGES OF EMERGENCY LABORERS			7,892.00
TOTAL SALARIES AND WAGES (PROJECT 1)			₱110,600.00

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Class title	Number	Salary range	Amount
PROJECT 2: <i>Research</i>			
INDUSTRIAL INVESTIGATIONS DIVISION			
<i>Office of the Chief</i>			
Supervising Forestry Research Scientist (Division Chief)	1	(50)	₱4,200.00
Stenographer	1	(25)	1,980.00
	2		₱6,180.00
<i>Mechanical Properties Section</i>			
Senior Forestry Research Scientist (Section Chief)	1	(47)	₱3,120.00
Junior Forestry Research Scientist	3	(34)	7,560.00
Computer I	1	(25)	1,800.00
Class title	Number	Salary range	Amount
Forestry Laboratory Aide	1	(18)	1,560.00
Laborer	2	(14)	2,880.00
	8		₱16,920.00
<i>Quality, Evaluation, Machining, and Selection Section</i>			
Senior Forestry Research Scientist (Section Chief)	1	(47)	₱3,120.00
Forestry Research Scientist	1	(41)	2,730.00
Junior Forestry Research Scientist	1	(84)	2,400.00
Forestry Laboratory Aide	2	(18)	3,000.00
	5		₱11,250.00
DIVISION TOTAL	15		₱34,350.00
WOOD TECHNOLOGY DIVISION			
<i>Office of the Chief</i>			
Supervising Forestry Research Scientist (Division Chief)	1	(50)	₱4,800.00
Senior Forestry Research Scientist	1	(47)	4,800.00
Clerk I	1	(23)	1,560.00
	3		₱11,160.00
<i>Wood Structure, Museum, and Herbarium Section</i>			
Senior Forestry Research Scientist (Section Chief)	1	(47)	₱4,800.00
Forester II	1	(34)	***2,200.00
Junior Forestry Research Scientist	1	(34)	1,800.00
Forestry Laboratory Technician	1	(24)	1,800.00
	4		₱10,600.00
<i>Veneer, Plywood, and Gluing Section</i>			

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Class title	Number	Salary range	Amount
Senior Forestry Research Scientist (Section Chief)	1	(47)	₱2,760.00
Junior Forestry Research Scientist	2	(34)	4,800.00
Forestry Laboratory Aide	1	(18)	1,560.00
Laborer	3	(14)	4,320.00
	7		₱13,440.00
<i>Minor Forest Products Section</i>			
Senior Forestry Research Scientist (Section Chief)	1	(47)	₱2,760.00
Forester II	1	(34)	2,400.00
	2		₱5,160.00
DIVISION TOTAL	16		₱40,360.00
* Funds available beginning August 16, 1956.			
*** Funds available beginning August 1, 1956.			
CHEMICAL INVESTIGATIONS DIVISION			
<i>Office of the Chief</i>			
Chief Research Chemist I (Division Chief)	1	(50)	₱4,800.00
Clerk I	1	(23)	1,560.00
	2		₱6,360.00
<i>Pulping and Wallboard Section</i>			
Senior Research Chemist (Section Chief)	1	(48)	₱3,960.00
Research Chemist I	1	(41)	2,760.00
Analytical Chemist	1	(34)	2,400.00
Chemical Laboratory Technician	1	(24)	2,400.00
Chemical Laboratory Technician	2	(24)	*3,300.00
Chemical Laboratory Aide	1	(18)	1,560.00
Laborer	3	(14)	4,320.00
	10		₱20,700.00
<i>Chemical Composition Section</i>			
Senior Research Chemist (Section Chief)	1	(48)	₱2,760.00
Research Chemist I	1	(41)	*2,530.00
Analytical Chemist	1	(34)	2,400.00
Analytical Chemist	1	(34)	2,400.00
Chemical Laboratory Technician	1	(24)	1,800.00
Chemical Laboratory Technician	1	(24)	*1,650.00
Chemical Laboratory Aide	1	(18)	1,560.00
Laborer	1	(14)	1,440.00
	8		₱16,540.00
DIVISION TOTAL	20		₱43,600.00
WOOD PRESERVATION DIVISION			
<i>Office of the Chief</i>			

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Class title	Number	Salary range	Amount
Supervising Forestry Research Scientist (Division Chief)	1	(50)	₱4,800.00
Clerk I	1	(23)	1,560.00
	2		₱6,360.00
<i>Physical Properties and Seasoning Section</i>			
Senior Forestry Research Scientist (Section Chief)	1	(47)	*₱3,630.00
Forestry Research Scientist	1	(41)	3,120.00
Junior Forestry Research Scientist	1	(34)	2,760.00
Junior Forestry Research Scientist	1	(34)	*2,530.00
Forestry Laboratory Technician		(24)	*1,650.00
Laborer	3	(14)	4,320.00
	8		₱18,010.00
*Funds available beginning August 1, 1956.			
<i>Wood Preservative Treatment Section</i>			
Senior Forestry Research Scientist (Section Chief)	1	(47)	*₱3,630.00
Forestry Research- Scientist	1	(41)	3,120.00
Junior Forestry Research Scientist	2	(34)	5,520.00
Forestry Laboratory Technician	1	(24)	1,800.00
Laborer	2	(14)	2,880.00
	7		₱16,950.00
<i>Pathology Section</i>			
Senior Forestry Research Scientist (Section Chief)	1	(47)	₱4,800.00
Junior Forestry Research Scientist-	1	(34)	2,400.00
Junior Forestry Research Scientist	1	(84)	*2,530.00
Forestry Laboratory Technician	1	(24)	1,800.00
	4		₱11,530.00
<i>Entomology Section</i>			
Senior Forestry Research Scientist (Section Chief)	1	(47)	₱2,400.00
Junior Forestry Research Scientist	1	(34)	**1,150.00
Forestry Laboratory Technician	1	(24)	**750.00
	3		₱4,300.00
DIVISION TOTAL	24		₱57,150.00
TOTAL PERMANENT POSITIONS-SALARIES (PROJECT 2)	75		₱175,460.00
SUMMARY			
TOTAL PERMANENT POSITIONS-SALARIES	124		₱278,168.00
TOTAL FOR WAGES OF EMERGENCY LABORERS			7,892.00
TOTAL SALARIES AND WAGES			₱286,060.00

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PROGRAM I: ADMINISTRATION AND EXECUTION OF RESEARCH ON THE UTILIZATION OF FOREST PRODUCTS

PROJECT 1: *Executive Direction and Administrative Services*

Junior Forestry Research Scientist	1	(34)	**1,150.00
Forestry Laboratory Technician	1	(24)	**750.00
	3		P4,300.00
DIVISION TOTAL	24		P57,150.00
TOTAL PERMANENT POSITIONS-SALARIES (PROJECT 2)	75		P175,460.00
SUMMARY			
TOTAL PERMANENT POSITIONS-SALARIES	124		P278,168.00
TOTAL FOR WAGES OF EMERGENCY LABORERS			7,892.00
TOTAL SALARIES AND WAGES			P286,060.00

PERSONNEL OF THE INSTITUTE

SECTION. 20. The personnel structure of the Institute for the period from the effective date of these Implementing Details to June thirtieth, nineteen hundred and fifty-seven, shall conform to the Staffing Pattern provided in these Implementing Details.

SECTION. 21. Except where the law provides otherwise, all appointments to positions authorized in the Staffing Pattern shall be subject to the requirements of the civil service and other personnel laws, rules, and regulations: *Provided*, That all personnel in the present staff who meet such requirements shall be employed before consideration is given to the employment of other persons, subject to the approval of the Government Survey and Reorganization Commission and the President.

DELEGATION OF AUTHORITY

SECTION. 22. Any delegation of authority required or authorized by these Implementing Details shall be in writing; shall indicate to which officer or class of officers or employees the delegation is made; shall define the extent to which each delegatee will be held responsible for results; and shall vest each delegatee with sufficient authority to enable him to discharge his assigned responsibility. Such delegations, where specifically provided by these Implementing Details, shall be within the limits of the provisions of these Implementing Details: *Provided*, That nothing in this Section shall be construed to prevent other delegations.

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PARTIAL INVALIDITY

SECTION. 23. If any provision of these Implementing Details should be held invalid, the other provisions shall not be affected thereby.

TIMING OF ADMINISTRATIVE ACTIONS

SECTION. 24. The President of the University of the Philippines shall direct the orderly scheduling of transfers, changes, and other transitional actions required by the Plan and by these Implementing Details within sixty days from the effective date of the Implementing Details. In the interim, each entity shall continue to perform its existing functions until such time as the Secretary of Agriculture and Natural Resources orders change or cessation and each officer and employee shall continue to perform his duties and to exercise his authority until such time as the Secretary of Agriculture and Natural Resources orders otherwise.

Done in the City of Manila, this 5th day of July, in the year of Our Lord, nineteen hundred and fifty-seven, and of the Independence of the Philippines, the twelfth.

(Sgd.) **CARLOS P. GARCIA**
President of the Philippines

By the President:

(Sgd.) **FORTUNATO DE LEON**
Executive Secretary

REPUBLIC ACT NO. 5526

AN ACT ESTABLISHING THE FOREST PRODUCTS RESEARCH AND INDUSTRIES DEVELOPMENT COMMISSION

SECTION 1. Title. — This Act shall be known as the “Forest Products Research and Industries Development Act of 1969.”

SECTION 2. Integration with NSDB; Reconstitution of Office; Supervision and Transfer of Property.— In order to effectively accelerate, expand and promote the full development, operations, industrial integration and productivity of forest products industries of the Philippines, the Forest Products Research Institute is hereby modified and integrated with the National Science Development Board, hereinafter referred to as “NSDB,” and reconstituted as the Forest Products Research Institute Development Commission, hereinafter referred to as “FORPRIDECOM,” which shall take over the powers, duties and functions of the Forest Products Research Institute as created by Reorganization Plan Numbered Seventy-seven under Republic Act Numbered Nine hundred and ninety seven, as amended by Republic Act Numbered One thousand two hundred and forty-one and

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implemented by Executive Order Numbered Two hundred and fifty-seven, dated July five, nineteen hundred fifty-seven. The "FORPRIDECOM" shall be under the supervision of the "NSDB". All personnel of the Forest Products Research Institute, including all its appropriations, equipments, facilities and properties are hereby transferred to the "FORPRIDECOM."

SECTION 3. *Creation of FORPRIDECOM Council.* — There is hereby created and established a Forest Products Research and Industries Development Council, hereinafter referred to as the "Council, to serve as the policy-making body of the "FORPRIDECOM. The powers of the "FORPRIDECOM" shall be vested in the Council subject to the approval by the "NSDB."

SECTION 4. *Composition of FORPRIDECOM Council.* — The Council shall be composed of five members; the Director of Forestry who shall serve as Chairman of the Council, the Dean of the College of Forestry, University of the Philippines, and three others to be appointed by the Chairman of the "NSDB." Of the three appointive members, one shall come from the lumber industry, one from other forest industries, and one from the general public, in the absence or in the event of the incapacity of the Chairman, the members of the Council present at any meeting of this Council shall elect from among themselves an acting chairman who shall preside during the meeting. The council shall have a secretary who shall be appointed by the Commissioner subject to the approval of the Council.

SECTION 5. *Term of Membership.* — The term of the appointive members shall be three years except that the members initially appointed shall serve for the period specified in their appointments, one for a term of one year, one for a term of two years, and one for a term of three years, *Provided*, That any person chosen to fill any vacancy shall serve only for the unexpired term of the members whom he succeeds.

SECTION 6. *Compensation.* — For actual attendance at a Council meeting, the Chairman and members shall receive a per diem of fifty pesos each.

SECTION 7. *Prohibition.* — Whenever any member has a direct personal or financial interest in any matter under discussion, or any of his relatives within the third degree of consanguinity or affinity has such interest, such member shall abstain from the discussion of the matter and shall retire from the meeting during deliberation. The withdrawal of such member shall be noted in the minutes of the meeting.

SECTION 8. *Quorum, Meetings, Principal Office and Seal.* — The Council shall be convened in a regular meeting at least once a month, but shall not hold more than two special meetings a month. The presence of three members shall constitute a quorum. The principal office of the Council shall be at College, Laguna, where its meetings shall be held, but, whenever public convenience and interest may be served at any other designated place in the Philippines. The Council shall provide the

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“FORPRIDECOM” with an official seal which shall be preserved in the custody of the Commissioner.

SECTION 9. *General Powers and Duties of the Council.* — The Council shall have the following powers and duties;

- (1) To perform such acts, conduct investigation, prescribe and amend orders, make and amend general or special rules, regulations and procedures, pursuant to and consistent with the provisions of this Act, as it may deem necessary to carry out the patient policies, provisions and intent under this Act.
- (2) To appoint suspend or relieve for cause the Commissioner, subject to the approval of the “NSDB” Chairman.
- (3) Upon recommendation of the Commissioner, to approve punishment, suspension or relief, for cause, of the Internal Auditor, subject to the concurrence of suspension or relief, for cause of the Internal Auditor, subject to the “NSDB” Chairman.
- (4) Upon recommendation of the Commissioner, to approve appointment, punishment, suspension or relief, for cause, of the Deputy Commissioner and Associate Commissioners, subject to the concurrence of the “NSDB” Chairman.
- (5) To recommend to the “NSDB” final approval of the regular and such supplemental budgets which may be submitted to it by the Commissioner; *Provided*, That any request for congressional appropriation shall be submitted to and in the form prescribed by the Budget Commission.
- (6) To prepare its annual report, which shall contain, in addition to the work performed under this Act, such information and data collected by it as may be considered of value in the development of industries for the wise and profitable utilization of forest products, together with recommendation as it may deem necessary; it may also transmit recommendations to the proper authorities of legislative measures which may be considered necessary.
- (7) Upon recommendation of the Commissioner, to authorize the giving of awards, honoraria and additional compensation for deserving researchers, inventors and other employees of the “FORPRIDECOM” as may be most conducive towards that attainment of maximum efficiency, exceptional recognition and meritorious accomplishment subject to the approval of the “NSDB” Chairman.
- (8) To review and approve implementing details of staffing pattern, compensation, functions and duties of the organization of “FORPRIDECOM” as submitted by the Commissioner, subject to the approval of the “NSDB” Chairman.
- (9) To engage the service of highly competent technical men to advise the council on special matters deemed necessary to be deliberated upon in any of its meetings.
- (10) To promote and, in its discretion, assist in the establishment of private foundations for scientific advancement as well as specific research and development projects on forest products by private individuals, firms and foundations. All funds contributed to the support and maintenance of such foundations and their project as well as specific research and development projects undertaken by private individuals and educational institutions, shall be

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tax-exempt and deductible from the donor's income tax returns, upon certification by the Council and approval of the NSDB Chairman that such foundation and funds are dedicated to scientific pursuits. All income of whatever kind and character which such foundations may derive from any of their properties, real or personal or from their investment shall also be tax exempt.

SECTION 10. *Technical Advisory Panel.* — Retired directors of the Forest Products Research Institute, retired commissioners of the “FORPRIDECOM” and highly competent specialists’ duty commissioned by the Council, constitute the technical advisory panel of the “FORPRIDECOM”. They may attend the meetings of the Council, participate in its deliberation but without the right to vote. For actual attendance at a Council meeting, they shall receive a per diem of fifty pesos each.

SECTION 11. *Organization.* —

- (1) The “FORPRIDECOM” shall be headed by a Commissioner, hereinafter referred to as the “Commissioner,” who shall be appointed by the Council, subject to the approval of the “NSDB” Chairman. He shall be responsible for the exercise of all the powers and the discharge of all duties of the “FORPRIDECOM” and shall have authority and control over all personnel and activities thereof.
- (2) *Deputy Commissioners.* — There shall be a Deputy Commissioner, who shall be appointed by the Commissioner, subject to the approval of the Council and the “NSDB” Chairman. He shall perform such duties and exercise such powers as the Commissioner shall delegate to him, and exercise such powers as may be delegated to him by the Commissioner during the latter’s absence or temporary disability.
- (3) *Associate Commissioners.* — There shall be two Associate Commissioners; one for forest products research and the other for forest products industries development. They shall be appointed by the Commissioner with the approval of the Council and the “NSDB” Chairman.
- (4) *Directors of Services.* — There shall be a director and an Assistant Director for each of the research and industries development or scientific services, administrative management service, and publications and information service. They shall be appointed by the Commissioner, subject to the approval of the Council and “NSDB” Chairman.
- (5) *Qualifications.* — (a) The Commissioner, Deputy Commissioner, Associate Commissioners, Directors and Assistant Directors of scientific services, shall be citizens of the Philippines, and they shall be appointed with due regard for fitness and efficient discharge of the powers and duties imposed by this Act for their respective organizations. At the time of their nominations, they shall be forest products research career men who have distinguished themselves in science and technology.

(b) Directors and Assistant Directors of Administrative Management Service and Publications and Information Service shall be citizens of the Philippines, and they shall be appointed with due regard for their fitness and efficient discharge of the

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powers and duties imposed by this Act for their respective organizations. At the time of their nomination, they shall be career men in their respective fields.

(6) *Staffing pattern.* — The “FORPRIDECOM” shall be organized into Office of the Commissioner, Institutes, services, departments, divisions, and sections.

(a) The Office of the Commissioner shall consist of the staffs of the Commissioner, Deputy Commissioner, Accounting Department, Internal Audit Department, Patents and Legal Affairs, and Technical Consultants Staff. The Technical Consultants Staff shall be composed of deserving scientists who are highly specialized in their particular fields with outstanding accomplishments in scientific or technological research and inventions. Each technical consultant or subject matter specialist shall receive compensation equal to that of Associate Commissioner.

(b) There shall be two institutes; (1) Forest Products Research and (2) Forest Products Industries Development.

SECTION 12. *Purposes and Powers of the FORPRIDECOM.* — The “FORPRIDECOM” shall have the following purposes and powers:

- (1) To conduct research on the properties, uses, processing and protection of wood and wood products and develop such practices and processes as will increase the utility, value, quality, and serviceability of wood and other products of the forests;
- (2) To furnish technical information and service to manufacturers, exporters, users of wood and other forest products and to the public;
- (3) To establish, expand, maintain, and operate research centers, test laboratories, offices, and pilot plants in any suitable part or parts of the Philippines;
- (4) To improve, service, and/or assist existing and new forest products-using industries in their technological development that will increase their usefulness, efficiency, and productivity;
- (5) To cooperate with other agencies, both national and international, in the promulgation of grading rules, specifications, and quality control of manufactured and treated wood and forest products;
- (6) To train technicians for industries using forest products;
- (7) To cooperate with other agencies, both national and international and both private and public, in conducting special research relating to forest products and in promoting dissemination of their results;
- (8) To provide for the publications of information pertaining to the results of research on forest products for the benefit of wood producing and wood-using industries and the general public;
- (9) To receive assignment of patents, grant exclusive or non-exclusive rights for their use, charge and collect fees for their use, and discharge the income therefrom in accordance with the established policies of the “FORPRIDECOM”;

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- (10) To accept grants or donations and provide for reasonable charges for examinations, tests, cooperative investigations, consulting services, verifications, certifications, identifications, and other work performed;
- (11) To transact any business directly or indirectly necessary, incidental, or conducive to the attainment of the purposes of the "FORPRIDECOM"; and
- (12) To ameliorate and implement salary adjustments and emoluments of "FORPRIDECOM" personnel whenever necessary and resultant of this Act.

SECTION 13. Duties of Commissioner. — The chief executive officer of the "FORPRIDECOM" shall be the Commissioner who shall have the following powers and duties:

- (1) To prepare and submit the implementing details of this Act, as regards to the staffing pattern, compensations, functions, and duties of the organization of "FORPRIDECOM", to the Council, for review and approval;
- (2) To direct and manage the affairs and business of the "FORPRIDECOM" in pursuance of the policies of the Council and "NSDB";
- (3) To sit with the Council at its meetings and participate in its deliberations, but without the right to vote;
- (4) To submit, within sixty days after the close of each fiscal year, an annual report to the Council and "NSDB;"
- (5) With the approval of the Council and "NSDB" Chairman, to appoint, suspend, remove, or otherwise discipline, for cause, the officers of the "FORPRIDECOM" as follows: Deputy Commissioner, Associate Commissioners, Directors and Assistant Directors of Services;
- (6) Upon recommendation of the Deputy Commissioner to appoint, punish, suspend or relieve, for cause, all non-technical employees;
- (7) Upon recommendation of the Associate Commissioners, to appoint, punish, suspend or relieve, for cause, all technical employees below the rank of Assistant Director;
- (8) To reorganize, subject to limitations in this Act, the internal organization of the "FORPRIDECOM" when advisable, for purposes of efficiency and economy: *Provided*, That any major reorganization be subjected to the approval of the Council;
- (9) To delegate his authority in whole or in part to the officers of the "FORPRIDECOM;"
- (10) To receive and appropriate to the ends specified by law such sums as may be provided by law for the support of the "FORPRIDECOM;"
- (11) To enter into, make, and execute with any person, firm or entity, public or private, contracts of any kind, including the purchase of machinery, materials, equipment, and supplies, or the furnishing of services which may be necessary or incidental to the attainment of its purposes;
- (12) To authorize travel grants and scholarships for scientific or technological purposes; and delegates and observers to scientific and technological conferences and conventions in the Philippines and in other countries;

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- (13) To perform such duties of ex-officio member of the “NSDB” without extra compensation; and
- (14) To perform such other duties as may be assigned to him by this Council and “NSDB” Chairman.

SECTION 14. *Duties of Associate Commissioners.* — The heads of the Institutes shall be the Associate Commissioners who shall have the following powers and duties:

- (1) To prepare and recommend to the Commissioner the staffing pattern, compensation, functions, and duties of their respective institutes for review and approval;
- (2) Under the supervision of the Commissioner, to direct and manage the affairs and business of their respective institute in pursuance of the policies of the Council and “NSDB”;
- (3) With the approval of the Commissioner, to appoint, suspend; remove, or otherwise discipline for cause all officers and employees of their respective institutes except the Directors and Assistant Directors of Services;
- (4) To recommend to the Commissioner the internal reorganizations of their respective institutes, when advisable, for the efficient function and operation of their respective organizations;
- (5) With the approval of the Commissioner, to delegate his authority in whole or in part to his subordinate; and
- (6) To perform such other duties as may be assigned to him by the Commissioner.

SECTION 15. *Personnel Administration.* — All officers and employees shall be subject to civil service and other personnel laws, rules and regulations: *Provided, However,* That all scientific or technical positions of the “FORPRIDECOM” which are considered technical in nature, shall be embraced under the non-competitive or unclassified service.

SECTION 16. *Classification and Compensation.*— Provisions of law to the contrary notwithstanding, all officials and employees appointed under this Act shall be classified according to Section twenty-six of Republic Act Numbered Two thousand and sixty seven which is hereby amended to include those who belong to the clerical and janitorial classification, the compensation of these officials and employees shall be in accordance with the salary scales to be established by the commissioner, based on the salary scales adopted by the “NSDB” the University of the Philippines, and their affiliate agencies, subject to the approval of the Council.

SECTION 17. *Government Service Insurance System, Insurance and Retirement.*— Officers and employees of “FORPRIDECOM” shall enjoy the rights of National Government employees with regard to participation in the Government Service Insurance System and retirement benefits under existing laws; *Provided, However,* That the appointing authority concerned may, with the approval of the NSDB charges, extend the service of scientists and researchers beyond the compulsory age of retirement in accordance with R.A. 2067, as amended.

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SECTION 18. *Availability of Funds.* — Appropriations from the General Fund and such other funds as are authorized by Congress shall be available for the use of “FORPRIDECOM” and the balance of these appropriations after the end of each fiscal year shall revert to the “FORPRIDECOM” Foundation Fund. The “FORPRIDECOM” is authorized to receive donations, fees, bequests, and grants for research and industries technological development purposes. Such grants, bequests and donations are dedicated to the purpose above mentioned, any provisions of law, rules or regulations to the contrary notwithstanding.

SECTION 19. *Collection of Fees.* — The “FORPRIDECOM” is authorized and empowered to charge reasonable fees in connection with examinations, tests, cooperative investigations, consulting services, verifications, certifications, identifications, inspections, and other work performed. The Commissioner shall issue rules and regulations as he may deem desirable for the collection of such fees, subject to the approval of the Council.

SECTION 20. *Acquisition of Property.* — All income, donations, grants, and bequests shall accrue to a fiduciary fund, to be known as the “FORPRIDECOM” Foundation Fund, which shall be expended by the Commissioner thereof solely for scientific researches, investigations, and technological development in the field of forest products science, the provisions of existing laws to the contrary notwithstanding.

SECTION 21. *FORPRIDE Fund.* — To insure the continuous and efficient operation of the “FORPRIDECOM”, a Forest Products Research and Industries Development Fund, a special fund to be known as “FORPRIDE FUND,” is hereby, created upon approval of this Act. Source of this Fund shall be in the form of fees as authorized by law for the “FORPRIDECOM.” “A wood conservation fee” shall be collected, in addition to the regular forest charges and/or competitive bidding sales provided for under the National Internal Revenue Code, as amended, and those provided for under Republic Act Numbered One hundred fifteen, as amended, and Republic Act Numbered Three thousand five hundred twenty-three, the amount of twenty-five centavos on each cubic meter of timber removed from any public forest, forest reserve and national park for commercial purposes, which shall be collected in the same manner and with the same remedies provided for in the National Internal Revenue Code, as amended, with respect to forest charges and/or competitive bidding sales, and with the same penalties provided for in Republic Act Numbered One hundred fifteen, as amended, and Republic Act Numbered Three thousand five hundred twenty-three, and which shall be turned over to the “FORPRIDECOM” at the end of the fiscal year beginning with the fiscal year on approval of this Act.

SECTION 22. *Disbursement.* — Any provisions of law to the contrary notwithstanding the “FORPRIDECOM” is hereby authorized to disburse the income of this fund subject to the pertinent provisions of Commonwealth Act Numbered Two hundred and forty-six as amended.

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SECTION 23. *Availability of Appropriations.* — (a) The sums appropriated for fiscal year ending the year when this Act is approved as well as the continuing appropriations since fiscal year 1958, including receipts automatically appropriated for the Forest Product Research Institute, are hereby transferred to the “FORPRIDECOM” Foundation Fund to be used in such manner as shall best insure the implementation of the objectives of this Act.

(b) Funds appropriated for the “FORPRIDECOM” shall remain available for obligation, for expenditure, and for obligation and expenditure until expended.

SECTION 24. *Tax Exemptions.*— Any provision of existing laws to the contrary notwithstanding, apparatus, instruments, utensils, equipment and materials may be imported into the Philippines free from taxes and duties, upon certification of the Council, that such articles are imported solely for scientific and technological research and development of forest products industries and not for barter, sale or hire: *Provided, However,* That in case such articles are subsequently conveyed and transferred to other parties for a pecuniary consideration, taxes and duties shall be collected thereon at the rate provided for under existing laws, payable to the transferor: *Provided, Further,* That the Council shall promulgate the rules and regulations to implement this provision.

SECTION 25. *Internal Auditing.* — Internal Auditing of “FORPRIDECOM” accounts and transactions shall be the sole responsibility of the “FORPRIDECOM.” Any such audit shall authorize the disbursement of funds without prior approval of the Auditor General. The results of such audit shall be transmitted to the Council.

SECTION 26. *Accounting Work of FORPRIDECOM.* — No funds of the “FORPRIDECOM” shall be used to pay the salaries and expenses of the auditing officer under the Auditor General in excess of one-third of the total salaries and other expenses for the accounting work of the “FORPRIDECOM”.

SECTION 27. *Allowances.* — The Commissioner, the Deputy and the Associate Commissioners, shall each receive monthly commutable allowances of two hundred fifty pesos and two hundred pesos for representation and transportation expenses, respectively. Such allowances shall be reflected in the annual budget of the “FORPRIDECOM.”

SECTION 28. *Adjustments.* — Any savings in the appropriations of the Forest Products Research Institute for fiscal year 1967, fiscal year 1968, fiscal year 1969 and fiscal year 1970 provided for in the corresponding General Appropriations Act, receipts automatically appropriated, and fund provided for in Sec. 21 of this Act shall be used to provide for the salary adjustments and allowances herein authorized. Thereafter, the amount necessary for said adjustments and allowances shall be included in the annual General Appropriations Act: *Provided, However,* That nothing in this Act shall be construed so as to reduce the salaries and allowances to which such incumbent officials and employees are now entitled under existing laws, rules and regulations.

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SECTION 29. *Separability.* — If any provision of this Act is declared unconstitutional, such provisions thereof as are not affected by such declaration shall remain in full force and effect.

SECTION 30. *Repeal of Inconsistent Law.* — All Acts, Executive Orders, administrative rules and regulations, or parts thereof, inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 31. *Effectivity.* — This Act shall take effect upon its approval.

Approved, June 21, 1969.

LETTER OF IMPLEMENTATION NO. 14
RELATIVE TO PART XIII ON SCIENCE AND TECHNOLOGY AND
OTHER PERTINENT PROVISIONS OF THE INTEGRATED
REORGANIZATION PLAN

Please see Section 15 LETTER OF IMPLEMENTATION NO. 14 at page 47

EXECUTIVE ORDER NO. 784
REORGANIZING THE NATIONAL SCIENCE DEVELOPMENT
BOARD AND ITS AGENCIES INTO A NATIONAL SCIENCE AND
TECHNOLOGY AUTHORITY AND FOR RELATED PURPOSES

Please see Section 7 EXECUTIVE ORDER NO. 784 at page 68

EXECUTIVE ORDER NO. 128
REORGANIZING THE NATIONAL SCIENCE AND TECHNOLOGY
AUTHORITY

Please see Sections 19 and 23 EXECUTIVE ORDER NO. 128 at page 76

EXECUTIVE ORDER NO. 292
INSTITUTING THE “ADMINISTRATIVE CODE OF 1987”

Please see Sections 16 and 20 EXECUTIVE ORDER NO. 292 at page 91

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**INDUSTRIAL TECHNOLOGY
DEVELOPMENT INSTITUTE (ITDI)**

REPUBLIC ACT NO. 1606

AN ACT TO PROMOTE SCIENTIFIC, ENGINEERING AND
TECHNOLOGICAL RESEARCH, INVENTION AND DEVELOPMENT

Please see Sections 1 subsection (v) item 2 REPUBLIC ACT NO. 1606 at page 35

REPUBLIC ACT NO. 2067

As Amended by Republic Act No. 3589

AN ACT TO INTEGRATE, COORDINATE, AND INTENSIFY SCIENTIFIC
AND TECHNOLOGICAL RESEARCH AND DEVELOPMENT AND TO
FOSTER INVENTION; TO PROVIDE FUNDS THEREFOR; AND FOR
OTHER PURPOSES.

Please see Section 12 REPUBLIC ACT NO. 2067 at page 38

LETTER OF IMPLEMENTATION NO. 14

RELATIVE TO PART XIII ON SCIENCE AND TECHNOLOGY AND
OTHER PERTINENT PROVISIONS OF THE INTEGRATED
REORGANIZATION PLAN

Please see Section 12 LETTER OF IMPLEMENTATION NO. 14 at page 47

EXECUTIVE ORDER NO. 784

REORGANIZING THE NATIONAL SCIENCE DEVELOPMENT
BOARD AND ITS AGENCIES INTO A NATIONAL SCIENCE AND
TECHNOLOGY AUTHORITY AND FOR RELATED PURPOSES

Please see Section 7 EXECUTIVE ORDER NO. 784 at page 68

EXECUTIVE ORDER NO. 128

REORGANIZING THE NATIONAL SCIENCE AND TECHNOLOGY
AUTHORITY

Please see Sections 19, 20 and 35 EXECUTIVE ORDER NO. 128 at page 76

EXECUTIVE ORDER NO. 292

INSTITUTING THE “ADMINISTRATIVE CODE OF 1987”

Please see Sections 16 and 17 EXECUTIVE ORDER NO. 292 at page 91

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REPUBLIC ACT NO. 9236

AN ACT ESTABLISHING A NATIONAL MEASUREMENT INFRASTRUCTURE SYSTEM (NMIS) FOR STANDARDS AND MEASUREMENTS, AND FOR OTHER PURPOSES

SECTION 1. Title. – This Act shall be known as “*The National Metrology Act of 2003.*”

SECTION 2. *Declaration of Policy.* – It is hereby declared the policy of the State to facilitate the development of scientific and technical knowledge and progress in the national economy by encouraging the standardization and modernization of units and standards of measurements to adapt to the needs of the times, thereby complying with international standards and protecting the health, interest and safety of every consumer and his environment from the harmful effects of inaccurate or false measurements.

SECTION 3. *Definition of Terms.* – For the purpose of this Act, the following terms and phrases shall have the following definitions:

- a) Accredited Laboratory – refers to a laboratory that has been evaluated and has complied with the requirements of the International Standardization Organization (ISO) 17025 Standard “General Requirements for the Competence of Testing and Calibration Laboratories,” and accredited by the national accrediting body.
- b) Board-Authorized Units (BAU) – are units prescribed by the International System of Units (SI) and other units of measurement authorized by the Board.
- c) Calibration – set of operations establishing under specified condition, relationship between values indicated by a measuring instrument or measuring system, or values represented by material measure, and its corresponding known values of measure.
- d) Measurement – set of operations having the object of determining the value of a quantity.
- e) Measurement Standard – a measuring instrument or system intended to define, realize, conserve or reproduce a unit or one or more known values of a quantity in order to transmit them to the measuring instrument by comparison.
- f) Metrology – the field of science concerned with weights and measures which includes all aspects of measurements in whatever level of accuracy and in any field of science and technology.
- g) Metrology Controls – refer to type approval, verification, calibration and other processes and means of checking the accuracy and reliability of measurement standards and measuring equipment.
- h) Regulated Areas of Application – refers to field of endeavors or areas which are critical to citizens as they affect health, safety, welfare, physical conditions, trade and commerce, legal transactions, environment and other areas as may be determined by the Board.

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- i) Type Approval on Measuring Equipment – the approved evaluation of conformity based on one or more specimens of a product.
- j) Primary Standard – a standard which has highest metrological quality in a specified field.
- k) Secondary Standard – one which value is fixed by comparison with primary standard.
- l) Traceability – the property of a result of a measurement relating to appropriate standards, generally national or international through an unbroken chain of comparison.
- m) Verification – a confirmation by examination of evidence that the measuring equipment fulfills specified requirements.

SECTION 4. *Establishment of the National Measurement Infrastructure System (NMIS).* – There is hereby established a National Measurement Infrastructure System (NMIS) providing measurement standards that are internationally traceable and consistent with the Meter Convention.

The NMIS shall cover units of measurement, measuring instruments, measurement standards, their application and metrological controls, establishment of a laboratory accreditation system, and a system of appropriate penalties.

SECTION 5. *Creation of the National Metrology Board (NMB).* – A National Metrology Board, hereinafter referred to as the Board, is hereby created and to be chaired by the Secretary of the Department of Science and Technology (DOST). It shall be composed of the Secretaries of the following agencies or their duly authorized representatives with the rank of Undersecretary, as ex officio members:

- a) Department of Trade and Industry (DTI);
- b) Department of Transportation and Communications (DOTC);
- c) Department of Health (DOH);
- d) Department of the Interior and Local Government (DILG);
- e) Department of Justice (DOJ);
- f) Department of Environment and Natural Resources (DENR); and
- g) Department of Agriculture (DA).

There shall be appointed to the Board one (1) representative each from the business sector, the professional metrology association of national membership and the academe, all of whom shall have a term of three (3) years to be appointed by the President upon recommendation of the Secretary of the DOST.

The Industrial Technology and Development Institute (ITDI) is hereby mandated to serve as the Board's Secretariat. The National Metrology Laboratory presently existing as the laboratory arm of the ITDI is likewise hereby maintained and shall carry out the technical, calibration and laboratory functions to effectively implement the provisions of this Act. For the purpose of enforcing its mandate, the ITDI shall call upon the personnel of other departments and agencies of the government and private institutions to assist in the implementation of this Act.

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SECTION 6. Functions, Duties and Responsibilities of the Board. – The Board shall have the following duties and responsibilities:

- a) To ensure the execution, upkeeping and conservation of national primary and secondary standards in conformity with the Board-Authorized Units;
- b) To promote and to coordinate the use in the country of a uniform system of units and measurement standards of physical quantities;
- c) To issue and enforce the necessary guidelines on such areas of metrology but not limited to utilization of measuring equipment and devices, type approval on measuring equipment, verification, calibration, use of control marks and other metrological controls on measurement standards and measuring equipment;
- d) To ensure that the accuracy and application of quantities and similar metrological requirements are met in all commercial, economic, scientific, technical and similar endeavors;
- e) To fix rates and collect fees for metrological work and similar calibration services rendered for both public and private entities;
- f) To carry out the testing for type approval of measuring equipment;
- g) To supervise and to assure the execution and calibration of standards and verification equipment;
- h) To ensure that persons or business entities regularly engaged in importing, manufacturing, repairing, selling or hiring certain measuring equipment comply with the guidelines of the Board; and
- i) To perform such other functions, duties and responsibilities as may be necessary to implement this Act.

SECTION 7. Registration. – Any person or business entity using or keeping measuring equipment for transactions under the regulated areas of application shall be registered with the Board.

SECTION 8. *System of Units.* – The system of units based on the International System of Units (SI) shall be mandatory throughout the country in regulated areas of application. The use of other units on meritorious cases may be allowed by the Board: Provided, That measuring equipment used for measuring quantities in regulated areas of application shall give results expressed in either SI or Board-Authorized Units: Provided, finally, That all measurement standards and measuring equipment used in the regulated areas of application shall be subject to metrological control.

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SECTION 9. *Traceability of Measurements.* – All weights, measures and measuring equipment shall be internationally traceable through the National Metrology Laboratory or other laboratories recognized by the National Metrology Board.

SECTION 10. *Labelling.* – In addition to the requirements for the labeling of products, commodities, goods and merchandise pursuant to Republic Act No. 7394, otherwise known as “The Consumer Act of the Philippines,” the products, commodities, goods or merchandise must contain contents and quantities of substances, nutritional and health value and relevant other information in units prescribed in this Act.

SECTION 11. *Laboratories and Procedures.* – Metrological controls undertaken in the country shall be conducted by the Board, the National Metrological Laboratory and other laboratories accredited under the national accreditation body strengthened under this Act and authorized by and registered with the Board. Metrological controls done outside the country must be made by laboratories recognized by the Board.

Procedures to be followed in conducting tests shall be based on national or international standards or upon the recommendation of the International Organization of Legal Metrology (Organization Internationale de Metrology Legale, OIML) or any other established standards recognized by the National Metrology Board.

SECTION 12. *Freedom of Access to Industrial/ Commercial Establishments and Facilities.* – The Board shall have the right to inspect at reasonable hours on business day industrial establishments, commercial premises or other facilities/premises where measuring equipment which is meant to be used in the regulated areas of application, is installed or kept or where there is reason to believe it is installed or kept.

Any officer or agent of the industrial establishments, commercial premises or other facilities who shall refuse the Board or any of its officers to inspect shall be liable to the penalties imposed under SEC 17 of this Act.

SECTION 13. *Accrediting Body.* – The laboratory accrediting body attached to the Department of Trade and Industry (DTI) is hereby strengthened and recognized under this Act as the national accreditation body. The laboratory accreditation body shall have the following government agencies or offices as members:

- a) Department of Trade and Industry (DTI);
- b) Department of Science and Technology (DOST);
- c) Bureau of Food and Drugs (BFAD);
- d) Fertilizer and Pesticide Authority (FPA);
- e) Environment Management Bureau (EMB);
- f) National Telecommunications Commission (NTC);
- g) Department of Energy (DOE);

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- h) Bureau of Health Devices and Technology (BHDT); and
- i) Department of National Defense (DND).

SECTION 14. *Accreditation System.* – The laboratory accreditation body shall establish a national standard for accreditation, testing and/or calibration laboratories following ISO/IEC GUIDE 58 “Calibration and testing laboratory accreditation systems – General requirements for operation and recognition” and ISO/EC 17025 and other relevant international guidelines and standards.

It shall formulate relevant policies, procedures, forms, and other materials and systems for its accreditation function. It shall have the responsibility of evaluating and accrediting compliance testing and/or calibration laboratories, and monitor the performance of accredited laboratories through periodic inspection and surveillance.

SECTION 15. *Progressive Application.* – The Department of Science and Technology (DOST), upon advise of the Board and in coordination with other concerned agencies, shall adopt a progressive application of all kinds of measuring equipment. Government and private institutions with existing measurement system and equipment not in conformity with the standards and controls herein prescribed are given a period of one (1) year to comply with the provisions of this Act.

SECTION 16. *Prohibited Acts.* – The following shall constitute prohibited acts of any person or juridical person and are hereby declared unlawful:

- a) Manufacturing for sale, offering for sale, distributing in commerce, or importing any product which is not measured in conformity with the weight standards provided by this Act;
- b) Importing of measuring equipment that does not give results expressed in the Board-Authorized Units;
- c) Manufacturing for sale, offering for sale, distributing in commerce or importing consumer products which has not secured clearance from the National Metrology Board;
- d) Using of confiscated measuring equipment without verification/decalibration from the Board or the local government unit having jurisdiction over the offense committed; and
- e) Failure to comply with the standard provided for under this Act.

SECTION 17. *Penalties.* – Any person who violates any provision of this Act shall be penalized by imprisonment of not less than two (2) months but not more than one (1) year or fine of not less than Five thousand pesos (Php 5,000.00) nor more than Fifty thousand pesos (Php 50,000.00) or both upon the discretion of the court: Provided, however, That if the violator is a corporation, firm, partnership or association, the penalty shall be imposed upon the president or the manager or any

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officer thereof who knows or ought to have known the commission of the offense: Provided, finally, That in case the offender is an alien engaged in business in the country, his license shall be revoked and shall be ipso facto deported after service of sentence without need of further proceedings.

SECTION 18. *Appropriations.* – The amount necessary to carry out the provisions of this Act shall be included in the General Appropriations Act for the year following its enactment and every year thereafter.

Fifty percent (50 %) of the fees and charges collected as a result of the metrological work and calibration services shall be used by the Board and the ITDI in the enhancement of their capabilities and modernization of metrological and measurement standard activities. The remaining amount shall be remitted to the National Treasury.

SECTION 19. *Implementing Rules and Regulations (IRR).* – The DOST with other concerned government departments, agencies and representatives mentioned in section 5 hereof shall within ninety (90) days from the effectivity of this Act issue the necessary implementing rules and regulations of this Act.

SECTION 20. *Separability Clause.* – If for any reason, any provision of this Act is declared unconstitutional, the other section or provisions hereof which are not hereby affected shall continue to be in full force and effect.

SECTION 21. *Repealing Clause.* – All laws, decrees, orders, rules and regulations or portions thereof inconsistent with this Act are hereby repealed or modified accordingly.

SECTION 22. *Effectivity.* – This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two (2) newspapers of general circulation, whichever comes earlier.

Approved,
February 03, 2004

(Sgd.) GLORIA MACAPAGAL ARROYO
President of the Philippines

IMPLEMENTING RULES AND REGULATIONS OF REPUBLIC ACT. 9236 (THE NATIONAL METROLOGY ACT OF 2003)

Pursuant to the Provision of Section 19 of Republic Act 9236, otherwise known as the “Act Establishing a National Measurement Infrastructure System (NMIS) for Standards and Measurements, and for Other Purposes”, the Department of Science and Technology hereby adopts and promulgates the following rules and regulations.

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PART I GENERAL PROVISIONS

RULE I Preliminary Provisions

Section 1. Title

This Implementing Rules and Regulations (IRR) shall be known as the “Implementing Rules and Regulations of the National Metrology Act of 2003.”

Section 2. Purpose

This IRR shall provide guidelines on the implementation of the National Metrology Act of 2003.

Section 3. Scope

This IRR prescribes the metrological controls on measuring instruments and standards required to ensure reliable measurements in the Regulated Areas of Application, the functions, duties; and powers of the National Metrology Board and the National Accrediting Body; and the responsibilities of government departments and agencies and other entities with respect to the implementation of the Act.

RULE II Declaration of State Policy

Section 4. It shall be the policy of the State to facilitate: a) the development of scientific and technical knowledge; and b) the progress in the national economy, by encouraging the standardization and modernization of units and standards of measurements to adapt to the needs of the times, including compliance to international standards and protection of the health, interest and safety of every consumer and his environment from the harmful effects of inaccurate or false measurements.

RULE III Definition of Terms

Section 5. With respect to technical metrological terms, this IRR adopts the definitions contained in the current edition of the “international vocabulary of basic and general terms in metrology” (Vocabulaire International des Termes Fondamentaux et generaux de Metrologie – VIM), published by International Bureau of Weights and Measures (Bureau International des Poids et Mesures – BIPM), International Organization on Standardization (ISO), and International Organization of Legal Metrology (Organisation Internationale de Metrologie Legale – OIML)].

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For the purpose of the IRR, the following other terms and phases are hereby defined. Also, some terms covered by VIM have their definitions herein restated for ready reference:

- 1.) **Accreditation** – the procedure by which an authoritative body gives formal recognition that a body or person is competent to carry out specific tasks.
- 2.) **Accredited laboratory** – laboratory that has been evaluated and has complied with the requirements of the International Organization on Standardization/International Electrotechnical Commission, ISO/IEC 17025 Standard “General Requirements for the Competence of Testing and Calibration Laboratories,” and accredited by the national accrediting body of the Department of Trade and Industry as provided by this IRR, or by other accrediting body recognized by the International Laboratory Accreditation Conference, (ILAC).
- 3.) **Act** – the Republic Act m9236 known as “The National Metrology Act of 2003.”
- 4.) **BIPM** – the International Bureau of Weights and Measures (Bureau International des Poids et Mesures).
- 5.) **Board** – refer to notes under **NMB**.
- 6.) **Board-Authorized Units (BAU)** – the units prescribed by the International System of Units (SI) and other units of measurements authorized by the National Metrology Board.
- 7.) **Calibration** – set of operations that establish, under specified conditions, relationship between values of quantities indicated by a measuring instrument or measuring system, or values represented by a material measure, or a reference material, and the corresponding values realized by standards.

Notes: The result of a calibration permits either the assignment of values of measurands to the indications or the determination of corrections with respect to indications.

A calibration may also determine other metrological properties such as the effect of influence quantities.

- 8.) **CGPM** – the General Conference and Weights and Measures (Conference Generate des Poids et Mesures), consists of delegated from all the Member States of the Metre Convention who discuss and approve results and recommendations of the CIPM.
- 9.) **CIPM** – the International Committee on weights and Measures (Comite International des Poids et Mesures), consists of some 18 individuals, each belonging to a different state, elected by the CGPM, and charged with the supervision of the BIPM and the affairs of the Metre Convention.
- 10.) **Deputized Entity** – entity designated by the IRR or the Board to perform technical functions and physical activities for the NMB.
- 11.) **DOST** – the Department of Science and Technology.

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- 12.) **Executing Authority** – (refer to the notes under **NMB**).
- 13.) **In-house calibration laboratory** – laboratory operated in an establishment to serve the calibration needs of the establishment.
- 14.) **Inter laboratory comparison** – program wherein a device is circulated among participating laboratories to be measured by them under a prescribed protocol. Analysis of the results of the comparisons provides guidance on the competence of the laboratory and/or equivalence of its measurement standards with others.
- 15.) **IRR** – this Implementing Rules and Regulations.
- 16.) **ITDI** – the Industrial Technology Development Institute, a research and development agency under the Department of Science and Technology.
- 17.) **Measurand** – a quantity subjected to measurement.

Note: As appropriate, this may be the **measured quantity** or the **quantity to be measured**.

- 18.) **Measurement** – set of operations having the object of determining a value of quantity.
- 19.) **Measurement standard** – material measure, measuring instrument, reference material or measuring system intended to define, realize, conserve or reproduce a unit or one or more values of a quantity to serve as a reference.
- 20.) **Measuring instrument** – device or combination of devices designed for measurement of quantities.
- 21.) **Metre Convention, or Metre Treaty** – the diplomatic treaty (Convention du Metre in French, the official language of the treaty), established in 1875, presently with signatories from 51 nations, with the objective of unifying the system of units of measurements.
- 22.) **Metrology** – science of measurement.

Note: Metrology includes all aspects both theoretical and practical with reference to measurements, whatever their uncertainty, and in whatever fields of science or technology they occur.

- 23.) **Metrological controls** – type approval, verification, calibration and/or other processes and means of checking the accuracy and reliability of measurement, measurement standards and measuring equipment.
- 24.) **Metrological services** – activities rendered to client such as calibration and/or test, repair and fabrication of a measuring instrument, verification, type approval and related services.
- 25.) **NMB** - the National Metrology board created by the Act. NMB covers both the teams consisting of the Board members performing policy making, planning, monitoring and other related actions; and the ITDI and NMB's deputized entities physically implementing the Act.

Note: For clarity, the team "**Board**" is used to mean the team consisting of the members of the National Metrology Board performing policy making, planning, monitoring and other actions and authority exercised

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collectively. The term “**Executing Authority**” on the other hand is used with respect to NMB in its performance of its technical functions and physical activities as undertaken by it through ITDI and through NMB’s deputized entities.

- 26.) **NMI** – National Metrology Institute, the generic name for the laboratory or entity in charge of the national standards of units of measurement for a country or economy.
- 27.) **NML** – the National Metrology Laboratory of the Industrial Technology Development Institute of the Department of Science and Technology, responsible for establishing, maintaining, and disseminating national physical standards for basic and derived quantities such as mass, length, temperature, time interval, voltage and resistance, viscosity, force and pressure.
- 28.) **NL, national laboratories** – the NML and other laboratories at the Apex of the metrology pyramid.
- 29.) **Primary standard** – standard that is designated or widely acknowledged as having the highest metrological qualities and whose value is accepted without reference to other standards of the same quantity.

Notes: This is about standards in the world. For an example, the temperature defined by the triple point of water is a primary standard. Different laboratories in the world, including ITDI have such a primary standard.

The concept of primary standard is equally valid for base quantities and derived quantities.

- 30.) **Regulated Areas of Application** – the field of endeavors or areas which are critical to citizens as they affect health, safety, welfare, physical conditions, trade and commerce, legal transactions, environment and other areas as may be determined by the NMB.
- 31.) **Regulatory agency** – government entity empowered by law or executive order to issue and/or implement rules and regulations pertaining to measuring equipment, tests and/or measurements in the Regulated Areas of Application.
- 32.) **Reference standard** – standard, generally having the highest metrological quality available at a given location or in a given organization, from which measurements made there are derived.
- 33.) **Secondary standard** – standard whose value is assigned by comparison with a primary standard of the same quantity.
- 34.) **SI Units** – the units of measurements and their multiples and sub-multiples as defined by CGPM.
- 35.) **Tests and Measuring Instruments (TMI)** – device, instrument, or equipment intended to be used to make measurements, alone or in conjunction with supplementary devices, to determine one or more characteristics or performance of a given product, material, equipment, organism, physical phenomenon, process or service according to a specified procedure.

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- 36.) **Traceability** – the property of the result of a measurement or the value of standard whereby it can be related to stated references, usually national or international standards, through an unbroken chain of comparisons all having stated uncertainties.
- 37.) **Type approval** – decision of legal relevance, based on the evaluation report, that the type of a measuring instrument complies with the relevant statutory requirements and is suitable for use in the regulated area in such a way that it is expected to provide reliable measurement results over a defined period of time.
- 38.) **Verification** (of a measuring instrument) – procedure (other than type approval) which includes the examination and marking and/or issuing of a verification certificate, that ascertains and confirms that the measuring instrument complies with the statutory requirements.
- 39.) **Working standard** – standard that is used routinely to calibrate or check material measures, measuring instruments or reference materials.

PART II MAJOR PROVISIONS

RULE IV

Establishing of the National Measurement Infrastructure System (NMIS)

Section 6. There is hereby established a National Measurement Infrastructure System (NMIS) providing measurement standards that are internationally traceable and consistent with the Metre Convention.

The NMS shall cover units of measurements, measuring instruments, measurement standards, their application and metrological controls, a laboratory accreditation system, and a system of appropriate penalties.

Section 7. The laboratories in the NMIS shall be, with respect to accuracy level, hierarchical in nature, forming a metrology pyramid, at the apex of which are the national laboratories of highest accuracy level, government and private-owned third party calibration laboratories in the middles, and the in-house calibration laboratories and users of measuring and testing equipment at the base. Annex D of this IRR reflects the pyramidal structure.

Section 8. The national laboratories (NL) at the apex of the pyramidal structure, consist of the Secondary Standards of Dosimetry Laboratories (Philippine Nuclear Research Institute-DOST and Bureau of Health Devices and Technology-DOH) for ionizing radiation, the Philippine Atmospheric, Geophysical and Astronomical Services Administration-DOST for the epoch time (time of the day), and the National Metrology Laboratory of the Industrial Technology Development Institute, DOST, which is in-charge of the rest of the national standards of units of measurement (e.g., mass, length, electricity, frequency, temperature, force, pressure). The Board may designate other laboratories to be at the apex for specified fields as deemed necessary and appropriate.

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Section 9. The national laboratories shall maintain the accuracy of their standards through periodic calibration and comparison with the standards of other national metrology institutes to ensure international traceability of its standards.

The standards at this apex shall be used to calibrate reference standards from the laboratories in the middle of the pyramid. Entities at the middle shall in turn calibrate instruments coming from the base.

RULE V

Creation of the National Metrology Board (NMB)

Section 10. A National Metrology Board, hereinafter referred to as the NMB, is hereby created and is to be chaired by the Secretary of the Department of Science and Technology (DOST). It shall be composed of the Secretaries of the following agencies or their duly authorized representative with the rank of Undersecretary, as ex officio members:

1. Department of Trade and Industry (DTI);
2. Department of Transportation and Communications (DOTC);
3. Department of Health (DOH);
4. Department of Interior and Local Government (DILG);
5. Department of Justice (DOJ);
6. Department of Environment and Natural Resources (DENR); and
7. Department of Agriculture (DA).

Section 11. There shall be appointed to the NMB one (1) representative each from the business sector, the professional metrology association of national membership, and the academe, each of whom shall have a term of three (3) years. These representatives shall be appointed by the President upon recommendation of the Secretary of the DOST.

For each of the above sectors, the Secretary of the DOST shall require the associations or groups to identify three nominees from among members to represent the Sector to the NMB. The names of the nominees and their corresponding curriculum vitae and other credentials shall be conveyed to the DOST Secretary in writing signed by the heads of the associations or groups. The DOST Secretary shall submit the names of all nominees and their credentials to the President from among whom the latter shall appoint one representative from each sector to the NMB.

Section 12. If a sector representative could not continue his term due to incapacity, withdrawal of support from his sector association to the NMB. He shall be replaced by the sector he represents through the same process above and serve only for the remainder of the term unless he is chosen later by his sector for a new term.

Section 13. The composition of the NMB, as deemed necessary and appropriate, may be increased or decreased upon recommendation of the existing NMB members and approval of the President.

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Section 14. The ITDI of DOST is hereby mandated to serve as the NMB's Secretariat.

Section 15. To assist the Secretariat in the daily operations of the NMB, the following core positions shall be established.

Operations Manager	Cashier
Office Secretary	two – Science Research Specialist II
Messenger	Accountant

The duties and qualifications of these positions shall be defined by the NMB. The items and budget for personal services shall be included in the GAA of the DOST.

Section 16. The National Metrology Laboratory (NML) presently existing as the laboratory arm of the ITDI on metrology shall lead public and private laboratories in carrying out the calibration, verification, type approval, testing and other metrological controls to effectively implement the provisions of the Act. Metrology laboratories of ITDI, PNRI, PAG_ASA and DOH shall establish and maintain national standards of measurements and provide international traceability in the country through their metrological services.

Section 17. For the purpose of enforcing its mandate under this Act, ITDI as the Secretariat of the NMB shall recommend to the NMB, the delegation of specific authority and functions of the NMB to other departments and agencies of the government and private institutions as **deputized entities** to assist in the implementation of the Act. ITDI shall call on the personnel of these deputized entities to assist in the implementation of the Act.

When the National Metrology Board performs its technical functions and physical activities through ITDI, or through its deputized entities, it shall be referred to as the **Executing Authority**. On the other hand, the NMB shall be referred to as the **Board** when it performs policy making, planning, monitoring and other actions and authority exercised collectively by the members composing the National Metrology Board.

ITDI shall form Technical Working Groups (TWGs), drawing members from the departments and agencies of the government and private institutions, to draft technical and other guidelines needed to carry out the provisions of the IRR. Among others, these shall include:

- Verification Procedures
- Type Approval Procedures
- Verification Intervals
- Tolerances for Measuring Equipment
- Fees and Charges Harmonization Guideline

The draft rules and guidelines shall be submitted to the NMB for approval.

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Section 18. Remuneration for Technical Working Group (TWG) members:

Each TWG member or his representative shall be entitled to a remuneration for his attendance to regular and special TWG meetings based on prevailing DOST guidelines.

RULE VI

Functions, Duties, and Responsibilities of the NMB

Section 19. The NMB is a policy making and implementing body and in the exercise of its functions, duties and responsibilities, has the power to delegate the authority to concerned entities as deputized entities to implement the provisions of the Metrology Act.

Section 20. The NMB shall have the following duties and responsibilities:

- A. To ensure the execution, up-keeping and conservation of National Standards of units of measurement in conformity with the Board-Authorized Units; The Board Shall
 - A1. develop plans for the establishment, maintenance, and application of the National Standards to have measurements done in the country traceable to the Board-Authorized Units.
 - A2. ensure that the National Standards, except those that are at primary standard level, are periodically calibrated with international traceability.
 - A3. ensure that the quality of the National Standards is regularly monitored through participation in inter-laboratory comparisons with other national metrology institutes.

- B. To promote and to coordinate the use in the country of a uniform system of units and measurements standards of physical quantities; The Board shall:
 - B1. conduct Information, education and communication activities or programs to disseminate the use of a uniform system of units and measurement standards of physical quantities. In the conduct of these programs, the Board shall coordinate closely with appropriate government and private entities, tri-media and other bodies.
 - B2. collaborate with the Department of Education, Commission on Higher Education, and Technical Education and Skills Development Authority, to pursue the inclusion of appropriate metrology topics in the curriculum.
 - B3. encourage the regulatory agencies to coordinate with the concerned local government units (LGUs) in the provision of metrological services.

- C. To issue and enforce the necessary guidelines on metrological controls on measurement standards and measuring equipment such as manner of use, type approval, verification, calibration, and use of control marks; The Board shall

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- C1. conduct periodic review of the above-mentioned guidelines to ensure appropriateness of technology; and maintain a library of relevant documents on these guidelines and in other areas relevant to this Act.
- C2. ensure that any measuring equipment shall be type-approved prior to use and develop guidelines for Type Approval using international standards as reference.
- C3. monitor the regular verification of measuring equipment to ensure compliance to standards.

Verification for measuring equipment that are of widespread in use and affecting health, safety, welfare, physical conditions, trade and commerce, legal transactions, environment and other areas as may be deemed by the Board, shall be in accordance to the procedures in Annex E and verified at intervals prescribed Annex F.

- C4. ensure the issuance of certificates, seals, stickers, and other means to preserve integrity of metrological control of equipment. For that equipment that are of widespread use for sale of goods directly to consumers, guidelines in Annex G shall be followed.
- D. To ensure that the metrological requirements are met in all commercial, economic, scientific, technical and similar endeavors; The Board shall:
 - D1. monitor the compliance of different sectors with respect to the accuracy of measuring equipment and the measurements through the registration scheme, the accreditation system, Board inspections, and other means.
 - D2. issue policies, procedures, and guidelines for the above monitoring activities based on existing laws, rules and regulations.
 - E. To fix rates and collect fees for verification work and other metrological services for both public and private entities; The Board shall:
 - E1. formulate a scheme for collection, disbursement and management of fees generated from metrological services, registration and other activities of the Executing Authority relevant to the Act.
 - E2. formulate guidelines to harmonize the computation of fees and charges for verification and other metrological services for the implementation of this Act. The relevant departments shall adopt these guidelines (Annex H) for the computation of their respective fees.
 - E3. monitor the adoption of the harmonized computation of fees and charges.
 - F. To carry out the testing for Type Approval of TMI through the Executing Authority or through a deputized laboratory.
 - G. To supervise and to ensure the calibration or verification of TMI, and calibration of standards; The Board shall.

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- G1. develop and establish a system/s of monitoring and reporting of compliance to Metrology Act and collaborate with various departments and relevant organizations for its effective implementation.
 - G2. through the TWG and/or accrediting body, to conduct ocular inspection, periodic checks and, if necessary, supervision, of laboratories and entities, including the local government units in the discharge of their functions relevant to the implementation of the Metrology Act.
- A. To ensure that persons or business entities regularly engaged in importing, manufacturing, repairing, selling or hiring certain measuring equipment comply with the guidelines of the Board; and
 - B. To perform such other functions, duties, and responsibilities as may be necessary to implement this Act, including the creation of committees.

RULE VII Operations of the NMB

Section 21. The official address of the NMB shall be:

The National Metrology Board
Industrial Technology Development Institute
DOST Compound, General Santos Avenue
Bicutan, Taguig City, Philippines 1631

Section 22. The Board shall convene immediately after the effectivity of the IRR, and shall meet at least once every semester. Special meetings may be convened upon the request of the Chair or majority of the Board members.

A meeting may proceed without quorum, but decisions arrived at during such meetings shall not be official and has to be validated in a meeting with quorum or through a written referendum. Quorum is attained when the number of Board members attending exceeds one half of the total numbers of Board members (representative and alternate from the same Department or Sector is counted as one) plus one.

Section 23. Decisions of the Board shall, whenever possible, be reached by consensus. After reasonable exhaustion of means to arrive at a consensus but to no avail, decision shall be reached by casting of votes. Each major ruling of the Board shall be through a resolution approved by at least 80 % of the members.

Major Ruling refers to Board decisions, rulings and agreements that pertain to the promulgation of policies, rules, regulations and procedures, the setting of verification or calibration standards, fixing of rates for metrological work and similar calibration services, collection of fees and allocation of funds, authorized units of

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measurements, and any other decisions that the Board may deem to be important to merit dissemination through a resolution.

Section 24. The NMB shall operate under a quality management system that will ensure its operations are efficiently and effectively carried-out to implement this Act.

Section 25. Incentives for Board members: Each Board member or his representative shall be entitled to incentives and allowances for his attendance to regular and special Board meetings based on prevailing DOST guidelines.

RULE VIII **Registration**

Section 26. Coverage. Any person or business entity using or keeping measuring equipment for transactions under the regulated areas of application, whether locally or assembled/manufactured/imported, shall be registered with the NMB.

Branches, subsidiaries, distributorships, sister companies or similar establishments situated in different/separate locations shall be considered as a different entity and shall therefore also be required to register separately.

Section 27. Within six months of effectivity of the IRR, all persons or business entity covered by Section 26, shall register with the NMB through its authorized registration centers.

Section 28. Authorized Registration Centers. The following agencies are hereby authorized as registration centers:

9. Department of Science and Technology
Regional Offices
National Metrology Laboratory – ITDI
Philippine Nuclear Research Institute
10. Department of Interior and Local Government - Local Government Units
11. Department of Trade and Industry
12. Department of Health
Bureau of Food and Drugs
Bureau of Health Devices Technology
Centers for Health Development
13. Department of Transportation and Communication
National Telecommunications Commission
Land Transportation Office
14. Department of Environment and Natural Resources

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Environment Management Bureau

15. Department of Energy

16. Department of Agriculture
Central and Regional Offices

Section 29. An Approving Officer, authorized to approve and issue registration and clearance to applicants, shall be designated by the NMB in each registration center.

Section 30. Registration Procedures- The authorized registration centers shall accept and process applications for registration including validation of data and information in the registration form particularly the location of business/equipment. It shall also accept and process applications for clearance of importers of metrological equipment but are non-distributor of the same, provided that their consignee is registered with the NMB.

The authorized registration centers shall approve and issue corresponding Certificate of Registration and Certificate of Clearance on behalf of the National Metrology Board.

The authorized registration centers shall maintain a data base of the registered entities and clearances issued to importers and submit quarterly report of the registration status to the National Metrology Board through DOST and its Regional Offices.

Section 31. Requirements for Registration

The person or business entity seeking for registration shall submit to the authorized registration centers the following:

a. For Industrial/Calibration & Testing providers/Manufacturers:

- Duly accomplished application form
- in three (3) copies
- Photocopy of Certificate of
- Registration from DTI or SEC
- Photocopy of Business permit
- Registration fee of P500

b. For Commercial End-User

- Duly accomplished application form
- in three (3) copies
- Photocopy of Business permit
- Registration fee of P500

Section 32. Requirements for Clearance (For Importers)

- a. Duly accomplished application form
- b. Photocopy of Certificate of Registration from DTI or SEC

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- c. Photocopy of Business permit
- d. Certificate of Registration of Consignee (Certified True Copy)
- e. Registration fee of P500

Section 33. Processing of Application for Registration/Clearance

The authorized Regional Centers shall process application and issue the required registration/clearance not later than 5 days after receipt of application. In case of disapproval the Center shall inform the applicant for the reason/s of rejection of application.

The original copy of registration shall be issued to the applicant and shall be displayed in conspicuous location in the place of business. The duplicate shall be transmitted to the NMB secretariat. The triplicate copy will be filed by the issuing Office. The NMB Secretariat shall provide the Bureau of Customs an authenticated photocopy of the duplicate clearance to import.

Section 34. Validity of Registration – Registration shall be valid for ten (10) years.

RULE IX

System of Units and Metrological Controls

Section 35. System of Units. - The system of units based on the International System of Units (SI) prescribed by the CGPM (General Conference on Weights and Measures) shall be mandatory throughout the country in regulated areas of application. The use of other units on meritorious cases may be allowed by the Board. These Board-Authorized Units are listed and defined in Annex B. Board-Authorized Units that are SI or of International Use and Annex C. *Board-Authorized Units that are Non-SI (Units of measurements and denominations which may be used temporarily up to a date to be specified later, but which shall not be introduced where they are not in use.*

Measuring equipment used for measuring quantities in regulated areas of application shall give results expressed in either SI or other Board-Authorized Units. All measurement standards and measuring equipment used in the regulated areas of application shall be subject to metrological control.

Section 36. Coverage. All tests and/or measuring instruments (TMI) used for transactions under the regulated areas of application, whether locally manufactured/assembled or imported, shall be verified by the Executing Authority or DTI-accredited calibration laboratories. The Executing Authority or the DTI-accredited calibration laboratory shall issue the corresponding Certificate of Verification and a verification sticker bearing the date of verification, name of owner/user, description of the equipment and its intended use. Whenever appropriate, the verification sticker shall be attached to the verified equipment where it can be seen easily, and a certified true copy of the Certificate of Verification shall

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be displayed near the equipment, which shall serve as the permit to use the verified TMI.

Equipment that shall be used to verify the above-mentioned TMI shall be calibrated by the Executing Authority or a National Metrology Institute (NMI) whose measurement capability for such calibration has been approved under the Global Mutual Recognition Arrangement (MRA) among national metrology institutes, or a laboratory accredited by an accrediting body recognized by the International Laboratory Accreditation Conference (ILAC) and whose traceability is through an NMI whose measurement capability for such calibration has been approved under the Global Mutual Recognition Arrangement among national metrology institutes. Appropriate certificate of calibration shall likewise be issued by the laboratory and, whenever appropriate, a calibration sticker shall be attached to the equipment where it can be seen easily.

Section 37. Authorized Calibration Laboratories. In addition to the deputized entities, the NMB may authorize the use of calibration laboratories for the purpose of the Act. A prerequisite for authorization is the accreditation of the laboratory by the national laboratory accreditation body. The NMB shall issue additional guidelines on authorization and shall inform the public of the names, locations and services of said laboratories through regular bulletins.

RULE X Traceability of Measurements

Section 38. All weights, measures and measuring equipment shall be internationally traceable through the national metrology laboratories or other laboratories recognized by the NMB.

The national laboratories (NL) shall maintain primary, secondary, and working standards, against which the reference standards of accredited laboratories can be calibrated. The NL standards in turn shall be internationally traceable through calibration by internationally traceable laboratory, or through interlaboratory comparisons with other NMIs. NL shall maintain membership in regional and international metrology bodies to sustain the participation in inter-laboratory proficiency tests and establish and maintain its claims of measurement capability under the global MRA.

RULE XI Labeling

Section 39. Labeling. -In addition to the requirements for the labeling of products, commodities, goods and merchandise pursuant to Republic Act No. 7394, otherwise known as "The Consumer Act of the Philippines," the products, commodities, goods or merchandise must contain contents and quantities of substances, nutritional and health value and relevant other information in units prescribed in this Act.

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Contents and quantities must be expressed in terms of SI or other Board-Authorized Units (BAU).

RULE XII Laboratories and Procedures

Section 40. The National Metrology Laboratory and other Executing Authorities shall conduct metrological controls undertaken in the country. Metrological controls done outside the country must be made by laboratories recognized by the NMB.

Other local laboratories may be tapped for conduction of metrological controls provided that these laboratories are accredited by the National Accreditation Body and registered with and authorized by the NMB to perform such function.

Section 41. Procedures to be followed in conducting tests shall be based on national or international standards or upon the recommendation of the International Organization of Legal Metrology (Organization Internationale de Metrology Legale, OIML) or any other established standards recognized by the NMB.

Section 42. Requirements for and Process of Verification and Calibration of Test and Measuring Instrument (TMI)

The applicants for verification and calibration of TMI shall submit to the Executing Authorities an NMB-authorized calibration laboratory for their specific TMI the following requirements:

1. Duly accomplished application form;
2. Certificate of Registration with the NMB as a person/business entity using or keeping TMI for transactions under the regulated areas of application; and
3. The actual operational TMI. For immovable TMI, the NL or authorized calibration laboratory shall assign a qualified person to undertake the verification or calibration at the site.

A qualified NL or authorized calibration laboratory staff shall verify or calibrate the equipment.

A certificate of verification or calibration, and corresponding sticker shall then be issued to the applicant.

Section 43. Fees and charges for calibration. The fees and charges for all types of verification and calibration work shall be based on the guidelines set by the NMB.

Section 44. Validity of Verification

The TMI shall be verified regularly as prescribed in Annex F. TMI not included in this annex shall be verified at intervals to be determined by the end-user based on type of use, behavior of

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TMI as shown by control charts, results of comparisons or other appropriate method to assure continued accuracy.

Use of TMI that is overdue for verification shall constitute a violation.

Section 45. Registration period

Existing TMIs already in use for transactions under the regulated areas of application shall be registered not later than 6 months upon the effectivity of these rules and regulations. Newly acquired TMIs or those that are already existing but will be used for transactions under the regulated areas of application for the first time may be registered at the convenience of the owner/user: provided; that it shall not be used for transactions under the regulated areas of application prior to registration.

RULE XIII

Access to Industrial/Commercial Establishments and Facilities

Section 46. The Board and NMB-designated Executing Authority shall have the right to inspect at reasonable hours on business day industrial establishments, commercial premises or other facilities/premises where measuring equipment, which is meant to be used in the regulated areas of application, is installed or kept or where there is reason to believe it is installed or kept.

Any officer or agent of the industrial establishments, commercial premises or other facilities who shall refuse the NMB or any of its officers, or NMB-designated Executing Authority to inspect shall be liable to the penalties imposed under Section 57 this IRR.

RULE XIV

Accreditation System

Section 47. Accrediting Body. - The laboratory accrediting body of the Department of Trade and Industry (DTI) is hereby strengthened and recognized under the Act as the national laboratory accreditation body,

Section 48. The national laboratory accreditation body, herein after also called the national accreditation body, accreditation body, or Body, shall have the following government agencies or offices as members:

Department of Trade and Industry (DTI);

Department of Science and Technology
(DOST);

Bureau of Food and Drugs (BFAD-
DOH);

Fertilizer and Pesticide Authority (FPA-
DA);

Environmental Management Bureau
(EMB-DENR);

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National Telecommunication
Commission (NTC-DOTC);
Department of Energy (DOE);
Bureau of Health Devices and
Technology (BHDT-DOH); and
Department of National Defense (DND).

Section 49. The above agencies shall be represented by no lower than Deputy Director; preferably those involved in accreditation or other form of recognition of testing and calibration laboratories. As necessary, other entities may be identified to become members of the Accreditation Body through a resolution by the existing Body.

Section 50. The structure and operation of the Accreditation Body shall be such as to give confidence to its accreditations, and shall be organized and operated to safeguard the objectivity and impartiality of its activities.

Section 51. Laboratory Accreditation System. The laboratory accreditation body shall establish a national standard for accreditation, testing and/or calibration laboratories following ISO/IEC GUIDE 58 “Calibration and testing laboratory accreditation systems – General requirements for operation and recognition” and ISO/IEC 17025, revisions or replacement thereof, and other relevant international guidelines and standards.

It shall formulate relevant policies, procedures, forms and other materials and systems for its accreditation function. It shall have the responsibility of evaluating and accrediting compliance of testing and calibration laboratories, and monitor the performance of accredited laboratories through periodic inspection and surveillance.

Specifically, the Accrediting Body shall have the following functions in addition to the above-mentioned:

- a. It shall operate based on a quality system covering its policies, objectives, procedures, qualified personnel, documents, records and all that form part of its operations. The main responsibility of the Body is to evaluate and formally recognize testing and calibration laboratories that comply with the requirements of ISO/IEC 17025 and its future revisions and other accreditation requirements.
- b. It shall establish, implement and maintain a management system and continually improve its effectiveness in accordance with the requirements of the international standard ISO/IEC 17011.

Section 52. As necessary, DTI shall review and improve existing DTI Administrative Orders and issue new ones to include the provisions of this law.

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RULE XV Progressive Application

Section 53. - The Department of Science and Technology (DOST), upon advice of the NMB and in coordination with other concerned agencies, shall adopt a progressive application of the Act.

Section 54. The NMB shall prescribe the commencement of implementation of the different provisions of the IRR, among others, those pertaining to:

1. Verification of measuring equipment used for direct sale of goods to the public;
2. Registration of incoming (imported and locally produced) measuring equipment;
3. Prohibition of importation of measuring equipment not type-approved or whose scale or readout is without Board-Authorized Units of measure;
4. Use of Board-Authorized Units for quantities in all packaged consumer goods

Section 55. The NMB shall evaluate the importance, needs, and ease of compliance and enforcement and come up with a schedule of implementation of the various requirements of the IRR, as Annex A. Government and private institutions with existing measurement system and equipment not in conformity with the standards and controls herein prescribed are given a period of one (1) year from the date of the effectivity of the IRR to comply with the provisions of the Act.

RULE XVI Prohibited Acts

Section 56. The following shall constitute prohibited acts of any person or juridical person and are hereby declared unlawful:

- a. Manufacturing for sale, offering for sale, distributing in commerce, or importing any product, which is not measured in Board-Authorized Units;
- b. Importing of measuring equipment that does not give results expressed in the Board-Authorized Units;
- c. Manufacturing for sale, offering for sale, distributing in commerce or importing measuring equipment, which has not secured clearance from the NMB. Business entities or persons registered with the NMB under Section 26 are deemed to comply with this clearance requirement.
- d. Using of confiscated measuring equipment without re-verification from the Executing Authority or the local government unit having jurisdiction over the offense committed.

Confiscation may not always mean physical taking of the equipment but can take the form of disallowing use of the equipment or securing or sealing the equipment so that it cannot be used while “confiscated”.

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- e. Failure to comply with the standards provided for under this Act, such as, but not limited to:
- f. Use of equipment that has not been verified or with overdue verification in regulated areas of application;
- g. Use of equipment in regulated areas of application by non-registered entity or whose registration is under suspension.

RULE XVII **Penalties**

Section 57. - Any person who violates any provision of this Act shall be penalized by imprisonment of not less than two (2) months but not more than one (1) year or fine of not less than Five thousand pesos (Php 5,000.00) nor more than Fifty thousand pesos (Php 50,000.00) or both upon the discretion of the court: Provided, however, That if the violator is a corporation, firm, partnership or association, the penalty shall be imposed upon the president or the manager or any officer thereof who knows or ought to have known the commission of the offense: Provided, finally, That in case of the offender is an alien engaged in business in the country, his licensed shall be revoked and shall be ipso facto deported after service of sentence without need of further proceedings.

The NMB may assist the court or other adjudicative body by providing technical information, or conduct of test, or rendering of expert opinion relevant to the provisions of the Act.

The NMB may, *motu proprio*, impose administrative sanctions and charges as follows:

1. Outright revocation of registration for any major violations of the provisions of the Metrology Act. Affected parties can reapply only after 10 years.
2. For other violation, suspension of operation until such time that they have complied with the requirements.
3. The NMB shall impose and collect fines for violation on Section 56 of Rule XXI on Prohibited Acts.

Appeals on ruling of the NMB under Section 57 may be filed with the Operations Manager of the NMB within 15 days after receipt of the NMB's ruling. The procedures and rules on appeals are prescribed in Annex I.

RULE XVIII **Appropriation**

Section 58. - The amount necessary to carry out the provisions of this Act shall be included in the General Appropriations Act, for the year following effectivity of the IRR and every year thereafter.

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Section 59. The DOST shall include the NMB's financial requirements in its submission of the Department's proposed budget to the Department of Budget and Management, (DBM) for the year following the effectivity of the IRR, and for the succeeding years. The amount shall be determined based on the Work Program formulated by the inter-agency Technical Working Group that undertook the drafting of this IRR.

Section 60. The budget for the NMB shall include salaries of Core Personnel of the NMB for it to effectively implement the IRR.

Section 61. Fifty percent of the fees and charges collected as a result of metrological work shall be retained by the NMB through its deputized government agencies. The remaining 50% of fees collected shall be remitted to the national treasury.

Section 62. The amount retained shall be used by the NMB, ITDI, and other deputized entities in the enhancement of their capabilities and modernization of metrological and measurement standard activities. This fund shall be separate from the regular allocation under Section 58.

Section 63. In line with this, the NMB shall prescribe a unified billing and accounting system to be adopted by deputized entities in the collection of fees and charges for metrological works. The system configuration shall be such that the data from the different implementing entities can be gathered and consolidated by the NMB.

Metrological works shall pertain to the application of metrological controls ranging from type approval, verification, calibration and other means to check measuring equipment. It shall also cover registration activities as provided in Rule VIII.

Section 64. The NMB and its deputized entities shall use the retained fees and charges for enhancement and modernization of metrological services and standards. It shall issue rules, criteria, and procedure for this purpose as Annex J.

PART III EFFECTIVITY

RULE XIX Separability Clause

Section 65. – The provisions of this IRR are declared severable. If for any reason, a particular provision is declared unconstitutional, the other provisions of the IRR that are not affected thereby shall continue to be in full force and effect.

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RULE XX Repealing and Amending Clause

Section 66. Repealing Clause. - All existing orders, rules and regulations or portions thereof inconsistent with or contrary to the provisions of this IRR are hereby repealed or modified accordingly.

Section 67. Amendment Clause. - This IRR can be amended only after 3 years upon its effectivity, except for cases needing immediate and critical corrective actions as declared by the NMB. Amendment of this IRR shall be done using the same process used in its formulation. Succeeding amendments shall be done as the need arises. The Annexes of the IRR are not covered by the foregoing requirements on amendments and may be modified, added, or withdrawn following the policies and procedures of the NMB.

RULE XXI Effectivity

Section 68. - This IRR shall take effect fifteen (15) days after its complete publication in the Official Gazette or in a newspaper of general circulation. The UP Law Center's Office of National Administrative Register shall be provided copy of this IRR.

APPROVED:

(Sgd) **ESTRELLA F. ALABASTRO**
Secretary

ANNEXES

Annex A. Progressive Application of the Metrology Act

Annex B. Board-Authorized Units that are SI or of International Use

Annex C. Board-Authorized Units that are Non-SI

Annex D. Pyramidal structure

Annex E. Procedures for verification of measuring equipment that are of widespread use for sale of goods directly to consumers

Annex F. Verification intervals for measuring equipment that are of widespread use for sale of goods directly to consumers

Annex G. Guidelines for the Use of Verification Marks and Seals

Annex H. Guidelines for Computation of Fees for Metrological Services

Annex I. Rules and Procedure for the Appeals on ruling of the NMB with respect to Administrative Sanctions and Charges under Section 57

Annex J. Guidelines on the sue of fees and charges from metrological works

Annex K. Imposition of fines by the NMB or the Board

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Annex A. Progressive Application of the Metrology Act

Based on the importance, capacity for implementation, and ease of implementing the following schedule is adopted. Date of start is in terms of the number of months after the date of effectivity of the IRR. For specific fields or areas where the requirement or activity is presently being implemented under existing laws and ordinances, executive, and department orders, the same shall be continued and the start listed shall be for the application of any changes from present practice.

ID	Requirement or Activity	Start
1	Conduction of public awareness programs; seminars, publications	2
2	Issuance of documentary standards for measuring equipment used for direct sale of goods and services to the public. Water meter, electric (energy) meter, weighing scales, petroleum products, dispenser, meter stick, taxi meter.	3
3	Issuance of documentary standards (including procedures) for the verification of water meter, electric (energy) meter, weighing scales, petroleum products dispenser, meter stick, taxi meter	4
4	Issuance of prescribed verification intervals for water meter, electric (energy) meter, weighing scales; petroleum products dispenser, meter stick, taxi meter	6
5	Compliance, of institutions and users of water meter, electric (energy) meter, weighing scales, petroleum products dispenser, meter stick, and taxi meter to the standard (ID 2) and verification requirement (ID 4)	12
6	Imposition of penalty provisions for non-compliance to standards or verification requirements (ID 2 or ID 4)	12
7	Registration of in-coming (imported and locally produced) measuring equipment.	6
8	Prohibition of importation or manufacture of measuring equipment not type approved or whose readings are without SI or other Board-Authorized units of measure	12
9	Verification of equipment for strength of construction materials measurements	12
10	Verification of measuring and dispensing equipment used for medical diagnosis or therapy	12
11	Issuance of guidelines on fees computation for metrological work	3
12	Use of Board authorized units for the quantity in all package goods	12

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Annex B. Board-Authorized Units that are SI or of International Use

These are SI units of measurement prescribed by the CGPM, and other units of international application.

For this, the published document OIML D2 Legal units of measurements, Edition 1999 E is adopted without changes except that its annexes A and B are not included. These annexes are replaced by one appropriate to the Philippines – Annex C for the IRR; “Board-Authorized Units that are Non-SI”.

Annex C. Board-Authorized Units that are Non-Si

1. Units of measurements and denominators which y be used temporary up to date to be specified later, but which shall not be introduced where they are not in use.

1.1 Dynamic viscosity

Poise (symbol: P)

$$1 P = 0.1 \text{ Pa} \cdot \text{s} = 10^{-1} \text{ Pa} \cdot \text{s}$$

centipoises (symbol: cP)

$$1 \text{ cP} = 1 \text{ mPa} \cdot \text{s} = 10^{-3} \text{ Pa} \cdot \text{s}$$

1.2 Kinematic viscosity

Stokes (symbol: St)

$$1 \text{ St} = 100 \text{ m}^2 / \text{s} = 10^{-4} \text{ m}^2 / \text{s}$$

centistokes (symbol: cSt)

$$1 \text{ cSt} = 1 \text{ mm}^2 / \text{s} = 10^{-6} \text{ m}^2 / \text{s}$$

1.3 Pressure

Millimetre of mercury (symbol: mm Hg)

$$1 \text{ mm Hg} = 133.322 \text{ Pa}$$

to be used only in blood pressure measurement

bar (symbol: bar) and the multiples and submultiples of bar formed according to subclause 3.2

$$1 \text{ bar} = 100 \text{ kPa} = 10^5 \text{ Pa}$$

1.4 Plane angle

Revolution (turn). (symbol: r)

$$1 r = 2 \pi \text{ rad}$$

to be used only for rotating objects

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1.5 Vergency of optical systems

dioptr

$$1 \text{ dioptr} = 1 \text{ m}^{-1}$$

1.6 Area of Farmland or Estate hectare (symbol: ha)

$$1 \text{ ha} = 0.01 \text{ km}^2 = 10^4 \text{ m}^2$$

1.7 Metric carat (symbol: ct)

$$1 \text{ ct} = 0.2 \text{ g} = 2 \times 10^{-4} \text{ kg}$$

to be used only for indicating the mass of pearls and precious stones

2. **Units of measurement and denomination whose use must be discontinued as soon as possible where they are currently in use and which shall not be introduced where they are not in use.**

2.1 Force

Kilogram-force (symbol: kgf) and their multiples and sub-multiples

$$1 \text{ kgf} = 9.80665 \text{ N}$$

2.2 Pressure

Standard atmosphere
(atm)

$$1 \text{ atm} = 101.325 \text{ kPa} = 1.01325 \times 10^5 \text{ Pa}$$

torr (symbol:Torr)

(symbol:

$$1 \text{ Torr} = \frac{101325 \text{ Pa}}{760}$$

2.3 Work, energy, quantity of heat

Kilogram force metre (symbol: kgf.m)

$$1 \text{ kgf.m} = 9.806655 \text{ J}$$

calorie (symbol: cal)

and its multiples and sub-multiples

$$1 \text{ cal} = 4.1868 \text{ J}$$

**METALS INDUSTRY RESEARCH AND
DEVELOPMENT COUNCIL (MIRDC)**

REPUBLIC ACT NO. 4724

REPUBLIC ACT NO. 4724 - AN ACT TO DEVELOP THE METALS
INDUSTRY OF THE PHILIPPINES BY ESTABLISHING THE METALS
INDUSTRY DEVELOPMENT CENTER, PROVIDING FUNDS
THEREFOR, AND FOR OTHER PURPOSES

Section 1. Declaration of Policy. — It is hereby declared a national policy to develop and expand the metals industry of the country by maintaining close coordination with the private sector in putting up a non-profit research organization to provide both the government and the private sector with professional management and technical expertise on such vital activities for the development of the industry as training of engineers and technicians, information exchange, trade accreditation service, quality control and testing of metal products, research and business economics advisory services.

Sec. 2. Definition of Terms. — As used in this Act, the following shall be understood to mean: (a) The term "metals industry" shall refer to the manufacture from ore materials of products of all precious, base and rare metals and their alloys, including all processes from smelting in direct or indirect reduction furnaces to the final finished product state, either separately or part of an integrated process, namely: the production of bullion, pig ingots, billets, pellets, blooms, skelps, slabs or bars, and rolling and/or processing into basic forms such as sheets, plates, strips, tubes, conduits, pipes, rails, rods, tin-plates and the like, and the rough castings, forgings, and extrusions, and the final processing, manufacture, fabrication, and/or assembly into finished metal products such as power generating machinery, agricultural machinery and implements, office machinery, metal working machinery, mining, construction, and all other industrial machinery, and machine parts and accessories; electric machinery, apparatus and appliances such as generators, transformer, motors and the like, and their metal parts and accessories; transport equipment such as railway locomotives and cars, passenger road motor vehicles, motorcycles, trucks, lorries, bicycles and other cycles, aircraft, ships and boats and their metal parts and accessories; and various metal manufactures such as railway construction accessories, wires, tubes and fittings, firearms, wires netting and the like, nails, bolts, and similar articles, needles and pins, safes, hand tools and implements, tools, dies and molds, household utensils, forks and spoons and cutlery, hardwares and metals, metal containers for transport and storage, and other miscellaneous manufactured articles of base, precious and rare metals and their alloys.

(b) "Allied industries" shall refer to such industries as the coal and coke and the refractory industries, the principal manufactured products of which are consumed by the metals industries in the processing of metallic raw materials into finished or semi-finished products.

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Sec. 3. *Fund to carry out provisions of this Act.* — Pursuant to the national policy enunciated in Section one of this Act, there is hereby established a special fund, to be known as the Metals Industry Development Fund, consisting of government contribution in the amount of seven million five hundred thousand pesos, the private sector contribution as provided in section 7 hereof, and the reasonable fees and charges that may be collected for services rendered by the Metals Industry Development Center. For this purpose, the sum of one million five hundred thousand pesos is hereby authorized to be appropriated upon the approval of this Act out of the funds of the national treasury not otherwise appropriated and one million pesos annually thereafter for a period of six years as the government contribution to the said fund: provided, that any unexpended balance thereof shall not revert to the general fund.

Sec. 4. *Establishment of Metals Industry Development Center.* — There is hereby established a Metals Industry Development Center, organized jointly by and with the support of the government and private sectors as a non-profit institution, to undertake the following activities:

a. Business economics advisory services:

- (1) To provide management services to industrial firms to help increase their operational and financial efficiency;
- (2) To render consultation services in the preparation of feasibility studies for new projects for the metals and allied industry;
- (3) To provide a periodic analysis of the economic status of the industry and its component sectors as a guide for policy determination by the government and as an individual framework for financial institutions;
- (4) To serve as liaison between the private sector and the government agencies implementing industrial policies to provide close rapport required for a successful development for the metal and allied industries; and
- (5) To provide computer services, including the preparation of computer programs for operations research type of applications to the metals industry.

b. Training, information exchange, and accreditation service:

- (1) To operate an information exchange center to gather and disseminate information on recent economic and technological developments, both local and foreign, that are of interest to the industry;
- (2) To assemble and maintain an up-to-date library on metals economics and technology;

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(3) To collect information and statistics for preparation of comprehensive and up-to-date industry studies;

(4) To maintain, an effective training program for engineers, technicians and craftsmen to cope with the immediate manpower requirements of metal plants and metal fabrication industries;

(5) To correlate all studies made on the various sectors of the metals and allied industries as a basis for constructing a development program and a framework for investment to induce to rapid and systematic growth of the industry;

(6) To design, develop, and implement a system of accreditation for skilled laborers, technicians and engineers who have attained a degree of experience or proficiency in the various fields of specialization in the metals industry;

c. Control and testing of metal products:

(1) To institute appropriate standards for the metals industry as a protection for the consumer and to enable local producers to attain quality that will equal if not surpass international standards;

(2) To study, recommend and private upon request suitable production methods that private industry may adopt to improve quality and to standardize products to comply with the close tolerance requirements of mass production and modern engineering products;

(3) To provide umpire services in arbitration cases between suppliers and customers dealing with metals or intermediate and finished products of the metals industry;

d. Metals research and development:

(1) To establish a metals research and development laboratory to provide ready answers to common problems encountered by the metals industry;

(2) To provide valuable working experience and opportunities for professional development to creative Filipino engineers at both the professional and student levels in the fields of metal technology;

(3) To develop and introduce methods and processes based on the maximum utilization of indigenous raw materials to lower cost of manufacturing common type of metal products;

(4) To encourage the development of the tributary industries with emphasis on those which may use locally available materials, such as coal chemicals and refractories;

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(5) To undertake fully or lend support to other engineering firms which lack the physical facilities for performing developmental or evaluation tests to improve existing plant methods or to introduce new ones;

Sec. 5. *Board of Trustees.* — The metals industry development center shall, during the first seven years from the approval of this Act, be administered by a board of trustees composed of the chairman of the National Science Development Board, a representative of the National Economic Council, the Director of Mines, the general manager of the National Shipyards and Steel Corporation and three representatives from the private sector representing the metals industry, who shall be appointed by the President of the Philippines, upon recommendation of the particular sector of the industry which they represent, for a term of seven years with the consent of the Commission on Appointments.

During the first four years of its organization, the chairman of the National Science Development Board shall be the chairman of the board. The Vice-Chairman shall be a representative of the private sector who shall be chosen by them among themselves: provided, that during the fifth to the seventh year, the chairmanship shall come from the private sector chosen in the manner provided above and the vice-chairman shall be the chairman of the National Science Development Board: provided, further, that after the seven years the board shall be automatically dissolved and the private sector shall have the discretion to reorganize a new board with the chairman of the National Science Development Board being retained as an ex-officio member and: provided finally, that the members of the board shall not receive any compensation except a per diem of fifty pesos for every session of the board which they attended but not to exceed two hundred pesos each month.

Sec. 6. *Powers and Duties of the Board.* — The board of trustees shall exercise the following powers and duties:

(a) To formulate plans and programs and promulgate such policies, procedures, rules and regulations as may be necessary for the effective operation of the metals industry development center;

(b) To receive, administer, dispose of and disburse the funds of the center;

(c) To receive in trust legacies, gifts and donations of whatever kind given to the center;

(d) To appoint the technical and administrative personnel of the center and fix their compensation, terms of office and other conditions of employment;

(e) To create donor positions which shall accommodate exceptionally qualified research engineers or scientists in metallurgy from both government and private sector and visiting research scientists;

(f) To enter into contracts for and in behalf of the center; and

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(g) To exercise such other powers and functions as may be necessary to carry out the provisions of this Act.

Sec. 7. *Responsibilities of the private sector.* — To be entitled to the benefits provided for under Section three of this Act, the private sector has the following responsibilities:

a. To provide an initial contribution in the amount of one hundred thousand pesos upon the approval of this Act and, annually thereafter for a period of six years, the amount of one hundred fifty thousand pesos for the capital and operational requirements of the research institution contemplated under this Act; and

b. To assume full responsibility of carrying on the operation of the research institution after the government assistance shall have phased out.

Sec. 8. *Ownership of property.* — All properties, equipment and facilities acquired through the Metals Industry Development Fund shall be owned by the research institution to be established under this Act: provided, however, that if the said institution is dissolved within seven years from the approval of this Act, the ownership of all such properties, equipment and facilities shall revert to the National Science Development Board.

Sec. 9. *Repealing clause.* — All laws, executive orders, rules and regulations, or parts thereof, inconsistent with this Act are hereby repealed or modified in conformity herewith.

SECTION 10. *Separability clause.* — The provisions of this Act are separable and in the event that any one or more of such provisions are declared unconstitutional the validity of the other provisions shall not be impaired.

SECTION 11. *Effectivity.* — This Act shall take effect upon its approval.
Approved: June 18, 1966

REPUBLIC ACT NO. 6428

AN ACT TO AMEND REPUBLIC ACT NUMBERED FORTY-SEVEN HUNDRED TWENTY-FOUR BY REORGANIZING THE METALS INDUSTRY DEVELOPMENT CENTER, GIVING IT CORPORATE EXISTENCE, ENLARGING ITS POWERS, PROVIDING FOR THE FINANCING THEREOF AND FOR OTHER PURPOSES.

Section 1. *Section 1 of Republic Act Numbered Forty-seven hundred twenty-four is hereby amended to read as follows:*

"Section 1. Declaration of Policy. — It is hereby declared a national policy to develop and expand the metals industry of the country by maintaining close

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coordination with the private sector in putting up a non-profit research and technological institution to provide both the government and the private sector with professional management and technical expertise on such vital activities for the development of the industry as training of engineers and technicians, information exchange, trade accreditation service, quality control and testing of metal products, research and business economics advisory services.

In coordination with other entities, it shall extend technological services to existing metalcraft industries in the rural areas to improve their capability and promote their development. It shall also initiate the establishment, whenever feasible, of metalcraft industries in these areas for their economic and social uplift."

Section 2. *Section 2 of Republic Act Numbered Forty Seven Hundred Twenty-Four is hereby amended to read as follows:*

"Section 2. Definition of Terms. — As used in this Act, the term:

(a) "Metals industry" shall refer to the manufacture from ore materials of products of all precious, base and rare metals and their alloys, including all processes from smelting in direct and indirect reduction furnaces to the final finished product state, either separately or part of an integrated process, namely: the production of bullion, pig iron, steel ingots, billets, pellets, blooms, skelps, slabs or bars, and rolling and/or processing into basic forms such as sheets, plates, strips, tubes, conduits, pipes, rails, rods, tin-plates and the like, and the rough castings, forgings, and extrusions and the final processing, manufacture, fabrication, and/or assembly into finished metal products such as power generating machinery, agricultural machinery, and implements, office machinery, metal working machinery, mining construction, and all other industrial machinery, and machine parts and accessories; electric machinery, apparatus, and appliances such as generators, transformers, motors and the like, and their metal parts and accessories; transport equipment such as railway locomotives and cars, passenger road motor vehicles, motorcycles, trucks, lorries, bicycles and other cycles, aircraft, ships and boats and their metal parts and accessories; and various metal manufacture such as railway construction accessories, wires, tubes and fittings, firearms, wire netting and the like, nails, bolts, and similar articles, needles and pins, safes, hand tools and implements, tools, dies and molds, household utensils, forks and spoons and cutlery, hardwares and metals, metal containers for transport and storage, and other miscellaneous manufactured articles of base, precious and rare metals and their alloys;

b) "Allied industries" shall refer to such industries as the coal and coke and the refractory industries, the principal manufactured products of which are consumed or used by the metals industries in processing of metallic raw materials into finished or semi-finished products;

c) "Center" shall mean the Metals Industry Research and Development Center;

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- d) "Private Sector" shall mean those private entities or individual engaged in metals and allied industries as herein defined;
- e) "Board shall refer to the Board of Trustees of the Metals Industry Research and Development Center."

Section 3. *Section three of the same Act is hereby amended to read as follows:*

"Section 3. Fund to carry out provisions of this Act. — Pursuant to the national policy enunciated in Section one of this Act, there is hereby established a special fund to be known as the Metals Industry Research and Development Fund, consisting of government contributions, as provided in this section, the private sector contribution as provided in section Seven hereof, and the reasonable fees and charges that may be collected for services rendered by the Center. The sum of two million five hundred thousand pesos is hereby appropriated upon the approval of this Act out of the funds of the National Treasury not otherwise appropriated and two million five hundred thousand pesos shall be appropriated annually thereafter as the government contribution to the said fund: provided, that any unexpended balance thereof shall not revert to the general fund. The National Science Development Board shall also allot such sums as may be required by the needs of the Center out of the proceeds of the Special Science Fund."

Section 4. *Section Four of Republic Act Numbered Forty Seven Hundred Twenty-Four is hereby amended to read as follows:*

"Section 4. Establishment of Metals Industry Research and Development Center. — There is hereby established a nonstock, non-profit corporate entity to be known as the Metals Industry Research and Development Center which shall have the general powers set out in Section Thirteen of Act Numbered Fourteen Hundred Fifty-Nine as amended:

The administration of said Center and the exercise of its corporate powers are hereby vested exclusively in the Board of Trustees organized under this Act. The Center shall undertake the following activities for which it may collect reasonable fees and charges:

a. Business Economics Advisory Services:

- (1) To provide management advisory services to industrial firms to help increase their operational and financial efficiency;
- (2) To render consultation services in the preparation of feasibility studies for new projects for the metals industry;
- (3) To provide a periodic analysis of the economic status of the industry and its component sectors as a guide for policy determination by the government and as an individual framework for financial institutions;

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(4) To serve as liaison between the private sector and the government agencies implementing industrial policies to provide close rapport required for the successful development of the metals and allied industries; and

(5) To provide computer services, including the preparation of computer programs for operations research type of applications to the metals industry.

b. Training, Information Exchange and Accreditation Service:

(1) To operate an information exchange center to gather and disseminate information on recent economic and technological developments, both local and foreign, that are of interest to the industry;

(2) To assemble and maintain an up-to-date library on metals economics and technology;

(3) To collect information and statistics for preparation of comprehensive and up-to-date industry studies;

(4) To maintain, in consultation with the Department of Education and with appropriate existing government agencies and training institutions an effective training program for engineers, technicians and craftsmen to cope with the manpower requirements of metal plants and metal fabrication industries;

(5) To correlate studies on the various sectors of the metals and allied industries as a basis for formulating a development program and a framework for investment to induce the rapid and systematic growth of the industry;

(6) To design, develop, and implement a system of accreditation for skilled laborers, technicians and engineers who have attained a degree of experience or proficiency in the various fields of specialization in the metals and allied industries.

c. Control and Testing of Metal Products:

(1) To determine and recommend appropriate standards for the metals and allied industries to protect consumers and end-users and to enable local producers to attain quality that will meet international standards;

(2) To study, recommend and provide upon request suitable production methods that private industry may adopt to improve quality and to standardize products to comply with the close tolerance requirements of mass production and modern engineering products;

(3) To provide umpire services in arbitration cases between suppliers and customers dealing with metals or intermediate and finished products of the metals and allied industries;

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d. Metals Research and Development:

- (1) To establish a metals research and development laboratory to provide answers to problems encountered by the metals and allied industries;
- (2) To provide working experience and opportunities for professional development to creative Filipino engineers at both the professional and student levels in the fields of metals technology;
- (3) To develop and introduce methods and processes for the utilization of indigenous raw materials in the manufacture of metal products;
- (4) To encourage the development of tributary industries with emphasis on those which may use locally available materials, such as coal chemicals;
- (5) To undertake fully or lend support to engineering firms which lack physical facilities for performing developmental or evaluation tests in improving existing plant methods or introducing new ones;
- (6) To provide technological services to and train manpower in metalcraft industries in the rural areas to improve their production techniques and the quality of their products;
- (7) To engage in the manufacture and disposition of metal products which the private sector is incapable or unwilling to manufacture; and
- (8) To undertake such other services as may be necessary to carry out the purposes of this Act."

Section 5. Section Five of Republic Act Numbered Forty Seven Hundred Twenty-Four is hereby amended to read as follows:

"Section 5. Board of Trustees. — The Center shall be administered by a Board of Trustees composed of the Chairman of the National Science Development Board as Chairman ex-officio, a representative of the Board of Investments, to be designated permanently for one year by the Board, a representative of the National Economic Council, to be designated permanently for one year by the Council, the Director of Mines, and three representatives from the private sector representing the metals and allied industries, who shall, upon recommendation of the active associations and professional organizations duly registered with the Securities and Exchange Commission representing the primary metals sector, the metal forming sector and the equipment machinery and durable consumer goods manufacturing sector be appointed by the President of the Philippines with the consent of the Commission on Appointments.

The members of the Board shall elect the Vice-Chairman from among themselves,

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each member from the private sector shall serve for four years and until his successor shall have been appointed and shall have qualified: provided, that no vacancy shall be filled except for the unexpired portion of any term. The presence of four members constitute a quorum. The members of the Board shall not receive any compensation except a per diem of one hundred pesos for every session of the Board which they attend but the total of such per diems shall not exceed five hundred pesos each month: provided, Further, that the present members of the Board shall continue to hold office until one year from the approval of this Act or until their successors shall have been duly appointed and shall have qualified.

There shall be an Executive Director of the Center, to be appointed by the Board: provided, that within two years from the date of the approval of this Act, the Board may, if the exigencies of the service so require, appoint a part time director any to the contrary notwithstanding. The director shall have the following power and duties:

- (1) Plan, program, direct, supervise and coordinate all activities of the Center;
- (2) Assist the Board in the determination, formulation and implementation of policies, procedures, rules and regulations as may be necessary for the effective operation of the Center;
- (3) Promote and maintain close coordination between the government and the private sector engaged in the development and expansion of the metals and allied industries;
- (4) Subject to such conditions as the Board may prescribe, to sign personally or through his duly authorized representative, checks, vouchers or other documents involving the acquisition or disposition of property or funds; and
- (5) Perform such other related duties as pertain to the office of an Executive Director and those that may be assigned to him by the Board."

Section 6. Section Six of Republic Act Numbered Forty Seven Hundred Twenty-Four is hereby amended to read as follows:

"Section. 6. Powers and Duties of the Board. — The Board of Trustees, in addition to its general corporate powers, shall exercise the following powers and duties:

- (a) To formulate plans and programs and promulgate such policies, procedures, rules and regulations as may be necessary for the effective operation of the Center;
- (b) To receive, administer, dispose of and disburse the funds of the Center;
- (c) To receive grants, legacies, devises, and donations of whatever kind to the Center. Such grants, legacies, devices and donations shall be tax-exempt and deductible from the income tax return of the giver or his estate as the case may be,

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upon certification of the Board that said grants, legacies, devices and donations are dedicated to the purposes of the Center;

(d) To appoint and in proper cases take disciplinary action against the technical and administrative personnel of the Center and fix their compensation, terms of office and other conditions of employment; provided, that all positions in the Center shall be exempt from the regulations of the Wage and Position Classification Office: provided, further, that such positions as the Board may declare to be highly technical shall not be subject to the provisions of the civil service law and rules;

(e) To create donor positions which shall accommodate exceptionally qualified engineers or scientists in metallurgy and allied fields from both government and private sector and visiting research scientists;

(f) To enter into contracts for and in behalf of the Center;

(g) Subject to the provisions of Sec. 7 hereof to allocate and fix the amount of contributions from the private sector as the public interest may require and as the financial condition of the private sector may permit; and

(h) To exercise such other powers and functions as may be necessary to carry out the provisions of this Act."

Section. 7. Section Seven of Republic Act Numbered Forty Seven Hundred Twenty-Four is hereby amended to read as follows:

" Section. 7. Responsibilities of the Private Sector. — To be entitled to the technical services and benefits to be derived from the activities of the Center as provided in Sec. 4 hereof, the private sector provide an annual contribution in the amount of at least one hundred fifty thousand pesos for the first year, one hundred seventy-five thousand pesos for the second year, two hundred thousand pesos for the third year, and two hundred twenty-five thousand pesos for the fourth year, and two hundred fifty thousand pesos for the fifth year and every year thereafter, for the capital and operational requirements of the Center and pay such reasonable fees and charges as may be fixed by the Board.in the case of metalcraft industries in the rural areas no annual contribution shall be necessary to avail of the Center's services, but they shall pay the fees and charges therefore, subject to such discounts as the Board may determine."

Section. Section Eight of Republic Act Numbered Forty Seven Hundred Twenty-Four is hereby amended to read as follows:

" Section 8. Ownership of Property. — All properties, equipment and facilities acquired through the Metals Industry Research and Development Fund shall be owned by the Center."

Section.9. This Act shall take effect upon its approval. **Approved:** May 31, 1972

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EXECUTIVE ORDER NO. 602

TRANSFERRING THE METALS INDUSTRY RESEARCH AND DEVELOPMENT CENTER FROM THE NATIONAL SCIENCE DEVELOPMENT BOARD TO THE MINISTRY OF INDUSTRY, RECONSTITUTING ITS BOARD OF TRUSTEES, AND FOR OTHER PURPOSES

WHEREAS, the Metals Industry Research and Development Center was created under Republic Act No. 4724, as amended, to assist in the development and expansion of the metals industry;

WHEREAS, the Metals, Engineering, and Allied Industries Sub-sector has been designated as a high-priority area under the Five-Year Philippine Development Plan, hence, the rapid and systematic growth of this sector of the economy is considered critical to the overall development program of the country;

WHEREAS, Presidential Decree No. 1, as amended, provides that the Metals Industry Research and Development Center shall be attached to the National Science Development Board for policy and program coordination;

WHEREAS, there is now the need to reorient the program thrust of the Metals Industry Research and Development Center from research and development to direct assistance to the metals industry to enhance, among others, the transfer of technology into the metals and allied industries as well as the provision of its services to industrial establishments;

WHEREAS, to enable the Metals Industry Research and Development Center to fully and effectively provide such assistance and establish direct linkage with the metals industry sector, it must be organizationally located within the Ministry of Industry which is primarily responsible for the promotion and development of industries in the country;

WHEREAS, under Presidential Decree No. 1416, the President is empowered to undertake such organizational and related improvements as may be appropriate in the light of changing circumstances and new developments;

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

SECTION 1. The Metals Industry Research and Development Center, hereinafter to be referred to as the Center, shall be transferred from the National Science Development Board and attached to the Ministry of Industry for policy and program coordination and direction.

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SECTION 2. The Board of Trustees of the Center is hereby reconstituted and shall be composed of the Minister of Industry as Chairman, with a representative each from the National Science Development Board, the Ministry of Natural Resources, the National Economic and Development Authority, and three representatives from the metals, engineering and allied industries sub-sector to be appointed by the Minister of Industry, as members. The appointive members shall serve for a term of three years; provided, that, of the first three members appointed, one shall serve for three years, one for two years and one for one year, respectively.

SECTION 3. The Chairman of the Board of Trustees shall appoint with the approval of the Board, the Executive Director of the Center.

SECTION 4. The Board is hereby authorized to reorganize the internal structure of the Center and to provide to its officers and personnel such incentives as may be necessary, in consultation with the Ministry of the Budget and the Presidential Commission on Reorganization.

SECTION 5. All laws, decree, administrative orders, proclamations, rules and regulations or parts thereof, which are inconsistent with any of the provisions of this Executive Order are hereby repealed, amended, or modified accordingly.

SECTION 6. This Order shall take effect immediately.

Done in the City of Manila, this 10th day of July, in the year of Our Lord, nineteen hundred and eighty.

(Sgd.) **FERDINAND E. MARCOS**
President of the Philippines

PRESIDENTIAL DECREE NO. 1765

ENLARGING THE POWERS AND PURPOSES OF THE METALS
INDUSTRY RESEARCH AND DEVELOPMENT CENTER; FURTHER
RECONSTITUTING ITS BOARD OF TRUSTEES, AND FOR OTHER
PURPOSES.

WHEREAS, the Metals Industry Research and Development Center (MIRDC) was created by Republic Act No. 4724 as amended by Republic Act No. 6428 to develop and expand the metals industry, by providing both the government and the private sector with professional management and technical expertise on such vital activities as training of engineers and technicians, information exchange, trade accreditation service, quality control and testing of metal products, research and business economics advisory services;

WHEREAS, Executive Order No. 602 dated July 10, 1980 transferred the MIRDC to the Ministry of Industry to reorient its program thrust from research and development to direct assistance to the metals industry;

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WHEREAS, to achieve the above-cited purposes and the reorientation of its program thrust as enunciated in the above-mentioned Executive Order, there is a need to accelerate MIRDC's facilities for testing and inspection to aid in the establishment, review and enforcement of quality standards;

WHEREAS, in order that the purposes and objectives of the MIRDC can be effectively and satisfactorily attained, it is necessary to enlarge its purposes and powers and define its operation and structural organization;

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

Section 1. The Center shall, thru the availment of its existing personnel, expertise and facilities for testing and inspection assist the Ministry of Industry in the establishment, review and enforcement of quality standards provided in P.D. 1520, including safety and performance tests of the metals industry as defined in Section 2 of Republic Act No. 4724 as amended by Republic Act No. 6428.

Section 2. To enable the Center to effectively fulfill the above cited function and pursuant to other objectives expressly declared in its statutes, it shall:

1. Assist in the organization, maintenance and operation of product testing facilities, whether organized as a separate foundation or not, to carry out the activities of the Center related to review and enforcement of quality standards thru testing and inspection of manufactured metal products, machineries, equipment, appliances, and their accessories and parts.
2. Obtain funds from government or private sources in the Philippines or elsewhere or from international public or private lending institutions, to support or carry out its purposes and/or to arrange financing of equipment or other credit facilities, or secure any kind of assistance for its own account or for the account of its clients in such manner and under such terms as the Board of Trustees of the Center may redeem reasonable.
3. Apply for, register, purchase or otherwise acquire, use, protect and renew any patents, patent rights, licenses, concessions, trademarks, tradenames, inventions, formulas and processes used or capable of being used in connection with any of the functions/activities of the Center, the acquisition of which may directly or indirectly benefit the Center and to use, exercise, develop, sell, assign, or otherwise dispose of, or grant licenses in respect of the property, rights, trademarks, or other information so acquired, and to disburse money in experimenting upon, testing and improving any patents, inventions or rights which the Center may acquire or propose to acquire.
4. Organize, manage and operate subsidiaries, stock or non-stock, solely or in joint venture with the private sector, to undertake any of the activities of the Center as

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authorized by its Charter and this Decree. Provided, that the subsidiaries of the MIRDC, created and registered with the Securities and Exchange Commission shall be entitled to all the incentives and privileges granted by law to private enterprises engaged in business activities.

5. Secure its own obligations and those incurred by its subsidiaries.
6. Contract loans, issue bonds and other obligations as security therefor, and for property purchased or acquired by it, or for any object in or about its business.
7. Compromise, remit or condone claims arising from contract expressed or implied, or from any other source.
8. Invest its Corporate Fund, as it may deem proper and necessary.

Section 3. The Board of Trustees of the Center is hereby reconstituted and shall be composed of the Minister of Industry as Chairman, and a representative each from the Board of Investments, the National Science Development Board, the Ministry of Natural Resources, the National Economic and Development Authority, the Metals Industry Research and Development Center and three representatives from the metals, engineering and allied industries sub-sector to be appointed by the Minister of Industry as members.

The Chairman shall likewise appoint a Vice-Chairman from among the members. The appointive members from the private sector shall serve as follows or until their successors shall have been appointed and qualified: one shall serve for three (3) years, one for two (2) years and one for one (1) year, respectively.

Section 4. The Chairman of the Board of Trustees shall appoint, with the approval of the Board, the Executive Director of the Center.

Section 5. The Board is hereby authorized to reorganize the internal structure of the Center and to determine the compensation and allowances of its officers and personnel, taking into account the need to attract highly technical men.

Section 6. For services rendered to its clients, the Center is empowered to charge reasonable fees which together with any contributions received by it, shall be used for its operations.

Section 7. Any income, fees donations or contributions received by the Center from the private sector shall form part of its Corporate Fund and the unexpended balance of such receipts at the end of fiscal year shall not revert to the General Fund.

Section 8. The Commission on Audit shall appoint the Auditor of the Center. The Auditors of the subsidiaries of the Center and any foundation organized by it and under its supervision, shall be appointed by their respective Boards of Directors or Trustees.

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Section 9. Pursuant to Section 2 hereof, the Center shall set up a foundation, entitled MIRDC Testing Foundation of the Philippines, which shall be registered with the Securities and Exchange Commission as non-stock, non-profit foundation and which shall have the following powers:

1. To operate product testing facilities as are necessary and desirable for the purpose of product testing or manufactured products which are vital to the economy and charge reasonable fees therefor;
2. To receive donations and contributions from the private sector;
3. To adopt and establish an independent system for the procurement of supplies, materials or equipment, produced or manufactured locally elsewhere, and for the contracting of services, which shall not be subject to further approval by any other government office or committees;
4. Grant honoraria, allowances and other emoluments to employees detailed to the Foundation from other offices on full or part time basis when deemed desirable; and
5. The Foundation shall use the MIRDC facilities, expertise and personnel to carry out the purposes of the Foundation.

Any donations or contributions to the Foundation shall be considered as deduction deductible in full from the taxable income of the donor.

The Foundation, its assets, acquisitions, and its operations and transactions shall be exempted from any and all taxes, fees, charges, imposts, licenses and assessments, direct or indirect, imposed by the Republic of the Philippines or any of its political subdivisions of taxing authority thereof.

Section 10. All laws, decrees, administrative orders, proclamations, rules and regulations or parts thereof, which are inconsistent with any of the provisions of the Decree are hereby repealed, amended or modified accordingly.

Section 11. If any provision of this Decree shall be held invalid, the remainder shall not be affected thereby.

Section 12. This Decree shall take effect immediately.

Done in the City of Manila, this 11th day of January, in the year of Our Lord, nineteen hundred and eighty-one.

By the President:

(Sgd.) **JOAQUIN T. VENUS, JR.**
Deputy Presidential Executive Assistant

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EXECUTIVE ORDER NO. 128 REORGANIZING THE NATIONAL SCIENCE AND TECHNOLOGY AUTHORITY

Please see Section 34 of EXECUTIVE ORDER NO. 128 at page 76

EXECUTIVE ORDER NO. 292 INSTITUTING THE “ADMINISTRATIVE CODE OF 1987”

Please see Section 35 of EXECUTIVE ORDER NO. 292 page 91

EXECUTIVE ORDER NO. 494 REORGANIZING CERTAIN GOVERNMENT-OWNED OR CONTROLLED 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 its mandate under Executive Order No. 5, series of 1986, and Executive Order No. 165, series of 1987, the reorganization of the following government-owned or controlled corporations should be effected: (1) the Metals Industry Research and Development Center; (2) the Fiber Industry Development Authority; (3) the National Post-Harvest Institute for Research and Extension; (4) the Philippine Coconut Authority; (5) the Music Promotion Foundation of the Philippines; and (6) the National Social Action Council;

WHEREAS, SEC 48 of the General Provisions, Republic Act No. 7078, otherwise known as the General Appropriations Act FY 1991, provided the following:

“Scaling Down and Phase-Out of Activities of Agencies within the Executive Branch. – The heads of departments, bureaus, offices and agencies are hereby directed to identify their respective activities which are no longer essential in the delivery of public services and which may be scaled down, phased-out or abolished, subject to civil service rules and regulations. Said activities shall be reported to the Office of the President through the Department of Budget and Management and to the Chairman, Committee on Appropriations of the House of Representatives and the Chairman, Committee of Finance of the Senate. Actual scaling down, phase-out or abolition of the activities shall be effected pursuant to circulars or orders issued for the purpose by the Office of the President.

“Savings generated by departments, bureaus, offices and agencies on the abolition, phase-out or scaling down of unnecessary activities may be used by the departments, bureaus, offices and agencies concerned for the augmentation of their respective programs, projects and activities.”

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

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government, amend or repeal the charters of government-owned or controlled corporations pursuant to her delegated legislative authority under SEC 22 of Proclamation No. 50, which remains to be operative until it is amended, repealed or revoked by Congress (Sec. 3, Art. XVIII, Constitution);

WHEREAS, the Secretary of Justice, in Opinion No. 43, Series of 1990, further states that the President may amend the charters of GOCCs which have been identified for privatization to effect mergers or consolidations pending final disposition of such GOCCs to the private sector “if such disposition action will enhance the implementation of the privatization program of the government; and, considering that privatization program aims to generate maximum cash recovery for the National Government, the “rehabilitation of GOCCs through merger or consolidation of certain GOCCs identified for privatization, to ensure maximum cash recovery for the government would certainly be in furtherance of the government’s privatization program;” and

WHEREAS, the Secretary of Justice, in the same opinion, also states that “[I]n the case of GOCCs which are recommended for regularization into regular line agencies, . . . the President may likewise amend the charters of such GOCCs so as to terminate their corporate existence. Such disposition action is also deemed consistent with the government’s privatization program in that the regularization of certain GOCCs into regular line agencies would give effect to the government’s policy to accord primacy to the private sector in entrepreneurial endeavors and relegate the government to a secondary role.”

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 Terms. – For purposes of this Executive Order:

- a. Regularization shall refer to the process by which a government-owned or controlled corporations is transformed into (1) a regular government agency with essentially the same objectives, powers and functions, except those which are corporate in nature, and is attached to a department in the Executive Branch; or (2) a unit which is integral to an existing agency or executive department and with essentially the same objectives, powers and functions, except those which are corporate in nature;
- b. Conversion shall refer to a variant of the divestment process by which, for the purpose of privatization, a government-owned or controlled corporation is dissolved but exclusive authority is granted to 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 dissolved corporation may be donated to the new corporation; and
- c. Consolidation refers to the process by which a government-owned or controlled corporation loses its legal personality and its objectives, powers and functions,

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assets, liabilities as well as necessary personnel are integrated into another government-owned or controlled corporations.

SECTION 2. Regularization. – The following government-owned or controlled corporations are hereby regularized:

- a. Metals Industry Research and Development Center;
- b. Fiber Industry Development Authority;
- c. National Post-Harvest Institute for Research and Extension; and
- d. Philippine Coconut Authority.

SECTION 3. Incomes of Regularized Corporations. – Except for donations, grants, legacies, devises and similar acquisitions, incomes of government-owned or controlled corporations which are regularized, regardless of the manner of acquisition and of whatever form, whether as profits, fees, charges, penalties or otherwise, shall form part of the General Fund. After regulations, the operations of the regularized corporations shall be funded under the annual General Appropriations Act.

SECTION 4. Consolidation. – The Music Promotion Foundation of the Philippines is hereby consolidated with the Cultural Center of the Philippines.

SECTION 5. Conversion. – The National Social Action Council is hereby made subject to conversion.

SECTION 6. Details of Dispositive Action. – The details of the dispositive actions of regularization, consolidation and conversion as provided in the preceding SECs are prescribed in Annexes “A” to “F” attached hereto. These annexes shall form integral parts of this Executive Order.

SECTION 7. 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.

SECTION 8. Separability. – If for any reason any SEC 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 SECs or provisions can still subsist and be given effect in their entirety.

SECTION 9. Repeal. – The following laws, presidential decrees and executive issuances are hereby repealed or modified accordingly;

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- a. Republic Act Nos. 4724 and 6428, Executive Order No. 602, series of 1980, and Presidential Decree No. 1765, series of 1981, concerning the Metals Industry Research and Development Center;
- b. Section 8 of Executive Order No. 709, series of 1981, concerning the Fiber Industry Development Authority;
- c. Presidential Decree No. 1380, series of 1978, and Letter of Implementation No. 123, series of 1980, and Letter of Instructions No. 1142, series of 1982, concerning the National Post-Harvest Institute for Research and Extension;
- d. Presidential Decree No. 232, series of 1973, and Presidential Decree No. 961, series of 1976, and Article II of Presidential Decree No. 1468, series of 1978, concerning the Philippine Coconut Authority;
- e. Executive Order No. 182-A, series of 1969, and Presidential Decree No. 294, series of 1974, concerning the National Social Action Council; and
- f. Republic Act No. 1370, except SEC 3 thereof, concerning the Music Promotion Foundation.
- g. All other laws, rules and regulations and other issuances or parts thereof contrary to or inconsistent herewith are likewise hereby repealed or modified accordingly.

SECTION 10. 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.

(Sgd.) CORAZON C. AQUINO
President of the Philippines

PHILIPPINE NUCLEAR RESEARCH INSTITUTE (PNRI)

REPUBLIC ACT NO. 2067

As Amended by Republic Act No. 3589

AN ACT TO INTEGRATE, COORDINATE, AND INTENSIFY SCIENTIFIC AND TECHNOLOGICAL RESEARCH AND DEVELOPMENT AND TO FOSTER INVENTION; TO PROVIDE FUNDS THEREFOR; AND FOR OTHER PURPOSES.

Please see Sections 16, 17, 18, 19 and 32 REPUBLIC ACT NO. 2067 at page 38

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REPUBLIC ACT NO. 3083

AN ACT TO REGULATE THE FILING, PROCESSING AND SETTLEMENT OF DAMAGE CLAIMS RESULTING FROM NUCLEAR INCIDENTS, TO APPROPRIATE FUNDS THEREFOR, AND TO HOLD HARMLESS, INDEMNIFY, AND DEFEND THE DESIGNER, MANUFACTURER, CONTRACTOR AND/OR SUPPLIER THAT SHALL UNDERTAKE TO DESIGN, MANUFACTURE, FURNISH AND/OR SUPPLY THE REACTOR FACILITY AND EQUIPMENT FOR THE PHILIPPINE NUCLEAR RESEARCH REACTOR PROJECT AND OTHER SIMILAR PROJECTS FROM LIABILITY ARISING FROM NUCLEAR INCIDENTS, AND FOR OTHER PURPOSES

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

SECTION 1. In order to protect the inhabitants of the Philippines and to promote the peaceful uses of atomic energy, in the interest of the general welfare of the Philippines, the Government of the Republic of the Philippines shall indemnify and hold harmless and defend at its expense the designer, manufacturer, contractor and/or supplier that shall undertake to design, manufacture for, or otherwise furnish equipment or services to the Philippine Government, its instrumentality or agency, for the reactor facility or other equipment for the Philippine Nuclear Research Reactor Project, from any and all liability for personal injury or property damage arising out of or resulting from a nuclear incident, and the National Science Development Board is hereby empowered to provide by contract with the designer, manufacturer, contractor and/or supplier of nuclear equipment, that such designer, manufacturer, contractor and/or supplier shall be indemnified, held harmless and defended at the expense of the Philippine Government from any and all liability arising out of or resulting from a nuclear incident: *Provided, However,* That the Government shall retain whatever rights it may otherwise have under existing laws against said manufacturer, contractor, or supplier if the nuclear incident is the proximate result of willful misconduct, or bad faith, on the part of any corporate officer, director, or responsible officers of the designer, manufacturer, contractor and/or supplier, as the case may be: *Provided, Further,* That the total liability of the designer, manufacturer, contractor and/or supplier shall not exceed the total value of the contract price: *Provided, Finally,* That the total liability of said designer, manufacturer, contractor and/or supplier shall be over and above the liabilities, obligations and warranties assumed by it on the services, equipment, and materials furnished under its contract with the National Science Development Board for the furnishing of the equipment and services for the reactor facility or other equipment of the Philippine Nuclear Research Reactor Project.

Responsible officers as used in this section shall be determined in the indemnity agreement to be executed between the National Science Development Board and said designer, manufacturer, contractor and/or supplier.

SECTION 2. For the purposes of this Act:

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- (a) The Term “Nuclear Research Reactor Project” is meant the reactor project established or to be established under the Agreement for Cooperation between the Government of the Republic of the Philippines and the Government of the United States of America signed on July 27, 1955, including its amendments.
- (b) The term “liability” means any liability for personal injury or property damage arising out of or resulting from a nuclear incident.
- (c) The term “personal injury” means bodily injury, sickness, or disease, including death resulting therefrom.
- (d) The term” property damage” or “damage to property” means physical injury to or destruction or radioactive contamination of property, or loss of use of property so injured, destroyed or contaminated.
- (e) The term “nuclear incident” means any occurrence causing personal injury or property damage arising out of or resulting from the radioactive, toxic, explosive, or other hazardous properties of radioactive material.

SECTION 3. In order to carry out the purpose of this Act and to adjudicate claims for compensation for personal injury or property damage arising out of or resulting from a nuclear incident, there is hereby created a Nuclear Indemnity Board to be composed of the Vice-Chairman of the National Science Development Board as Chairman, the Commissioner of the Philippine Atomic Energy Commission and one other member to be appointed by the President of the Philippines, with the consent of the Commission on Appointments, who must be a diplomate in radiology or medical radio-therapy with at least five years of clinical practice, as members. The Vice-Chairman of the National Science Development Board and the Commissioner of the Philippine Atomic Energy Commission shall serve ex officio without extra compensation and the third member shall receive a per diem of fifty pesos for each meeting actually attended: *Provided*, That the monthly total of such per diem shall not exceed two hundred pesos. The operating expenses of the Nuclear Indemnity Board shall be borne out of the regular appropriation of the National Science Development Board.

No action, suit or proceeding for compensation for personal injury or property damage arising out of or resulting from a nuclear incident may be instituted against the designer, manufacturer, contractor and/or supplier of nuclear equipment, and all such claims for compensation shall be filed with the Nuclear Indemnity Board which is hereby exclusively empowered to settle the above-mentioned claims on a fair and reasonable basis taking into due account the purposes of this Act: *Provided, However*, That any provision of law to the contrary notwithstanding, any such claim shall be barred unless brought within ten years from the date of the event causing injury or damage and within two years from time to time the injury or damage, or a subsequent aggravation thereof, came to the knowledge of, or could have been ascertained by the exercise of ordinary care by the aggrieved party: *Provided, Further*, That the proper courts of the Republic of the Philippines shall have exclusive jurisdiction in the case of a nuclear incident occurring in the course of carriage of fuel elements or other radioactive materials capable of causing a nuclear incident belonging to or in the charge of the Philippine Government, or any of its agencies or instrumentalities, where such nuclear incident occurs outside Philippine territory: And *Provided, Finally*,

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That the aggregate liability of the Philippine Government under this Act shall not exceed the amount of five million pesos which is hereby appropriated out of any funds in the National Treasury not otherwise appropriated.

SECTION 4. For the purpose of carrying out its functions under this Act the Nuclear Indemnity Board shall have the following powers:

- (a) To promulgate such rules and regulations as may be necessary to carry out the purpose of this Act including rules or procedure governing the filing, processing and settlement of claims: *Provided, However*, That the concurrence of at least two member shall be required in order for the Board to make an award, order or decision: *Provided, Further*, That in the hearing , investigation and determination of any question or controversy, and in exercising any duties and powers under this Act, the Nuclear Indemnity Board shall act according to justice and equity and substantial merits of the case, and shall use every and all reasonable means to ascertain that facts in each case speedily and objectively and without regard to technicalities of law or procedure;
- (b) To issue subpoena and subpoena duces tecum;
- (c) To administer oaths;
- (d) To grant reasonable compensation in an amount not more than twenty-five pesos for each day of attendance, but in no case to exceed more than one hundred pesos a month, to an expert witness or resource person who is not a government official or employee, whose services may be availed of by the Nuclear Indemnity Board as provided herein; and
- (e) Such other powers as may be necessary to carry out the purposes of this Act.

SECTION 5. Upon a showing that the government's liability in any one incident will probably exceed the limit of liability imposed by the preceding section, the Board may, in its sound discretion, for the purpose of ensuring the equitable and just distribution of damages, either issue orders apportioning the payments and permitting partial payments to be made to claimants or issue an order setting aside a part of the funds available for possible latent injuries not discovered until a later time, or both.

SECTION 6. When a nuclear incident occurs, the Board shall investigate or cause to be investigated the cause or extent of the damage and may for that purpose compel all persons exposed to radiation to report to the Board for examination not later than three months from the date of the order requiring their appearance. In determining the amount of damages the Board may, in its sound discretion, take into account the inexcusable violation of the foregoing obligation to report to the Board for examination.

SECTION 7. The Nuclear Indemnity Board is hereby authorized to call upon the National Science Development Board, the Philippine Atomic Energy Commission and other government agencies and instrumentalities for assistance and cooperation in the discharge of its powers, duties and functions under this Act.

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SECTION 8. Any aggrieved claimant may appeal from any final order, award or decision of the Board to the Supreme Court in accordance with the provisions of Rule forty-five of the Rules of Court. Findings of fact by the Board shall be conclusive in the absence of fraud, collusion or evident mistake.

SECTION 9. This Act shall take effect upon its approval.

Approved: June 17, 1961

REPUBLIC ACT NO. 5207

AN ACT PROVIDING FOR THE LICENSING AND REGULATION OF ATOMIC ENERGY FACILITIES AND MATERIALS, ESTABLISHING THE RULES ON LIABILITY FOR NUCLEAR DAMAGE, AND FOR OTHER PURPOSES

PART I

General Provisions

Section 1. *Short Title.* This Act shall be known as the "Atomic Energy Regulatory and Liability Act of 1968."

Section 2. *Declaration of Policy.* It is hereby declared to be the policy of the Philippine Government to encourage, promote and assist the development and use of atomic energy for all peaceful purposes, as a means to improve the health and prosperity of the inhabitants of the Philippines, contribute to the general welfare, and accelerate scientific, technological, agricultural, commercial, and industrial progress.

The production and use of atomic energy facilities and atomic energy materials shall be subject to control by the State in order to achieve the foregoing purposes, to assure fulfillment of the international obligations of the State, to protect the health and safety of workers and of the general public, and to protect against the use of such facilities and materials for unauthorized purposes.

In order to encourage the development and use of atomic energy for peaceful purposes and to provide proper protection of the public, it is also in the national interest to establish the rules on liability for nuclear damages and to assure the availability of funds to satisfy liability claims.

Section 3. *Definitions.* As used in this Act:

- (a) "Commission" means the Philippine Atomic Energy Commission.
- (b) The term "atomic energy facility" means any equipment or device which the Commission may determine from time to time, by regulation, to be capable of producing or utilizing energy material in such quantity or in such manner as to be of significance to the national interest or to the health and safety of the public.

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- (c) "Atomic energy material" means "source material", "special fissionable material" and any other radioactive material.
- (d) The term "individual operator" means any individual who manipulates the controls of an atomic energy facility.
- (e) "Installation operator" means the person licensed by the Commission as the operator of that installation. If no person is licensed by the Commission as the operator of the installation and the installation is operated by or for the Commission, "installation operator" shall be deemed to mean the Commission.
- (f) "Nuclear Damages" means loss of, life, any personal injury or any loss, or damages to, or loss of use of property, which arises out of or results from the radioactive, toxic, explosive or other hazardous properties, or any combination thereof, of nuclear fuel or radioactive products or any waste in, or of nuclear materials coming from, originating in, or sent to, a nuclear installation or from the ionizing radiation emitted by any other sources of radiation inside a nuclear installation. "Personal injury" as used herein means any physical or mental injury (including death), sickness or disease whether caused directly by a physical trauma or otherwise."
- (g) "Nuclear fuel" means any material which is capable of producing energy by a self-sustaining chain process of nuclear fission.
- (h) "Nuclear incident" means any occurrence or series of occurrences having the same origin which causes nuclear damage.
- (i) "Nuclear installation" means (1) any nuclear reactor other than one with a means of sea or air transport is equipped for use as a source or power, whether for propulsion or of any other purposes; (2) any factory using nuclear fuel for the production of nuclear material, or any factory for the processing of nuclear materials, including any factory for the re-processing of irradiated nuclear fuel; and (3) any facility where nuclear material is stored, other than storage incidental to the carriage of such material.
- (j) "Nuclear materials" means (1) nuclear fuel, other than natural uranium and depleted uranium, capable of producing energy by a self-sustaining chain process of nuclear fission outside a nuclear reactor, either alone or in combination with some other materials; and (2) radioactive products or waste.
- (k) "Nuclear reactor" means any structure containing nuclear fuel in such an arrangement that a self-sustaining chain process of nuclear fission can occur therein without an additional source of neutron.
- (l) "Person" means any individual, partnership, private or public body whether corporate or not, Government agency other than the Commission, any international organization enjoying legal personality under the law where the nuclear installation is situated, and any State or any of its constituent subdivisions; any legal successor, representative, agent or agency of the foregoing.
- (m) "Radioactive products or waste" means any radioactive material produced in, or any material made radioactive by exposure to the radiation incidental to, the production or utilization of nuclear fuel, but does not include nuclear fuel, or radioisotopes which have reached the final stage of fabrication so as to be

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usable for any scientific, medical or agricultural, commercial or industrial purpose.

- (n) The term "source material" means uranium containing the mixture of isotopes occurring in nature, uranium, depleted in the isotope 235; thorium; any of the foregoing in the form of metal, alloy, chemical compound, or concentrate and other material containing one or more of the foregoing in such concentration as the Commission may from time to time determine.
- (o) The term "special fissionable material" means plutonium-239, plutonium-241, uranium-233, uranium-235, any material containing one or more of the foregoing, and such other fissionable material as the Commission shall from time to time determine; but the term "special fissionable material" does not include source material.
- (p) The term "individual" means a natural person.

PART II

General Authority of the Commission

Section 4. *Commission Authority.* In the performance of its functions under this Act, the Commission is authorized:

- (a) To establish and issue regulations and orders with respect to atomic energy facilities and materials for the protection of the health and safety of the workers and of the general public; and to make inspections to insure compliance with such requirements;
- (b) To establish and issue regulations and orders to ensure that atomic energy facilities and materials are used only for purposes authorized under this Act, and that such uses are consistent with the national interest; and to make inspections to ensure compliance with such requirements;
- (c) To license and regulate or prohibit the import or export of atomic energy facilities and materials as may be necessary in the national interest;
- (d) To issue licenses to qualified persons authorizing the conduct of activities for which a license is required under this Act;
- (e) To modify, amend, suspend, or revoke any license in accordance with the provisions of this Act;
- (f) To inspect activities which are licensed under this Act; and to require licensees to maintain records, and to require reports from licensees, with regard to such activities;
- (g) To hold hearings and conduct investigations and for these purposes to administer oaths and affirmations and by subpoena to require any person to appear and testify, or to appear and produce documents at any designated place;
- (h) To establish advisory boards to advise with and make recommendations to the Commission; and to fix and pay the amount of per diem of members of such advisory board not to exceed fifty pesos per meeting;
- (i) To establish and issue regulations and orders for the transport of atomic energy materials and facilities;
- (j) To call upon other government agencies and instrumentalities for assistance and cooperation in carrying out the provisions of this Act;

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- (k) To charge and collect reasonable fees in connection with its licensing and regulatory functions, provided that such fees shall be imposed by regulation on the basis of such published criteria as the Commission deems appropriate, taking into consideration, among other criteria, the nature of the activity licensed and regulated;
- (l) To issue, amend and revoke such regulations and orders as may be necessary or proper with respect to the furnishing of financial security to cover liability for nuclear damage, the furnishing of certificates to carrier, and such other regulations and orders as the Commission finds necessary or proper in carrying out the purposes and provisions of Part VII of this Act; and
- (m) To issue, amend and revoke such regulations and orders as may be necessary or proper to carry out the purposes and provisions of this Act.

Nothing in this Act shall preclude the authorized agents of the Department of National Defense to make inspections of atomic energy facilities, materials or any activity jointly with the authorized representatives of the Commission after prior consultation with the latter when the security of the state is involved.

Section 5. *Regulatory Policy.* In issuing licenses and regulations under this Act, the Commission shall impose the minimum requirements consistent with the Commission's obligations under this Act to protect the health and safety of the public and to promote the national interest.

PART III

Regulation and Licensing of Atomic Energy Facilities

Section 6. *Activities Subject to License.* It shall be unlawful for any person to transfer, construct, receive, own, possess, operate, import or export any atomic energy facility except under a license issued by the Commission under this Act.

Section 7. *Form and Content of application.* Each application for a license for an atomic energy facility shall be in writing and shall contain such information as the Commission may by regulations or order deem to be necessary to carry out its responsibilities under this Act. Such information shall include, but shall not be limited to, information bearing on the technical and financial qualifications of the applicant, the character of the applicant and the citizenship of the applicant. In addition the applicant shall state such technical information as to the proposed atomic energy facility, the amount, kind, and source of reactor fuel requirements, the proposed location and site of the atomic energy facility, the operational procedure for the atomic energy facility and such other information as the Commission may by regulation deem necessary in order to enable it to decide whether operation of the atomic energy facility will not pose undue risk to the health and safety of the public.

Section 8. *To Whom License Issued.* The Commission shall issue a license upon finding:

- (1) That the proposed activities are consistent with the policies declared in Section Two of this Act;

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- (2) That the applicant is technically and financially qualified to engage in the proposed activities in accordance with the requirements of this Act, and the Commission's regulations;
- (3) That the proposed activities will not pose undue risk to the health and safety of the public; and
- (4) That the applicant, if required by this Act or the Commission's regulations, has financial security to fulfill the obligations for liability for nuclear damage.

Section 9. *Citizenship Requirement.* No license to acquire, own, or operate any atomic energy facility shall be issued to an alien, or any corporation or other entity which is owned or controlled by an alien, a foreign corporation, or a foreign government. For purposes of this Act, a corporation or entity is not owned or controlled by an alien, a foreign corporation or a foreign government if at least sixty percent (60%) of its capital stock is owned by Filipino citizens.

Section 10. *Provisional License.* In all cases of application for licenses to construct an atomic energy facility if the Commission finds that, on the basis of the technical information and data so far made available to it, there is reasonable assurance that the proposed installation can be constructed and operated at the proposed location without undue risk to the health and safety of the public, it shall initially issue a provisional license to the applicant. Such a provisional license may be granted even if the health and safety information then available is less than would be needed for a license to operate provided that the Commission is satisfied that there is reasonable assurance that questions of health and safety will be so resolved as to warrant the issuance of a license to operate the installation.

Section 11. *License to Operate.* Upon the filing of any additional information and data needed to enable the Commission to make a determination of the safety aspects of the complete atomic energy facility, and upon finding that the facility authorized has been constructed and will operate in conformity with the application as amended and in conformity with the provisions of this Act and of the regulations of the Commission, and in the absence of any good cause being shown to the Commission why the granting of a license would not be in accordance with the provisions of this Act, the Commission shall thereupon issue a license to the applicant to operate the facility.

Section 12. *Advisory Board on Safety of Atomic Energy Facilities and Materials.* Upon the recommendation of the Commission, the Chairman of the National Science Development Board shall establish an Advisory Board on safety of atomic energy facilities and materials not exceeding eleven in number and appoint the members, to assist and advise the Commission on the health and safety matters arising in connection with atomic energy facility and material licenses, and regulations applicable to such licenses, composed of experts outside the Commission from other government agencies or the private sector or both: *Provided, however,* That the Commission shall have the final decision and responsibility with respect to such matters. The opinions and reports of the Board on license applications shall be made in writing and shall be made to the public.

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Section 13. *Continued Operation of Atomic Energy Facility in Case of Revoked License.* Whenever the Commission finds that the public convenience and necessity or the atomic energy development program of the Commission requires continued operation of an atomic energy facility the license for which has been revoked the Commission may, after consultation with the Public Service Commission or appropriate agency having jurisdiction, order that possession be taken of such atomic energy facility (including any atomic energy materials which are at the facility for use in operation of the facility) and that it be operated for such period of time as in the judgment of the Commission, the public convenience and necessity or the atomic energy development program of the Commission require, or until a license for the operation of the atomic energy facility shall become effective. Just compensation shall be paid for the use of the facility.

Section 14. *Additional Requirements in Case Atomic Energy Facility for Commercial Power: Exemptions.* Nothing in this Act shall be construed to exempt the operator of an atomic energy facility designed primarily for the generation of electricity for commercial purposes, from complying with other requirements provided by existing laws, such as securing a franchise, a certificate of public convenience and necessity, obtaining approval for rates and services and others, from the appropriate agency having jurisdiction: *Provided, however,* That upon certification by the Commission, importations of nuclear fuel for use in these facilities shall be free from all taxes and duties within a period of ten years commencing from the date of delivery of the first importation of fuel for the first of such atomic energy facility in the country, any provision of existing laws to the contrary notwithstanding.

Section 15. *Individual Operators.* The Commission shall:

- (a) Prescribe the classes of atomic energy facilities for which it determines that individual operators' licenses should be required in order to protect the health and safety of the public;
- (b) Determine the qualifications of such individuals;
- (c) Issue licenses to such individuals in such form as the Commission may prescribe; and
- (d) Suspend or revoke such licenses for violations of any provisions of this Act or regulation or order issued by the Commission.

PART IV

Regulation and Licensing of Atomic Energy Materials

Section 16. *Activities Subject to Licensing.* It shall be unlawful for any person to manufacture, produce, receive, possess, own, use, transfer, import or export any atomic energy material except under a license issued by the Commission or except as otherwise authorized by the Commission under this Act: *Provided, however,* That the mining and processing of radioactive ores or materials shall be governed by the applicable mining laws prior to the removal from its place of deposit in nature.

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Section 17. *Exemption from Licensing Requirements.* The Commission may by regulation exempt small quantities of low activity atomic energy materials, and users or uses of such low activity atomic energy materials, from the licensing requirements of this Act if the Commission finds that the exemption of such quantities or such kinds of users or uses will not constitute an undue risk to the health and safety of the public and will otherwise be consistent with the national interest.

Section 18. *Safe Transport of Atomic Energy Materials.* Any person who ships or transports atomic energy materials shall comply with all such regulations and orders of the Commission as the Commission deems necessary to protect the health and safety of the public.

Section 19. *Form and Contents of Application.* Each application for a license for atomic energy materials shall be in writing and shall contain such information as the Commission may by regulation or order deem to be necessary to carry its responsibilities under this Act. All applications and statements shall be signed by the applicant or licensee. Applications for various licenses specified in this Act may be combined in a single application.

Section 20. *To Whom License Issued.* The Commission shall issue a license upon finding:

- (1) That the proposed activity is consistent with the policies declared in Section Two of this Act.
- (2) That the applicant is technically and financially qualified to engage in the proposed activities in accordance with the requirements of this Act, and Commission's regulations;
- (3) That the proposed activities will not pose undue risk to the health and safety of the public; and
- (4) That the applicant, if required by this Act or the Commission's regulations, has financial protection to fulfill obligations for liability for nuclear damage.

Section 21. *Prior and Preferential Rights of the Government over Special Fissionable Material.* The Government of the Philippines, acting through the Commission, shall have the right to acquire any special fissionable material owned by a person in the Philippines. Such right may be exercised only when in the view of the Commission the development of atomic energy in the Philippines or the national interest so requires. The acquisition of special fissionable material pursuant to this section shall be made for a fair and reasonable price.

PART V

Common Provisions for Regulation of Atomic Energy Facilities and Materials

Section 22. *Form and Contents of License.*

- (a) Each license shall be in such form and shall contain such terms as the Commission may prescribe to effectuate the provisions of this Act.

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- (b) Every license issued under this Act shall be subject to the rights of possession or control vested in the Commission under the provisions of this Act and to all of the other provisions of this Act, now or hereafter in effect and to all valid regulations and orders of the Commission.

Section 23. *Period of License.* Each license shall be issued for a specified period, as determined by the Commission depending on the type of activity to be licensed, but not exceeding thirty-five years and may be renewed upon the expiration of such period.

Section 24. *Transfer of Licenses.* No license issued by the Commission, and no right granted by any such license, shall be transferred, assigned, encumbered, or in any manner disposed of, either voluntarily, or involuntarily, directly or indirectly, unless the Commission shall, after securing full information find that such transfer, assignment, encumbrance, or other disposition is in the accordance with the purposes and provisions of this Act and shall give its consent in writing.

Section 25. *License Subject to Amendment.* The terms and conditions of all licenses shall be subject to amendment or modification, by reason of amendments of this Act or by reason of amendments of regulations or orders issued in accordance with the terms of this Act.

Section 26. *Regulatory Enforcement Powers.* For the purpose of determining whether the application should be granted or denied or whether a license should be modified, suspended, or revoked, and of otherwise implementing its licensing and regulatory responsibilities under this Act, the Commission may at any time after the filing of the original application and before the expiration of the license (a) require additional written statements which shall, if the Commission so decides, be made under oath or affirmation, and additional technical information and data concerning activities under the application; (b) enter, through authorized representatives, at all reasonable times, the premises where the atomic energy facility is located or where atomic energy material is stored, and perform such inspection as may be necessary; and (c) order the applicant or licensee, where situations or conditions endangering life, health or property are found to exist, to adopt such measures as would eliminate or protect against such situations or conditions.

Section 27. *Suspension or Revocation of License.* Any license may be suspended or revoked for any material false statement contained in the application or contained in any statement, record or report required under this Act or for reasons or conditions revealed by such application or statement of fact or any report, record, or inspection or other means which would warrant the Commission to refuse to grant a license on an original application, or for failure to construct or operate an atomic energy facility in accordance with the terms of the license, or for violation of, or failure to observe, any of the terms and provisions of the Act or for any regulation or order by the Commission.

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Section 28. *Protective Measures in Cases of Suspension, Revocation or Expiration of License.* Upon the suspension, revocation, or expiration of a license which is not renewed, and pursuant to Commission order, the Commission shall take, or shall require the licensee to take, such measures as may be necessary to protect the health and safety of the public or the national interest. The Commission may, if necessary to protect the public health and safety or the national interest, take temporary custody of any atomic energy material or facilities held by the licensee pending their appropriate and lawful disposition by or for the licensee.

Section 29. *Activities of the Commission.* Nothing in this Act shall be deemed to require a license for the conduct of activities by or on behalf of the Commission.

Section 30. *Combining Applications: Oath or affirmation.* The Commission may consider in a single application one or more of the activities for which a license is required by this Act and may combine in a single license authorization for one or more such activities. The Commission may require that any application or statement be made under oath or affirmation.

PART VI

Administrative Procedure and Judicial Review

Section 31. Notice and Hearing.

- (a) In any proceeding under this Act for the granting, suspending, revoking or amending of any license, including a provisional license and including an application to transfer control of a license, or upon the issuance of an order under Sections Thirteen, Twenty-one, Twenty-six, or Twenty-eight, the Commission shall hold a hearing upon the request of any person whose interest may be affected and shall admit such person as a party to the proceeding.
- (b) Except in cases where immediate action is required in order to protect the health and safety of the public or the national interest, no order for the suspension, revocation or modification of a license, and no order issued under Sections Thirteen, Twenty-one, Twenty-six or Twenty-eight shall become effective until after the licensee has had notice for a hearing and opportunity to be heard.
- (c) Where an order suspending, revoking or modifying a license, or an order issued under Section Thirteen, Twenty-one, Twenty-six or Twenty-eight is made effective without prior notice for a hearing and opportunity to be heard, the order shall only be temporary pending the hearing and issuance of a final decision in the proceeding.

Section 32. *Notice of regulation.* No regulation adopted by the Commission shall be effective less than fifteen days after publication of the regulation in the Official Gazette, except that if the Commission finds that the health and safety of the public or the national interest requires, the regulation may be made effective immediately

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upon publication in the Official Gazette or upon furnishing copies of the regulation to the persons affected.

Section 33. *Licensee Incident Reports.* No report by any licensee of any incident arising out of or in connection with a licensed activity made pursuant to any requirement of the Commission shall be admitted as evidence in any suit or action for damages growing out of any matter mentioned in such report.

Section 34. *Hearing Procedure.* All hearings and investigations before the Commission shall be governed by the Rules adopted by the Commission: *Provided*, That in the conduct thereof the Commission shall not be bound by the technical rules of evidence, except that the Commission shall a matter of policy provide for the exclusion of irrelevant, immaterial, or duly repetitious evidence.

Section 35. *Orders and Decisions.* All orders and decisions of the Commission taken in any proceeding after hearing shall be in writing, stating clearly and distinctly the facts and issues involved and the reasons on which the Commission's order or decision is based, and shall be made available to the public.

Section 36. *Judicial Review.* The Court of Appeals is hereby given the power of judicial review over any final order or decision of the Commission rendered under Section Thirty-five and shall modify or set aside such order or decision when it clearly appears that there was no evidence before the Commission to support reasonably such order or decision or that the same is contrary to law. Any such final order or decision may be reviewed by the Court of Appeals on the application of any party or other person affected thereby, by certiorari in appropriate cases, or by petition for review, in accordance with the Rules of Court, within such period as the Commission may by rule prescribe but not exceeding thirty days from notice of such order or decision. An appeal shall not suspend the grant of a license, but shall stay the suspension or revocation of a license until after the final disposition of the appeal by the Court of Appeals, unless said Court determines otherwise. On questions of law only such order or decision may be reviewed by the Supreme Court.

PART VII Liability for Nuclear Damage

Section 37. *The Operator Liable.* This installation operator shall be liable for nuclear damages upon proof that such damage has been caused by a nuclear incident.

- (a) in his nuclear installation; or
- (b) involving nuclear material coming from or originating in his nuclear installation, and occurring
 - (1) before liability with regard to nuclear incidents involving the nuclear material has been assumed, pursuant to the express terms of a contract in writing, by another installation operator; or
 - (2) in the absence of such express terms, before another installation operator has taken charge of the nuclear material;

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- (c) involving nuclear material sent to his nuclear installation, and occurring
 - (1) after liability with regard to nuclear incidents involving the nuclear material has been assumed by him, pursuant to the express terms of a contract in writing, from another installation operator; or
 - (2) in the absence of such express terms, after he has taken charge of the nuclear material:

Provided, That if nuclear damage is caused by a nuclear incident occurring in a nuclear installation and involving nuclear material stored therein incidentally to the carriage of such material, the provisions of paragraph (a) of this section shall not apply where another installation operator or person is solely liable pursuant to the provisions of subparagraph (b) or (c) of this paragraph;

- (d) Any provision in this section to the contrary notwithstanding, the installation operator shall be liable for nuclear damage upon proof that such damage has been caused by a nuclear incident involving nuclear material in the course of carriage (1) to his nuclear installation from a nuclear installation located outside the Philippines, or (2) from his nuclear installation to a nuclear installation outside the Philippines. The provisions of this paragraph shall be applicable only in the absence of applicable provisions to the contrary in an effective international agreement to which the Philippine Government and the Government of the nuclear installation outside the Philippines are parties.

Section 38. *Absolute and Exclusive Liability.*

- (a) The liability of the installation operator for nuclear damage shall be absolute.
- (b) The installation operator shall not be relieved of liability for nuclear damage because such damage is caused directly or indirectly by a grave natural disaster of an exceptional character.
- (c) Except as otherwise provided in Part VII of this Act, no person other than the installation operator shall be liable for nuclear damage.

Section 39. *Recourse Actions.* The installation operator shall have a right of recourse only:

- (a) If there is such a right pursuant to the express provisions of a written contract with the other installation operator; or
- (b) If the nuclear incident results from the act or omission done with intent to cause damage, against the individual who has acted or omitted to act with such intent: *Provided, however*, That the installation operator or any other person including the Commission which may be subrogated to the rights of the installation operator shall have no right of action, under any law, against the persons who may be liable for the acts or omissions of such individual such as but not limited to employers, parents and teachers.

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Section 40. *Gross Negligence or Intentional Act of Claimant.* If the nuclear damage resulted wholly or partly either from the gross negligence of the person suffering the damage or from an act or omission of such person done with intent to cause damage, the court may relieve the installation operator from his obligation to pay compensation in respect of the damage suffered by such person.

Section 41. *Exceptions to Liability.* No installation operator shall be liable for any nuclear damages caused by a nuclear incident directly due to an act of armed conflict, hostilities, civil war or insurrection.

Section 42. *Limit of Liability.* The liability of the installation operator for nuclear damages under this Act shall be limited to an amount in the Philippine pesos which is equivalent to five million dollars, United States currency, for any one nuclear incident, exclusive of an interest or costs which may be awarded by the Court in actions for compensation of such nuclear damage.

Section 43. *Property for Which Installation Operator Not Liable.* The installation operator shall not be liable under this Act for nuclear damage:

- (a) to the nuclear installation itself or to any property on the site of that installation which is used or to be used in connection with that installation; or
- (b) To the means of transport upon which the nuclear material involved was located at the time of the nuclear incident.

Section 44. *Liabilities not Affected by this Act.* Nothing in this Act shall affect (a) the liability of any individual for nuclear damage for which the installation operator, by virtue of Sections forty-one, and forty-three of this Act is not liable under this Act and which that individual caused by an act or omission done with intent to cause damage; or

(b) the liability outside this Act of the installation operator for nuclear damage for which, by virtue of sub-paragraph (b) of Section forty-three of this Act, he is not liable under the provisions of this Act.

Section 45. *Exclusions.* The Commission may, if it determines that the small extent of the risk involved so warrants, exclude by regulation any small quantities of nuclear material from the application of the provisions in this Part VII. *Provided*, That (a) maximum limits for the exclusion of such quantities have been established by the Board of Governors of the International Atomic Energy Agency; and (b) any exclusion must be within the limits so established.

Section 46. *Requirement of Financial Security.* No license to operate a nuclear installation shall be issued unless the installation operator secures and maintains insurance or other financial security covering his liability for nuclear damage under this Act. The Commission shall by regulation, prescribe, the type and terms of financial security herein required, which may include private insurance, private contractual indemnity, self-insurance or other proof of financial ability to pay damages under this Act or a combination of any thereof: *Provided*, That, in fixing the

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type and terms of such financial protection, the Commission shall be guided by the objectives of assuring to potential victims of a nuclear incident adequate and effective compensation without imposing unreasonable burden on the installation operator.

Section 47. *Certificate to Carrier.* In accordance with such regulations as the Commission may issue, the appropriate installation operator shall provide the carrier which furnishes carriage of nuclear material with a certificate issued by or on behalf of the insurer or other financial guarantor furnishing the financial security under Section forty-six. The certificate shall be in such form and contain such information as may be prescribed by the Commission's regulations, including the name and address of the appropriate installation operator, the amount, type and duration of the security and a statement that such information may not be disputed by the person for whom or on whose behalf the certificate was issued. The certificate shall indicate the nuclear material in respect to which the security applies and shall include also a verification by the Commission that the person designated is an appropriate installation operator within the meaning of the provisions of this Part VII.

Section 48. *When Non-nuclear Damage Deemed Nuclear Damage.* Whenever both nuclear damage and damage other than nuclear damage have been caused by a nuclear incident or jointly by a nuclear incident and one or more other occurrences, such other damage shall, to the extent that it is not reasonably separable from the nuclear damage be deemed, for purposes of this Part, to be nuclear damage caused by that nuclear incident. Where, however, damage is caused jointly by nuclear incident covered by this Part VII by an emission of ionizing radiation not covered by this Part, nothing in this Part shall limit or otherwise affect the liability, either as regards any persons suffering nuclear damage or by way of recourse of contribution, of any person who may be held liable in connection with that emission of ionizing radiation.

Section 49. *Several Installation Operators Liable.* Where nuclear damage engages the liability of more than one installation operator, the following rules shall apply:

- (a) In so far as damages attributable to each installation operator is not reasonably separable, the installation operators involved shall be jointly and severally liable.
- (b) In case the nuclear incident occurs in the course of carriage of nuclear material, either in one and the same means of transport, or in the case of storage incidental to the carriage, in one and the same nuclear installation and causes nuclear damage which engages the liability of more than one installation operator, the total liability shall not exceed the amount established in Section forty-two of this Act.
- (c) In neither of the cases referred to in subparagraphs (a) and (b) of this Section shall the liability of any one installation operator exceed the amount established in Section forty-two hereof.

Section 50. *Operator of Several Installations.* Subject to the provisions of Section forty-nine, where several nuclear installations of one and the same installation operator are involved in one nuclear incident, such installation operator shall be liable in respect

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of each nuclear installation involved up to the amount established in Section forty-two hereof.

Section 51. *Carrier or Handler of Nuclear Material as Installation Operator.* The Commission may, subject to such terms and conditions as it may by regulation or order prescribe, designate a carrier of nuclear material or a person handling radioactive waste, at his request and with the consent of the installation operator concerned, as installation operator in the place of that installation operator in respect of such nuclear material or radioactive waste respectively. Upon such designation, such carrier or such person shall be considered as an installation operator for the purpose of this Part VII.

Section 52. *Government Indemnity.* The Government, through the Commission, shall indemnify the installation operator liable and shall provide the necessary funds for the payment of claims for compensation for nuclear damages which have been established against the operator to the extent that the yield of insurance or other financial security is inadequate to satisfy such claims: *Provided*, That the obligation of the Government under this Section, together with the yield of insurance or other financial security, shall not in the aggregate exceed the maximum amount established in Section forty-two for any nuclear incident.

The Republic of the Philippines acting through such officer as may be designated by the President shall enter into agreements of indemnification with contractors or suppliers of goods or services for an atomic energy facility owned or operated by the Government, its agencies, instrumentalities or corporations owned or controlled by the government pursuant to which the government agrees to indemnify and hold such contractors or suppliers harmless from any loss or liability arising out of or in relation to a nuclear incident occurring in the Philippines in excess of the yield of the insurance or other security herein set forth, *Provided, however*, That such indemnity shall in no case exceed the amount of Philippine pesos which is equivalent to one hundred twenty million U.S. dollars.

Section 53. *When Claims Exceed Maximum Limit.* (a) Upon petition of the installation operator liable or of the Commission, and upon a showing that the nuclear damages from a nuclear incident will probably exceed the limit of liability established in Section forty-two hereof, the Court having jurisdiction shall issue such orders as may be necessary to assure the equitable distribution of compensation, including orders apportioning the payments to be made to claimants, orders permitting partial payments to be made before final determination of the total claims, and orders setting aside part of the funds available for possible latent injuries not discovered until a later time. (b) In any case where it appears that the nuclear damage caused by a nuclear incident exceeds or will probably exceed the limit of liability established in Section forty-two hereof, the Commission shall furnish a report thereon to the Congress with its recommendations, including any recommendations for the appropriation of additional funds to provide compensation to those suffering nuclear damage.

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Section 54. *Court Having Jurisdiction.* The Court of First Instance situated in the place where the nuclear incident occurs shall have exclusive jurisdiction over claims for compensation for nuclear damage under this Act.

Section 55. *Intervention of Commission in Court Proceedings.* When, after the occurrence of a nuclear incident, it appears that the Government will have to pay indemnity pursuant to the provisions of Section fifty-two hereof, the Court having jurisdiction over the claims for compensation arising from the nuclear incident shall allow the Commission, upon its petition, to intervene in the proceedings, at any time before final judgment.

Section 56. *Compulsory Examination.* After the occurrence of a nuclear incident for which it appears compensation may be payable under Part VII of this Act, the Commission may adopt such measures as may be appropriate to determine the persons who were or might have been exposed to radiation resulting from such nuclear incident, which measures may include a summons to such persons to submit themselves to examination before such authority or body as shall be designated by the Commission within three months from the date of summons. In determining the amount of damages or the right to recover damages, the Court may, in its discretion, take into account the inexcusable failure of the claimant to fulfill or comply with the foregoing obligation.

Section 57. *Investigation of Nuclear Incidents.* The Commission shall make an investigation of the cause and extent of any nuclear incident for which it appears compensation may be payable under this Act and its finding shall be made available to the public, to the parties involved and to the Courts.

Section 58. *Several Installations on Same Site.* The Commission may determine that several nuclear installations of one installation operator which are located at the same site shall be considered as a single nuclear installation for purposes of this Part VII.

Section 59. *Exemption of Government from Financial Security.* Nothing herein contained shall be construed to require the government or any government agency or instrumentality operating a nuclear installation to secure and maintain financial security to cover its liability as installation operator.

Section 60. *Cancellation or Suspension of Financial Protection.* It shall be unlawful for any insurer or other financial guarantor to suspend or cancel the insurance or other financial security provided pursuant to the provisions of this Act without giving such prior notice in writing as may be required by the Commission's regulations.

Section 61. *Against Whom Action for Compensation Brought.* Persons entitled to compensation for nuclear damage under this Act may, at their option, bring the action for recovery of such compensation against the operator liable or against the insurer or other persons furnishing financial security as required by this Act.

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Section 62. *Prescription of Rights and Actions.* Rights of compensation under this Act shall prescribe after ten years from the date of the nuclear incident. Furthermore, actions for compensation under this Act shall be barred unless brought within three years from the date on which the person suffering nuclear damage had knowledge or should have had knowledge of the damage and of the installation operator liable for the damage: *Provided, however,* That any person who claims to have suffered nuclear damage and who has brought an action for compensation within the period applicable pursuant to this Section may amend his claim to take into account any aggravation of the damage, even after the expiry of that period: *Provided, further,* that final judgment has not been entered in the case.

Section 63. *Prescription with Respect to Nuclear Materials Lost, Stolen, etc.* Where nuclear damage is caused by a nuclear incident involving nuclear material which at the time of the nuclear incident was stolen, lost, jettisoned or abandoned, the period established pursuant to Section sixty-two of this Act shall be computed from the date of that nuclear incident, but the period shall in no case exceed a period of twenty years from the date of the theft, loss, jettison or abandonment.

PART VIII Penal Provisions

Section 64. *Violation of Specific Provisions of the Act.* Any person who willfully violates, attempts to violate, or conspires to violate, any provision of Section six or sixteen of this Act, shall upon conviction thereof, suffer the penalty of imprisonment of not more than five years or a fine of not more than Ten thousand pesos, (P10,000.00) or both.

Section 65. *Violation of Other Provisions of this Act.* Any person who shall willfully violate, attempt to violate, or conspire to violate any provisions of this Act for which no penalty is specifically provided or of any regulation, order or license issued under the authority of this Act, shall, upon conviction thereof, suffer the penalty of imprisonment of not more than two years or a fine of not more than Five thousand pesos (P5,000.00) or both.

PART IX Final Provisions

Section 66. *Separability Clause.* If any provision or part of a provision of this Act or the application of such provision to any person or circumstance is held invalid, the remainder of the provisions of this Act or the application of such provision to other persons or circumstances shall not be affected thereby.

Section 67. *Repealing Clause.* All Acts, executive orders, administrative orders, proclamations, rules and regulations inconsistent with any provisions of this Act are repealed or modified accordingly.

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Section 68. *Effectivity Date.* This Act shall take effect on the tenth day following its publication in the Official Gazette.

Approved: June 15, 1968

(Sgd) **FERDINAND E. MARCOS**
President of the Philippines

LETTER OF IMPLEMENTATION NO. 14
RELATIVE TO PART XIII ON SCIENCE AND TECHNOLOGY AND
OTHER PERTINENT PROVISIONS OF THE INTEGRATED
REORGANIZATION PLAN

Please see Section 13 LETTER OF IMPLEMENTATION NO. 14 at page 47

PRESIDENTIAL DECREE NO. 606

December 13, 1974

TRANSFERRING THE PHILIPPINE ATOMIC ENERGY COMMISSION
FROM THE NATIONAL SCIENCE DEVELOPMENT BOARD TO THE
OFFICE OF THE PRESIDENT

WHEREAS, it is declared policy of the Philippine Government to utilize atomic energy for peaceful purposes to accelerate national progress;

WHEREAS, the utilization of atomic energy as a versatile tool in research and development has brought about unprecedented worldwide advances in science and technology;

WHEREAS, there now exists an international consciousness for the role of atomic energy as a vital source of power in the face of worldwide shortage of energy-producing fossil fuels;

WHEREAS, as a major additional source of power, the Philippines has decided on a long-range nuclear power generation program, starting with the implementation of the first nuclear power plant project;

WHEREAS, the peaceful contributions of atomic energy to the Philippine national development is already being amply demonstrated locally in agricultural activities, public health, nuclear medicine, environmental protection, industrial operations and research;

WHEREAS, the Philippine Atomic Energy Commission is the only government agency in the country, charged with the responsibility of promoting and advancing

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the peaceful uses of atomic energy as well as the licensing and regulating activities of atomic energy facilities in the country;

WHEREAS, the increased utilization of atomic energy and the nuclear power development program in the country have resulted in highly demanding responsibilities and expanded functions of the Philippine Atomic Energy Commission;

WHEREAS, the Office of the President needs to be informed directly by the Commission on the accelerating pace of international nuclear activities, in the interest of national security and public safety;

WHEREAS, by reason of the above, it is imperative that the Commission be constituted as an independent and more autonomous body;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, in order to effect the desired changes and reforms in the Philippine Atomic Energy Commission, do hereby order and decree the following:

Section 1. The Philippine Atomic Energy Commission is transferred from the National Science Development Board and placed under the Office of the President.

Section 2. The Commission shall be under a Commissioner and a Deputy Commissioner, both of whom shall be appointed by the President of the Philippines. Both officials shall be citizens of the Philippines who shall have attained distinction in nuclear science and technology and with adequate administrative experience. Both shall pass the necessary security clearance.

The Commissioner shall receive an annual compensation of not less than Thirty-Six Thousand Pesos and the Deputy Commissioner not less than Thirty Thousand Pesos.

Section 3. The Commission shall continue to discharge its powers and functions provided for under Republic Act. No. 2067, as amended and Republic Act No. 5207, particularly in such fields as:

1. research and development activities;
2. promotion of nuclear scientific techniques, and provision of technical extension services;
3. training and education of local scientists and technologists in the nuclear field;
4. regulation of the use of atomic energy to safeguard public health and safety;
5. dissemination of information on atomic energy and the Commission program;

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6. participation in international conferences and meetings on nuclear matters.

In addition, the Commission shall discharge the following functions:

- (a) Make grants-in-aid for research into matters associated with nuclear power or atomic energy;
- (b) Make arrangements with universities and other institutions or persons for the conduct of research into matters associated with atomic energy;
- (c) Disseminate results of scientific and technological research in the field of nuclear science and the application thereof;
- (d) Encourage other authorities and persons to undertake exploration for, and mining and treatment of, uranium and other special nuclear materials;
- (e) Grant financial or other awards, bonuses and/or prizes to deserving personnel and scientists;
- (f) Pay honoraria and/or additional compensation to scientific, technological and professional personnel employed in the government or its subdivisions and instrumentalities under such terms and conditions as may be most conducive towards the attainment of maximum efficiency in scientific research and studies; and
- (g) Impose and collect reasonable fees in connection with the technical and other related services that the Commission performs in accordance with the rates established by it. For this purpose, the Commission shall issue such rules and regulations as maybe deemed necessary: Provided, That the amount of such fees or charges may be reduced or waived by the Commission in favor of scientists, government agencies, and industrial or educational working in cooperation with or assisting the Commission in its activities.

Section 4. All officials and employees of the Commission, including its scientific, technical and professional personnel shall not, during their continuance in office engage in the practice of their professions, except to render highly scientific and professional services like consultations and to teach highly specialized and related subjects.

Section 5. Notwithstanding the provisions of Commonwealth Act No. 138 and such other related laws and regulations, as well as the requirements of public bidding, the Commission may, subject to the approval of the Office of the President, enter into contracts, or otherwise make arrangements for the conduct of atomic energy research and its development.

In implementation of such contracts or arrangements, the Commission may, subject to the approval of the Office of the President, make partial or advance payments and make available such equipment and facilities of the Commission as may be deemed necessary.

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Section 6. The Commission shall establish a comprehensive and progressive merit system in accordance with Civil Service rules and regulations. The recruitment, transfer, promotion, and dismissal of all Commission personnel, including temporary workers, shall be governed by such merit system.

All officials and employees of the Commission shall be subject to Civil Service Law, rules and regulations.

The regular scientific and technical personnel of the Commission shall be exempted from WAPCO rules and regulations.

Section 7. To carry out the above purposes and for its first year of operation as herein provided, an initial amount of twelve million pesos is hereby appropriated and shall be made available from the funds of the National Government effective 1 July 1974: Provided, That for this fiscal year and every year thereafter, the amount of five million pesos shall be set aside from the Special Science Fund to augment the yearly appropriation of the Commission under the General Fund to finance its nuclear research and development, training, regulatory and promotional activities. Any expended balances in the appropriations of the Commission from both the General Fund and the Special Science Fund shall accrue to the Atomic Energy Research Fund.

Section 8. All applicable appropriations of the Commission, its personnel, records, equipment and properties and including such facilities and buildings as are now located in the Commission compound and which are being used in connection with the Commission's activities are transferred as herein provided.

Section 9. This Decree shall be implemented immediately and shall take effect as of 1 July 1974.

Section 10. All laws, executive orders, decrees, rules and regulations, contrary to or inconsistent with the provisions of this Decree are hereby repealed, amended or modified accordingly.

DONE in the City of Manila, this 13th day of December, in the year of Our Lord, nineteen hundred and seventy-four.

By the President:

(Sgd.) **FERDINAND E. MARCOS**
President of Republic of the Philippines

ALEJANDRO MELCHOR
Executive Secretary

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EXECUTIVE ORDER NO. 784

REORGANIZING THE NATIONAL SCIENCE DEVELOPMENT BOARD AND ITS AGENCIES INTO A NATIONAL SCIENCE AND TECHNOLOGY AUTHORITY AND FOR RELATED PURPOSES

Please see Section 8 of EXECUTIVE ORDER NO. 784 at page 68

EXECUTIVE ORDER NO. 128

REORGANIZING THE NATIONAL SCIENCE AND TECHNOLOGY AUTHORITY

Please see Sections 19 and 21 of EXECUTIVE ORDER NO. 128 at page 76

EXECUTIVE ORDER NO. 292

INSTITUTING THE “ADMINISTRATIVE CODE OF 1987”

Please see Sections 16 and 18 of EXECUTIVE ORDER NO. 292 at page 91

PHILIPPINE TEXTILE RESEARCH INSTITUTE (PTRI)

LETTER OF IMPLEMENTATION NO. 14

RELATIVE TO PART XIII ON SCIENCE AND TECHNOLOGY AND OTHER PERTINENT PROVISIONS OF THE INTEGRATED REORGANIZATION PLAN

Please see Sections 3 and 17 LETTER OF IMPLEMENTATION NO. 14 at page 47

EXECUTIVE ORDER NO. 128

REORGANIZING THE NATIONAL SCIENCE AND TECHNOLOGY AUTHORITY

Please see Sections 19 and 24 of EXECUTIVE ORDER NO. 128 at page 76

EXECUTIVE ORDER NO. 292

INSTITUTING THE “ADMINISTRATIVE CODE OF 1987”

Please see Sections 16 and 21 of EXECUTIVE ORDER NO. 292 at page 91

CHAPTER IV

REPUBLIC ACT NO. 4086

AN ACT TO PROMOTE THE TEXTILE INDUSTRY OF THE PHILIPPINES BY EXEMPTING, UNDER CERTAIN CONDITIONS, IMPORTATIONS OF NEEDED RAW MATERIALS, CHEMICALS, DYESTUFFS AND SPARE PARTS AND THE SUBSEQUENT MANUFACTURE AND SALE OF PRODUCTS DERIVED THEREFROM, FROM DUTIES AND TAXES, BY CREATING A SPECIAL FUND FOR VITAL RESEARCH, AND FOR OTHER PURPOSES

Section 1. Any provision of existing law to the contrary notwithstanding, the importation of natural and synthetic raw fibers and tow, chemicals, dyestuffs and spare parts, as well as the manufacture and sale of finished products thereof, by the textile industry in the spinning, weaving and finishing of raw fibers into yard, thread, grey cloth and finished fabric, shall be free of duties, special import tax, sales and/or compensating tax, subject to the following conditions, all of which must concur:

- (a) That the said imported natural and synthetic raw fibers and tow, chemicals, dyestuffs and spare parts are not grown, manufactured or produced locally in sufficient quantities to meet the requirements of the industry;
- (b) That the importer is a Filipino citizen; or, in the case of an existing partnership, corporation or other entity, that it is registered with the Securities and Exchange Commission as a textile manufacturer prior to the enactment of this Act; that at least sixty percent of its subscribed capital stock is owned and controlled by Filipino citizens: *Provided*, That the employment of alien technical or management experts, with the prior authority of the President, shall not destroy the classification of an entity as being controlled by Filipino citizens;
- (c) That the importer is a textile manufacturer who owns machinery and equipment for, and is actually engaged in, the spinning of raw fibers into yarn or thread, or spinning and weaving the same raw fibers into yarn, thread, or grey cloth, or the integrated mills with spinning, weaving, and finishing facilities; or
- (d) That the importer is registered with the Board of Industries, under such implementing rules and regulations as the Board of Industries is hereby authorized and required to promulgate within thirty days after the approval of this Act.

Section 2. Period of Non-Payment of Duties and Taxes. Any person, partnership, company or corporation covered by this Act shall be excluded from the payment of duties and taxes as follows:

- (a) One hundred per centum of the taxes and duties due during the period from the date of the approval of this Act up to December thirty-first, nineteen hundred sixty-six;
- (b) Seventy-five per centum of the taxes and duties due during the period from January first, nineteen hundred sixty-seven to December thirty-first, nineteen hundred sixty-eight;

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- (c) Fifty per centum of the taxes and duties due during the period from January first to December thirty-first, nineteen hundred sixty-nine;
- (d) Twenty-five per centum of the taxes and duties due during the period from January first, to December thirty-first, nineteen hundred seventy;
- (e) On or after January first, nineteen hundred seventy-one all taxes and duties shall be paid in full.

Section 3. No raw materials, chemicals, dyestuffs or spare parts imported under this Act shall be sold, transferred or conveyed in their raw form or as spare parts.

Section 4. All textile manufacturers who register under this Act shall, in lieu of the taxes herein exempted, be assessed and shall pay a special tax of one per centum of their gross sales as defined by the National Internal Revenue Code, to be paid in the same manner and at the same time and subject to the same penalties and surcharges as the sale tax, which shall constitute a Special Textile Research Fund, to be disposed of and disbursed by the National Science Development Board for research, experiment and study in such projects as, in its judgment, will contribute to the local growth, production or manufacturer of raw materials needed by the industry; and to the improvement or invention of machinery equipment processes or production methods for the industry.

Section 5. Any person, partnership, company or corporation eligible to tax exemption privileges under this Act and enjoying tax exemption under other existing laws shall not enjoy tax exemption privileges under this Act.

Section 6. Any violation of this Act or of the rules and regulations issued hereunder, and any misrepresentation of any essential fact required by the said rules or of taxable net income, shall subject the offender to cancellation of his registration by the Board of Industries; to payment of twice the amount of duties and taxes involved plus all penalties and surcharges; and to imprisonment of not less than two or more that five years and a fine of not less than ten thousand pesos nor more than twenty thousand pesos. In case the offense is committed by a partnership, corporation, or other entity, the president, manager or person in charge thereof shall be criminally responsible therefor.

Section 7. All laws executive orders, rules and regulations, or parts thereof, inconsistent with this Act are hereby repealed or modified in conformity herewith.

Section 8. This Act shall take effect upon its approval.

Approved: June 18, 1964

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REPUBLIC ACT NO. 9242

AN ACT PRESCRIBING THE USE OF THE PHILIPPINE TROPICAL FABRICS FOR UNIFORMS OF PUBLIC OFFICIALS AND EMPLOYEES AND FOR OTHER PURPOSES

SECTION 1. *Declaration of Policy.* – It is the policy of the State to instill patriotism and nationalism among the people, especially public officials and employees, who shall at all times be loyal to the Republic and the Filipino people, promote the preferential use of locally manufactured goods that utilize local resources, adopt measures that help make them competitive and thus generate wider employment and greater benefits to the country.

SEC 2. *Definition.* – Tropical fabrics are defined as those containing natural fibers produced, spun, woven or knitted and finished in the Philippines.

SEC 3. *Usage of Philippine Tropical Fabrics.* – The use of Philippine tropical fabrics is hereby prescribed for official uniforms of government officials and employees and for the purposes which require the use of fabrics in government offices and functions.

SEC 4. *Purchase of Tropical Fabrics.* – Philippine tropical fabrics used for the uniforms of government officials and employees, and for other government purposes shall be purchased from local sources in accordance with law.

SEC 5. *Implementing Rules and Regulations.* – The Civil Service Commission, in coordination with the Department of Agriculture, Department of Science and Technology, Department of Trade and Industry, and in consultation with the concerned private sector, shall promulgate the rules to implement this Act consistent with the viable development plan for the sector.

SEC 6. *Appropriations.* – For the initial implementation of this Act, an amount of P60 Million shall be provided from the Agricultural and Fisheries Modernization Act Fund to be allotted to Fiber Industry Development Authority (FIDA) of the Department of Agriculture (DA) for the promotion of the commercial production of plant fibers and for the conduct of continuing research on the improvement of the process of extracting plant fibers. Thereafter, the amount necessary for the continued implementation of this Act shall be included in the annual General Appropriations Act.

SEC 7. *Submission of Annual Report.* – The Civil Service Commission, in coordination with the Department of Agriculture, Department of Science and Technology and Department of Trade and Industry, shall submit an annual report to the Civil Service Committees of both Houses of Congress on or before the end of December of every year.

SEC 8. *Separability Clause.* – If any part of this Act is declared unconstitutional, the remaining parts not affected thereby shall continue to be valid and operational.

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SEC 9. *Repealing Clause.* – All laws, decrees, orders, circulars, rules or regulations and other issuances which are inconsistent with this Act are hereby repealed, amended, or modified accordingly.

SEC 10. *Effectivity.* – This Act shall take effect fifteen (15) days from the date of its publication in the Official Gazette or at least two (2) newspapers of general circulation.

Approved,

Approved: **FEB 10 2004**

(Sgd.) **GLORIA MACAPAGAL-ARROYO**

President of the Philippines

IMPLEMENTING RULES AND REGULATIONS OF REPUBLIC ACT 9242

Pursuant to the provision of Sec. 5 of Republic Act No. 9242, otherwise known as “An Act Prescribing the Use of the Philippine Tropical Fabrics For Uniforms of Public Officials and Employees and For Other Purposes”, as published in Malaya newspaper on February 16, 2004 and made effective on March 2, 2004, the following Rules are hereby adopted and prescribed in order to carry out the provisions of said Law.

RULE I COVERAGE AND DEFFINITION OF TERMS

Section 1. *Coverage*

The use of Philippine tropical fabrics for uniforms of public officials and employees shall apply to all government officials and employees, whether appointive or elective, under permanent, temporary or casual status, in all branches, subdivisions, instrumentalities and agencies of the government, including government-owned and controlled corporations with original charters, who, under the law, are entitled to receive office uniform or clothing allowance.

The use of Philippine tropical fabrics for purposes other than official uniforms (e.g. linens, draperies, upholsteries) shall likewise apply to all government agencies, branches, subdivision and instrumentalities, including government-owned and controlled corporations with original charters.

For purposes of coverage under the Rules, the following personnel are considered government employees:

- 1.1 Employees appointed under Permanent, Temporary, Casual, Contractual or Co-terminous status who have rendered government

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- service for at least six (6) consecutive months, provided they shall continue to serve the agency for another six (6) months, and have not incurred leave of absence without pay for six (6) consecutive months from the day of the grant of the office uniform or allowance.
- 1.2 Teachers, security guards, prison guards, firefighters, medical personnel and other employees whose position titles require them to wear office uniform at all times, regardless of their length of service.
 - 1.3 Part-time medical personnel

These Rules shall not apply to part-time government personnel, consultants, apprentices and workers hired through job order.

Section 2. *Definition of Terms*

The following terms are hereby define in accordance with identified standards:

- 2.1 Natural Fiber - a class name for the various fibers or filaments of plants, vegetable, animal or mineral origin. (Ref. – ASTM 2001)

 The presence of abaca, banana, pineapple, and/or silk in blends with cotton and other natural and/or synthetic fibers, shall constitute the natural fiber component.
- 2.2 Spinning – the process of producing or manufacturing yarns from staple fibers or discontinuous filaments of specified fineness and sufficient twist to bind the fibers together. (Ref. – PNS/PTRI Std. 17:1991)
- 2.3 Weaving – the interlacing of warp and weft yarns with one another to form a fabric (Ref. – PNS/PTRI Std. 17:1991)
- 2.4 Knitting – the art of constructing a fabric with the aid of needles by the interloping of one or more yarns in several series of connected loops hanging on and supporting one another. (Ref. – *Collaway Textile Dictionary. 1st Ed. 1947*)
- 2.5 Finishing – the preparation of greige goods to impart the desired appearance and feel by means of dyeing, bleaching, printing or by any other manner. (Ref. – PNS/PTRI Std. 17:1991)
- 2.6 Local Sources- manufacturers or traders of tropical fabrics within the Philippine territory.

RULE II IMPLEMENTATION

All fabrics to be used for uniforms and for other purposes shall contain at least 5% by weight for either abaca, banana, and pineapple and 15% by weight for silk.

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All government offices and their officials and employees shall use tropical fabrics following the effectivity of these Rules.

RULE III EXEMPTION FROM THE USE OF PHILIPPINE TROPICAL FABRICS

Exemption from the use of Philippine tropical fabrics may be allowed only if said fabrics' properties and standards do not meet the requirements for specialty type fabrics such as firemen's uniform, sports uniform, bullet-proof vest, etc. of a particular agency/organization.

RULE IV CERTIFICATION REQUIREMENT

Section 1. The Philippine Textile Research Institute (PTRI) of the Department of Science and Technology (DOST) shall develop and issue Guidelines for Securing Certification and other necessary forms and these shall form an integral part of these Rules. (See Annex A)

Section 2. The PTRI shall conduct tests on the fabric composition and other properties to determine whether or not the fabric meets the minimum standard requirements for uniform and other purposes, and shall issue the appropriate certification, or exemption as the case may be.

Section 3. The purchase of Philippine tropical fabric shall be in quantity that will cover the total requirement for uniform and for other purposes of the agency.

RULE V MONITORING AND EVALUATION

The Civil Service Commission shall monitor and evaluate the implementation of Republic Act No. 9242 and its Implementing Rules and Regulations. It shall submit an Annual Report to the Civil Service Committees of both Houses of Congress on or before the end of December of every year.

Heads of offices shall submit to the Civil Service Commission a periodic report on the implementation of Republic Act No. 9242 in their respective agencies.

RULE VI RESPONSIBILITY AND ACCOUNTABILITY

The heads of offices shall be responsible for the implementation of Republic Act No. 9242 and its Implementing Rules and Regulations, subject to existing civil service law and rules.

Rule VII EFFECTIVITY

These Rules shall take effect fifteen (15) days from the date of its publication in the Official Gazette or at least two (2) newspapers of general circulation.

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(Sgd.) KARINA CONSTANTINO-DAVID

Chairman

Civil Service Commission

(Sgd.) ESTRELLA F. ALABASTRO

Secretary

Department of Science and Technology

(Sgd.) ARTHUR C. YAP

Secretary

Department of Agriculture

(Sgd.) JUAN B. SANTOS

Department of Trade and Industry

Annex A

Republic of the Philippines
Department of Science and Technology
PHILIPPINE TEXTILE RESEARCH INSTITUTE
General Santos Avenue, Bicutan Taguig City, Metro Manila

CERTIFICATION FOR RA 9242

Date :

Company :

Address :

Based on Test Report No. _____ and the attached Evaluation of Test Results, the Philippine tropical fabric (PTF) submitted for testing:

+ Meets the fiber composition and minimum performance requirements for

+ uniform

+ other purposes

+ curtains

+ bedspread

+ napery and tablecloth

+ upholstery

+ did not meet the fiber composition and minimum performance requirements for uniform/other purposes.

CARLOS P. TOMBOC, Ph.D.

Director IV, CESO II

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Annex B

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF AGRICULTURE
FIBER INDUSTRY DEVELOPMENT AUTHORITY
Asiatrust Bank Annex, Bldg., 1424, Quezon Avenue, Quezon City

CERTIFICATE OF ORIGIN

Date _____

To Whom It May Concern:

This is to certify that the _____ kg. of silk yarns delivered to _____ with business address at _____ was produced in _____.

By the Authority of the Administrator

FIDA Regional Director

PROCLAMATION NO. 86

DECLARING JANUARY 24, 2011 AS "PHILIPPINE TROPICAL FABRICS DAY"

WHEREAS, it is the policy of the State to instill patriotism and nationalism among the Filipinos, promote the preferential use of the locally manufactured goods and utilize local resources and adopt measures that will help in the generation of wider employment;

WHEREAS, Republic Act (RA) No. M9242 or the Philippine Tropical Fabrics Law of 2004 defines tropical fabrics as those containing natural fibers produced, spun, woven or knitted and finished in the Philippines, for use of office uniforms and government officials and employees and for other purposes;

WHEREAS, the implementation of RA 9242 shall provide the needed push for the judicious utilization of natural fibers like pineapple, banana, abaca and Philippine silk on the one hand, and the revival and upliftment of the local textile and garments industry on the other, both of which shall rebound to creation of livelihood in the agricultural and industrial sectors;

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WHEREAS, as the use of Philippine tropical fabrics unfolds overtime, there will be a growing awareness and sense of pride among Filipinos to patronize and use locally manufactured textiles.

NOW, THEREFORE, I, BENIGNO S. AQUINO III, President of the Philippines, by virtue of the powers vested in me by law, do hereby declare January 24, 2011 as “Philippine Tropical Fabrics Day”, under the auspices of the Philippine Textile Research Institute and the Department of Science and Technology.

I call on the fabric producers, textile manufacturers and garments industries, including private sectors, associations and institutions to actively participate in the proper observance of the Philippine Tropical Fabrics Day and to give their full support in the local production and use of Philippine tropical fabrics and recognition of their importance in manpower capability building.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the Republic of the Philippines to be affixed.

DONE in the City of Manila, this 21th day of December, in the year of Our Lord, Two Thousand and Ten.

(Sgd.) **BENIGNO S. AQUINO III**
By the President:

(Sgd.) **PAQUITO N. OCHOA, JR.**
Executive Secretary

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ADVISORY BODIES

The National Academy of Science and Technology (NAST) and the National Research Council of the Philippines (NRCP) are DOST's collegial bodies mandated to provide assistance, recognition, advisory and linkages in relation to country's S&T initiative.

NATIONAL ACADEMY OF SCIENCE AND TECHNOLOGY (NAST)

PRESIDENTIAL DECREE NO. 1003

September 22, 1976

CREATING THE NATIONAL ACADEMY OF SCIENCES

WHEREAS, the development of science and technology, among others, has been instrumental in bringing about the material progress of our country;

WHEREAS, in recognition of this contribution, the Constitution provides that "(T)he State shall promote scientific research and invention", and enjoins that "(T)he advancement of science shall have priority in the national development;"

WHEREAS, as a consequence, there has arisen the need to provide meaningful incentives to those engaged in scientific and technological research and to give due recognition to outstanding individual achievements in the sciences;

WHEREAS, it has further become necessary to professionalize the government's scientific and technological research services to further enhance its capability to contribute to the realization of national 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:

Section 1. There is hereby created the National Academy of Sciences hereinafter referred to as the Academy, composed of outstanding scientists to serve as reservoir of competent scientific and technological manpower for the country, which shall be attached to the Office of the President for general coordination.

Section 2. For the purpose of this Decree, a scientist shall be defined as an individual who has earned a graduate doctoral degree in any field of the sciences in an accredited University and has demonstrated and earned distinction in independent research or investigative study in the basic and applied natural sciences, including agricultural, engineering, and medical sciences, in mathematics and in the experimental social sciences as manifested by his published works in recognized scientific and technical journals; Provided, however, that in highly meritorious and extremely exceptional cases the foregoing doctoral degree requirement may be waived.

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Section 3. The general administration and direction of the affairs of the Academy shall be in the hands of an Executive Council of seven members who shall be appointed by the President of the Philippines from among at least ten members nominated by the Academy.

Section 4. The members of the Executive Council shall serve for a term of three years; Provided that in case of any vacancy, the appointee shall serve only the unexpired term.

Section 5. Any scientist who is a Filipino citizen of good moral character and in sympathy with the purposes of the Academy, may become a member of the Academy upon sponsorship of at least two members, subject to the approval of a majority of the full membership.

Except when terminated for cause or by voluntary resignation, membership in the Academy shall be for life.

Section 6. The Academy shall be initially composed of scientists who shall be nominated by the different national scientific societies and recognized research and academic institutions of higher learning and screened by an Ad Hoc Committee composed of the Chairman of the National Development Board, as Chairman and the President of the University of the Philippines, the Chairman of the National Research Council of the Philippines, the Commissioner of the Philippine Atomic Energy Commission, and Commissioner of the National Institute of Science and Technology as members.

The Ad Hoc Committee shall screen and evaluate the nominations on the basis of academic training and qualification as provided for in Section 2 and may confer membership by a favorable vote of at least four members.

The Ad Hoc Committee shall exist for a period of not more than one year after promulgation of this Decree.

Section 7. The Academy may provide its members the following benefits and privileges:

- (a) Free publication of scientific and technological works;
- (b) Travel support for attendance and participation in international conferences;
- (c) Eligibility in the Career Executive Service subject to confirmation by the Career Executive Service Board; and
- (d) Such other incentives, financial or otherwise, designed to promote scientific effort and achievement.

Section 8. The Academy is hereby authorized to establish not more than ten yearly awards to scientists for distinguished achievement in science who shall be accorded by the President the rank and title of "National Scientist." Said "National Scientists" shall each be given a gratuity of Twenty-Four Thousand Pesos and shall be entitled to other privileges as are enjoyed by the "National Artists."

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Section 9. A member of the Executive Council shall receive at least One Hundred Pesos per session of the Council in addition to the reimbursement of actual reasonable travelling expenses.

Each member of the Academy shall receive a gratuity of Six Thousand Pesos per annum; Provided that he publishes during the year at least one scientific paper or delivers one original public scientific lecture approved by the Executive Council.

Section 10. The total membership of the Academy shall not exceed Fifty at any one time. This number may be increased by a two-thirds vote of all the members and approved by the President.

Section 11. The Academy shall promulgate rules and regulations to carry out the provisions and objectives of this Decree.

Section 12. To carry out the above purposes, the amount of Two Million Pesos is hereby appropriated and shall be made available from the funds of the National Treasury.

Section 13. All laws, executive orders, decrees, rules and regulations contrary to or inconsistent with the provisions of this Decree are hereby repealed, amended or modified accordingly.

DONE in the City of Manila, this 22nd day of September, in the year of Our Lord, nineteen hundred and seventy-six.

FERDINAND E. MARCOS
President of the Philippines

By the President:

(Sgd) **JACOBO G. CLAVE**
Presidential Executive Assistance

PRESIDENTIAL DECREE NO. 1003-A CREATING THE NATIONAL ACADEMY OF SCIENCE AND TECHNOLOGY

WHEREAS, SEC. 9(1), Article XV of the Constitution provides that “(T) he State shall promote scientific research and invention”, and enjoins that “(T) he advancement of science shall have priority in the national development”;

WHEREAS, in the implementation of the foregoing constitutional mandate, there is need to provide meaningful incentives to those engaged in scientific and technological research, as well as to give due recognition to outstanding achievements in technology and the sciences;

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WHEREAS, the development of science and technology has largely brought about the material progress of the country;

WHEREAS, the professionalization of the government scientific and technological research services will contribute to a large extent in effecting the constitutional objectives of promoting scientific research and invention and the advancement of science and technology for national development.

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:

SECTION 1. There is hereby created the National Academy of Science and Technology, hereinafter referred to as the Academy, which shall be composed of outstanding scientists to serve as a reservoir of competent scientific and technological manpower for the country. The Academy shall be attached to the National Science Development Board (NSDB) for general coordination. The Secretariat of the Academy shall be provided by the NSDB.

SEC. 2. For the purposes of this Decree, a scientist shall be defined as an individual who has earned a doctoral degree in any field of the sciences in an accredited University and has demonstrated and earned distinction in independent research or significant innovative achievement in the basic and applied sciences, including agricultural, engineering, and medical sciences, in mathematics and in the social sciences as manifested by his published works in recognized scientific and technical journals; Provided, that, in highly meritorious and extremely exceptional cases the foregoing doctoral degree requirement may be waived.

SEC. 3. The general administration and direction of the affairs of the Academy shall be vested in an Executive Council of seven (7) members who shall be appointed by the President of the Philippines from among at least ten members nominated by the Academy.

SEC. 4. The members of the Executive Council shall serve for a term of three (3) years; Provided, That, in case of any vacancy, the appointee thereto shall serve only the unexpired term.

SEC. 5. A scientist who is a Filipino citizen and who is in sympathy with the purposes of the Academy may become a member therein when his nomination for membership, which shall be made at least three (3) members of the Academy who shall certify that the nominee is qualified under the provisions of SEC. 2 of this Decree, is formally approved by a majority of the full membership of the Academy.

Except when terminated for cause or by voluntary resignation, membership in the Academy shall be for life.

SEC. 6. The Academy shall be initially composed of scientists who shall be nominated by different national scientific societies and recognized research and academic institutions of higher learning and screened by a temporary Committee of

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five (5) members to be appointed by the President of the Philippines upon recommendation of the Board of Governors of the National Science Development Board. This Committee shall be representative of five (5) major fields of sciences, including basic and applied, biological, physical, mathematical engineering, and social sciences.

The temporary Committee shall screen and evaluate the nominee pursuant to the provisions of Section 2, and may confer membership by a favorable vote of at least four (4) members.

The Committee shall exist for a period of not more than eighteen (18) months after promulgation of this Decree.

SEC. 7. The Academy may provide its members the following benefits and privileges:

- a. Free publication of scientific and technological works;
- b. Travel support for attendance and participation in international conference; and
- c. Such other incentives, financial or otherwise, designed to promote a scientific and technological effort and achievement.

SEC. 8. The Academy may recommend annually for Presidential awards not more than ten (10) scientists for distinguished individual or collaborative achievement in science and/or technology who shall be accorded by the President the rank and title of "National Scientist". Said "National Scientists" shall each be given a gratuity in such amount to be fixed by the Academy and shall be entitled to other privileges as are enjoyed by the "National Artists".

SEC. 9. Members of the Executive Council and of the temporary Screening Committee shall be entitled to reasonable allowances for attendance at Council and Committee sessions, at the same rate as members of the Board of Governors of the NSDB, in addition to the reimbursement of actual reasonable travelling expenses.

Initially, each members of the Academy shall receive a gratuity of Six Thousand Pesos (P6,000.00) per annum, subject to adjustment by resolution of the membership, provided that such adjustment shall be approved by the NSDB Board of Governors.

SEC. 10. The total membership of the Academy shall not exceed Fifty (50) at any one time. This number may be increased by a two-thirds vote at all the members and approval thereof by the President.

SEC. 11. The Academy shall promulgate rules and regulations to carry out the provisions and objectives of this Decree.

SEC. 12. To implement this Decree, the amount of Two Million Pesos (P2,000,000.00) is hereby authorized to be appropriated out of any funds in the National Treasury not otherwise appropriated.

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SEC. 13. All laws, executive orders, decrees, instructions, rules and regulations contrary to or inconsistent with the provisions of this Decree are hereby repealed, amended or modified accordingly.

December 16, 1976

(SGD.) **FERDINAND E. MARCOS**
President of the Philippines

PRESIDENTIAL DECREE NO. 1557

AMENDING SECTIONS 5 AND 6 OF PRESIDENTIAL DECREE NO. 1003-A
CREATING THE NATIONAL ACADEMY OF SCIENCE AND
TECHNOLOGY

WHEREAS, Presidential Decree No. 1003-A established the National Academy of Science and Technology to be composed of outstanding scientists in the country; and

WHEREAS, certain amendments are necessary in order to carry out more effectively the objectives of the Decree.

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

Section 1. Section 5 of the Presidential Decree No. 1003-A is hereby amended to read as follows:

Section 5. A scientist who is a Filipino citizen and who is in sympathy with the purposes of the Academy may become a member therein when his nomination for membership, which shall be made by at least three (3) members of the Academy who shall certify that the nominee is qualified under the provisions of Section 2 of this Decree, is formally approved by a majority of the full membership of the Academy.

“Membership in the Academy shall carry with it the title of “Academician”, and shall be for life except when terminated for cause or by voluntary resignation.”

Section 2. Section 6 of the same Decree is hereby amended to read as follows:

“Sec. 6. The Academy shall be initially composed of scientists who shall be nominated by different national scientific societies and recognized research and academic institutions of higher learning and screened by a temporary Committee of ten (10) members to be appointed by the President of the Philippines upon recommendation of the Board of Governors of the National Science Development Board. This Committee shall be representative of Five (5) major fields of sciences, including basic and applied biological, physical, mathematical, engineering and social sciences.

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The temporary Committee shall screen and evaluate the nominee pursuant to the provisions of Section 2, and may confer membership by a favorable vote of at least eight (8) members.

The temporary screening Committee shall exist for a period of not more than twenty-four (24) months after promulgation of this Decree.”

Section 3. This Decree shall take effect immediately.

Done in the City of Manila, this 11th day of June, in the year of Our Lord, nineteen hundred and seventy-eight.

(Sgd.) **FERDINAND E. MARCOS**

By the President:

(Sgd.) **JACOBO C. CLAVE**
Presidential Executive Assistant

EXECUTIVE ORDER NO. 818

AMENDING PRESIDENTIAL DECREE NO. 1003-A, CREATING THE NATIONAL ACADEMY OF SCIENCE AND TECHNOLOGY AND FOR RELATED PURPOSES

WHEREAS, it is desirable to make more efficient the administrative functions and operations of the National Academy of Science and Technology;

WHEREAS, it is necessary for the Academy to embark on programs traditionally and internationally expected of a national Academy of Science;

WHEREAS, the constitutional mandate that the “State shall promote scientific research and inventions” and that “The advancement of science shall have priority in the National Development”, requires that the Academy be made explicitly closer as advisers on science and technology to the President and his Ministers;

WHEREAS, under Presidential Decree No. 1416, as amended, the President is empowered to undertake such organizational and related improvements as may be appropriate in the light of changing circumstances and new developments;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution and the authority vested in me by Presidential Decree No. 1416 as amended, do hereby order and direct:

SECTION 1. Section 1 of Presidential Decree No. 1003-A is hereby amended to read as follows:

“SECTION 1. There is hereby created the National Academy of Science and Technology, hereinafter referred to as the Academy, which shall be composed of

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outstanding scientists to serve as a reservoir of competent scientific and technological manpower for the country. The Academy shall be attached to the National Science and Technology Authority (NSTA) for general coordination. The Academy shall have its own Secretariat/Administrative Staff.”

SECTION 2. The second paragraph of Section 9 of the same Decree is hereby amended to read as follows:

“Initially, each member of the Academy shall receive a gratuity of Six Thousand Pesos (P6,000.00) per annum. The Academy May Determine Stipends, Incentives and/or Recommend Adjustment of Gratuity to/or of its Member Subject to the Approval of the National Science and Technology Authority.

SECTION 3. The Academy may engage in projects or programs designed to recognize outstanding achievements in Science to promote scientific productivity.

SECTION 4. To carry out the purposes of this Executive Order, the Office of Budget and Management is hereby authorized to provide such amounts as may be necessary from available or applicable funds of the government.

SECTION 5. All other provisions of Presidential Decree No. 1003-A not otherwise affected by this Executive Order shall remain in force and all laws, Decrees, Orders, Proclamations, Rules, Regulations, or parts thereof, which are inconsistent with any of the provisions of this Executive Order are hereby repealed or amended accordingly.

SECTION 6. Any portion or provision of this Executive Order that may be declared unconstitutional shall not have the effect of nullifying the other provisions thereof, Provided that such remaining portions can still stand and be given effect in their entirety to accomplish the objectives of this Executive Order.

SECTION 7. This Executive Order shall take effect immediately.

DONE in the City of Manila, this 16th day of July, in the year of Our Lord, Nineteen Hundred and Eighty-Two.

(Sgd.) **FERDINAND E. MARCOS**
President of the Philippines

By the President:

(Sgd.) **JUAN C. TUVERA**
Presidential Executive Assistant

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EXECUTIVE ORDER NO. 128 REORGANIZING THE NATIONAL SCIENCE AND TECHNOLOGY AUTHORITY

Please see Sections 33 and 25 of EXECUTIVE ORDER NO. 128 at page 76

EXECUTIVE ORDER NO. 292 INSTITUTING THE “ADMINISTRATIVE CODE OF 1987”

Please see Sections 33 of EXECUTIVE ORDER NO. 292 at page 91

NATIONAL RESEARCH COUNCIL OF THE PHILIPPINES (NRCP)

REPUBLIC ACT NO. 4120 AN ACT CREATING A NATIONAL RESEARCH COUNCIL OF THE PHILIPPINE ISLANDS FOR THE PROMOTION OF RESEARCH WORK ALONG SCIENTIFIC LINES

Section 1. One hundred and fifty prominent scientists and technical men of the Philippine Islands to be selected by the Governor-General with the advice and consent of the Senate, as charter members; and their associates and successors duly chosen are hereby incorporated, constituted, and declared to be a body corporate by the name of National Research Council of the Philippine Islands.

Section 2. The purposes of this corporation are:

- (1) In general, to stimulate research in the mathematical, physical and biological sciences, and in the application of these sciences to engineering, agriculture, medicine, and other useful arts, with the objective of increasing knowledge, starting studies of problems of the national defense, and contributing in other ways to the public welfare.
- (2) To survey the larger possibilities of sciences, to formulate comprehensive projects of research, and develop effective means of utilizing the scientific and technical resources of the country for dealing with these projects.
- (3) To promote cooperation in research, at home and abroad in order to secure concentration of effort, minimize duplication, and stimulate progress; but in all cooperative undertakings to give encouragement to individual initiative as fundamentally important to the advancement of science.
- (4) To gather and collate scientific and technical information at home and abroad, in cooperation with governmental and other agencies and to render such information available to duly accredited persons.

Section 3. The National Research Council of the Philippine Islands shall, aside from the charter members mentioned in Section 1 hereof, consist of members duly

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elected by the incorporators thereof in accordance with its Constitution and By-Laws and the said corporation shall have power to make its own organization, including its constitution, by-laws, and rules and regulations; to fill vacancies created by death, resignation or otherwise; to provide for the election of members, division into classes, and other matters needful or usual in such institution.

Section 4. The National Research Council of the Philippine Islands shall hold an annual meeting at such place and as such time in the Philippine Islands as may be designated, and the Council shall, whenever called upon by any Department of the Government, investigate, examine, experiment, and report upon any subject of science or art, the actual expenses of such investigations, examinations, experiments, reports to be paid from appropriation which may be made for the purpose, but the Council shall receive no extra compensation whatever for any services rendered to the Government of the Philippine Islands.

Section 5. The National Research Council of the Philippine Islands is hereby authorized and empowered to receive bequests and donations and hold the same in trust, to be applied by the said Council in aid of scientific investigations according to the will of the donors.

Section 6. The said National Research Council of the Philippine Islands shall, in carrying out its aims and functions, and its purposes and powers provided in this Act, be exempt from the payment of all internal revenue taxes, fees, assessment and other charges of the Government.

Section 7. From and after the passage of this Act it shall be unlawful for any person within the jurisdiction of the Philippine Islands to falsely and fraudulently hold himself out as, or represent himself out as, or represent himself to be, a member of, or an agent for, the National Research Council of the Philippine Islands, for the purpose of soliciting, collecting, or receiving money or material; and any person who violates the provisions of this section, shall be guilty of *estafa* and shall be dealt with accordingly.

Section 8. To help the said National Research Council of the Philippine Islands in carrying out its work provided in this Act, the Secretary of Agriculture and Commerce is hereby authorized and empowered to turn over to the national Research Council such sums of money and extend such aid as the said Secretary may from time to time consider necessary, the money to come out of any available balance of lump sum item of the appropriation authorized for the Department of Agriculture and Commerce or out of the money appropriated by Act numbered Thirty-one Hundred and Fifty three entitled, *An Act to appropriate the sum of six hundred and eighty thousand pesos to be disbursed by the Secretary of Agriculture and Natural Resources for promotion of new, and the improvement of existing industries, and for other purposes*: Provided, that in no case shall the sum to be allotted for the purposes of this Act exceed twenty-thousand pesos.

Section 9. The National Research Council of the Philippine Islands shall submit regularly an annual report to the Philippine Legislature and to the Governor-General,

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containing an accurate account of its work and activities during the corresponding fiscal year.

Section 10. This Act shall take effect on its approval.

Approved, December 8, 1933

REPUBLIC ACT NO. 2067 As Amended by Republic Act No. 3589

AN ACT TO INTEGRATE, COORDINATE, AND INTENSIFY SCIENTIFIC AND TECHNOLOGICAL RESEARCH AND DEVELOPMENT AND TO FOSTER INVENTION; TO PROVIDE FUNDS THEREFOR; AND FOR OTHER PURPOSES.

Please see Section 20 of REPUBLIC ACT NO. 2067 at page 38

EXECUTIVE ORDER NO. 784 REORGANIZING THE NATIONAL SCIENCE DEVELOPMENT BOARD AND ITS AGENCIES INTO A NATIONAL SCIENCE AND TECHNOLOGY AUTHORITY AND FOR RELATED PURPOSES

Please see Sections 9 and 15 of EXECUTIVE ORDER NO. 784 at page 68

EXECUTIVE ORDER NO. 128 REORGANIZING THE NATIONAL SCIENCE AND TECHNOLOGY AUTHORITY

Please see Sections 33 and 35 of EXECUTIVE ORDER NO. 128 at page 76

EXECUTIVE ORDER NO. 292 INSTITUTING THE "ADMINISTRATIVE CODE OF 1987"

Please see Sections 30 and 31 of EXECUTIVE ORDER NO. 292 at page 91

REPUBLIC OF THE PHILIPPINES
CONGRESS OF THE PHILIPPINES
METRO MANILA

FOURTH REGULAR SESSION

Begun and held in Metro Manila, on Monday, the twenty-third of July, nineteen hundred ninety.

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REPUBLIC ACT NO. 6974

AN ACT RESTORING THE NAME OF “NATIONAL RESEARCH
COUNCIL OF THE PHILIPPINES,” AMENDING FOR THE PURPOSE
PARAGRAPH (A), SECTION 33 OF EXECUTIVE ORDER NO. 128

SECTION 1. Paragraph (a), Section 33 of Executive Order No. 128 dated January 30, 1987 is hereby amended to read as follows:

“(a) National Research Council of the Philippines as created under Act 4120 of the Ninth Philippine Legislature.”

SECTION. 2. All references to the name “Philippine National Science Society” shall be understood as referring to the National Research Council of the Philippines pursuant to the provisions of this Act.

SECTION. 3. This Act shall take effect upon its approval.

Approved, December 8, 1990.

(Sgd.) **Corazon C. Aquino**
President of the Philippines

DOST'S EXPANDED MANDATE & OTHER RELEVANT LAWS

TAX INCENTIVES

REPUBLIC ACT NO. 5448

AN ACT IMPOSING A TAX ON PRIVATELY OWNED PASSENGER AUTOMOBILES, MOTORCYCLES AND SCOOTERS, AND A SCIENCE STAMP TAX, TO CONSTITUTE A SPECIAL SCIENCE FUND, DEFINING THE PROGRAMS, PROJECTS AND ACTIVITIES OF SCIENCE AGENCIES TO BE FINANCED THEREFROM AND FOR OTHER PURPOSES.

Section 1. *Creation of Special Science Fund.* There is hereby created a Special Science Fund, hereafter referred to as the Fund, to be constituted from the proceeds of the taxes imposed in Sections three and four of this Act to promote scientific and technological research and development, foster invention, and utilize scientific knowledge as an effective instrument for the promotion of national progress. This Fund shall be expended exclusively for the programs, projects and activities of the National Science Development Board, Philippine Atomic Energy Commission, National Institute of Science and Technology, Philippine Coconut Research Council of the Philippines, and the Science Foundation of the Philippines authorized under their respective charters or laws of their creation, including colleges and units of the University of the Philippines and bureaus of the Department of Agriculture and Natural Resources involved in scientific and technological research and development, and for the expenses of science agencies to carry out their functions, duties and responsibilities, as well as the undertaking of legislative studies and observation on incentive policies and the funding schemes of scientific and technological bodies abroad.

Section 2. *Expenditure of the Fund subject to congressional action.* Expenditure of the Fund shall be in pursuance of appropriations made by law: Provided, That for the period from the date of the effectivity of this Act up to June thirty, nineteen hundred sixty-nine, the collections accruing to the Fund shall be used to fund the unprogrammed appropriations from the General Fund for the said science agencies which cannot be released for lack of funds. Expenditure for subsequent fiscal years shall be included in the annual General Appropriations Act.

Section 3. *Imposition of additional tax on privately-owned passenger automobiles, motorcycles and scooters.* An additional tax is hereby imposed on every new or current model of privately-owned passenger automobile, motorcycle and scooter to be paid by the owner thereof, in the amount based on the respective shipping or factory weight of private passenger automobiles as indicated in the following schedule:

- (1) 1,000 kilos or less P35.00
- (2) 1,001 kilos to 1,500 kilos 100.00
- (3) 1,501 kilos to 2,000 kilos 250.00
- (4) 2,001 kilos and above 450.00

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Provided, however, That the owner of a private motorcycle and scooter shall pay a fixed additional tax to P15.00, and that of a jeep, P20.00: *Provided, finally,* That on all used automobile, motorcycle or jeep other than current model, the taxes above prescribed shall be reduced by ten per cent (10%) for each year after its manufacture and/or assembly but in no case shall the additional tax assessed and collected from the owner thereof be less than thirty per cent (30%) of the full tax.

The additional tax imposed herein shall be collected at the same time, in the same manner and subject to the same penalties as the registration fees imposed under Republic Act Numbered Four thousand one hundred thirty-six: *Provided, however,* That from the effectivity of this Act, the words "Science Tax" shall be printed across all official receipts issued covering the payment of the tax herein imposed. (As amended by Rep. Act No. 5470.)

Section 4. *Imposition of additional stamp taxes.* In addition to the documentary stamp taxes imposed under Sections 211 to 235 of Commonwealth Act Numbered Four hundred sixty-six, as amended, otherwise known as the National Internal Revenue Code, there are hereby imposed science stamp taxes equal to one hundred per cent thereof except that in addition to the documentary stamp taxes on tax clearance certificates under Section 225 thereof, the science stamp taxes shall be as follows: fifty pesos on each certificate for a first-class passenger; thirty pesos on each certificate for a second or tourist-class passenger; and five pesos on each certificate for a third-class or steerage passenger: *Provided, however,* That no science tax shall be imposed on freight tickets covering goods, merchandise, or effects carried as accompanied baggage of passengers on land and water carriers primarily engaged in the transportation of passengers: And provided, further, That no science tax shall be imposed on each certificate issued by a notary public or by any person authorized to administer oath.

The tax imposed herein shall be collected at the same time, in the same manner and subject to the same penalties as the documentary stamp tax imposed under the National Internal Revenue Code, as amended.

Section 5. *Turnover of the collection; release of the Fund is ministerial.* The Commissioner of Internal Revenue and the Commissioner of the Land Transportation Commission shall turnover their collections of the taxes and penalties mentioned in Sections three and four hereof to the Treasurer of the Philippines monthly within the first ten days of the succeeding month which shall accrue to and form part of the Special Science Fund. No person of the collections may be transferred or diverted to the general or any other fund or expended for any purpose other than those specified in this Act. It shall be the ministerial duty of the Budget Commissioner and the National Treasurer, as well as of the officers and employees under their supervision and control, to effect releases from the Fund upon order and/or authorization of the Chairman of the National Science Development Board, on recommendation by the agencies under the National Research Council of the Philippines, as the case may be.

Section 6. *Rules and Regulations.* The Secretary of Finance and the Secretary of Public Works and Communications, as the case may be, shall promulgate such rules and

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regulations relating to the collection of the taxes accruing to the Special Science Fund as may be necessary. The Chairman of the National Science Development Board and the Chairman of the National Research Council of the Philippines may also promulgate such rules and regulations as may be necessary for the effective implementation of this Act including the adoption of an appropriate design for the science stamp.

Section 7. *Annual Report.* The Chairman of the National Science Development Board and the Chairman of the National Research Council of the Philippines shall each submit within fifteen days from the opening of the regular session of Congress to the President of the Philippines and to the presiding officers of both Houses of Congress, an annual report which shall include an account of the programs, projects and detailed expenses undertaken pursuant to his Act, which shall be incorporated in their respective annual reports.

Section 8. *Duration of the Fund.* The proceeds of the taxes imposed in this Act shall, to the extent specified therein, constitute the Fund: Provided, That after five years from the effectivity of this Act, the taxes herein imposed shall accrue to the General Fund unless otherwise provided by law.

Section 9. *Penal provisions.* Any person who fails or refuses to turn over collections of the taxes mentioned in this Act within the period fixed in Section five hereof, or who delays, obstructs or prevents the same; or who fails or refuses to effect releases from the Fund, or who delays, obstructs or prevents the same; or who orders, causes, or effects the transfer or diversion of the collections of this Fund shall be punished with a fine not exceeding ten thousand pesos or imprisonment not exceeding six years or both in the discretion of the Court. If the offender is a government official or employee, he shall, in addition, be dismissed from the service with prejudice reinstatement and with disqualification for election to any public office. If he is an alien, he shall, in addition, be deported after payment of fine, without further deportation proceedings.

Section 10. *Separability clause.* If any clause, sentence, provision or section of this Act or application thereof to any person or circumstance should for any reason be held invalid and unconstitutional, such invalidity or unconstitutionality shall not affect other provisions or applications of this Act which can be given forces and effect without the invalid or unconstitutional provisions or application, and to this end the provisions and applications of this Act are declared to be separable.

Section 11. *Repealing clause.* All Acts, executive orders, rules and regulations, or parts thereof, which are inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

Section 12. This Act shall take effect on January first, nineteen hundred sixty-nine.
Approved, September 25, 1968.

(Sgd.) Ferdinand Edralin Marcos
President of the Republic of the Philippines

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PRESIDENTIAL DECREE NO. 1502

PROVIDING FOR INCENTIVES AND ADMINISTRATIVE REFORM TO PROMOTE EFFICIENCY AND PRODUCTIVITY OF SCIENTIFIC AND TECHNOLOGICAL RESEARCH

WHEREAS, the Government has set among its goals the self-sufficiency of the country in its food requirements and the full development of its scientific resources;

WHEREAS, through research in agriculture, natural resources, industry, science and technology, the means to achieve these goals could be best identified;

WHEREAS, it is necessary that research in agriculture, natural resources, industry, science and technology, be afforded utmost encouragement and divorced from restraints; and

WHEREAS, the more of scientific and technological research underscore the urgent need for administrative reforms and a system of incentives that will stimulate the country's scientists and technologists towards more creative, fruitful and satisfying research activities and thereby accelerate the attainment of self-sufficiency of the country's food requirements and the full development of its industrial potential.

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

Section 1. Hiring of retired scientists and technical personnel. An employee retired under any existing law who, in the judgment of either the governing board of a research agency or the research agency head, possesses technical qualifications and the capability to undertake specific scientific research activities, may be hired on contract basis without funding the unexpired portion of the gratuity and accumulated leave benefits received by him from the government.

Section 2. Hiring through contract of other research project personnel. For purposes of undertaking scientific and technological research activities that are by nature highly technical and essentially temporary, other qualified persons may be hired on contract basis for assignment in research projects.

Section 3. Exemption from Civil Service rule on nepotism. The appointment of research personnel to positions of research assistant and upwards shall not

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be covered by the civil service rule on nepotism in consideration of the highly technical nature of these positions.

Section 4. Sabbatical leave privilege of scientists. Any scientists, who in the judgment of governing board of a research agency is entitled to sabbatical leave, may be granted such leave upon application under the terms and conditions that may be promulgated by the governing board.

Section 5. Honoraria of researchers, technical and support personnel. Honoraria or researchers, technical, and support personnel whose assistance may be sought by the Philippine Council for Agriculture and Resources Research (PCARR) or whose services are engaged in research projects monitored and or supervised by the PCARR or the National Science Development Board, shall not be pegged to the basic salary that they receive from their respective agency. The amount of honoraria that may be paid to them directly shall conform with the schedule formulated by the PCARR on the basis of research output and in consultation with the National Science Development Board and related research and educational institutions and approved by the Governing Council.

Section 6. Payment of hardship and or hazard allowance. Hardship and or hazard allowance may be paid to research, technical and supportive personnel who are engaged in research that cause hardship and or hazard to the health and life, in amounts pre-determined by the research agency concerned.

Section 7. Travel expenses of research agency teams and other authorized personnel. Duly receipted actual expenses for lodging of researchers, research team members, and other authorized personnel doing or evaluating research projects outside their official stations may be reimbursed to them upon application subject, however, to the availability of funds. Expenses for subsistence incurred by them shall be reimbursed at rates prevailing in the particular locality as may be certified by the Commission on Audit.

Section 8. Travel insurance of researchers and technical personnel. Premiums for the individual accident insurance of researchers and technical personnel of research agencies traveling by air, water, and land transportation, may be paid at government expense; Provided, That the amount of the individual accident insurance does not exceed P100,000 and the purpose and duration of the trip has the prior approval of the research agency head or his duly authorized representative.

Section 9. Purchase of locally produced or manufactured articles. When the price of locally produced or manufactured articles is from 10% to 20% lower

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than that listed in the NACIDA price lists, purchase of these articles may be made from the sources offering the lower prices.

Section 10. Exemption from ban on the purchase of equipment. Procurement of scientific equipment and necessary accessories needed for research in science and technology, in agriculture, forestry, fisheries, mineral resources, in industry and engineering and other related fields, except petroleum and other mineral oils, may be exempted from any ban, provided that the need for the equipment and accessories to be purchased has been evaluated and certified by either the PCARR or the NSDB.

Section 11. Procurement of supplies, materials, and equipment without the benefit of public bidding. Supplies, materials, and equipment in amounts not exceeding P5,000, in each case, may be purchased without the benefit of public bidding, when these are urgently in the priority listing of the national agricultural research program established by PCARR pursuant to Presidential Decree No. 48, as amended, or by NSDB for use in industrial research and other research areas not covered by PCARR. When purchases of similar urgency and falling within the same priorities are made from reputable and duly licensed manufacturers, in the case of supplies, materials, and equipment of Philippine-make or origin or from exclusive distributors or agents in the Philippines, in the case of imported supplies, materials, and equipment, the requirement of public bidding may be waived where the amount of the purchase is more than P5,000.

Section 12. Deposit of government funds for research activities. Grants of financial assistance made by PCARR for researches in agriculture, forestry, fisheries, and mineral resources, except petroleum and other mineral oils, pursuant to Presidential Decree No. 48, as amended, or NSDB for industrial and other research areas, may be released to the researchers and deposited with the Philippine National Bank or its branches or with rural banks or other private commercial banks where there are no branches of the Philippine National Bank or rural banks nearest the locale of the research projects.

Section 13. Purchase of Large Cattle. Large cattle, including carabaos, horses, mules, asses and other members of the bovine family to be used in research work may be procured without the intervention of the Bureau of Animal Industry, provided that the agency engaged in the research is properly authorized to conduct said research by reason of its acknowledged capability.

Section 14. Construction and or repair of infrastructures and other facilities for research. Infrastructures and other facilities for research in agriculture, forestry, fisheries and mineral resources, except petroleum and other mineral oils, to be constructed or repaired in research centers included in the PCARR

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research network in the country or by the NSDB, irrespective of the source of funds, shall be carried out by or under the control and supervision of the PCARR, or the NSDB; in particular Sections 1901 and 1917 of the Revised Administrative Code, as amended, shall not apply to any such construction and or repairs.

Section 15. All acts, parts of acts, executive orders, rules and regulations which are inconsistent with the provisions of this Presidential Decree are hereby deemed repealed, amended, or modified accordingly.

Section 16. This Decree shall take effect immediately.

Done in the City of Manila, this 11th day of June, in the year of Our Lord, nineteen hundred and seventy-eight.

(Sgd.) **FERDINAND E. MARCOS**
President of the Philippines

By the President:

(Sgd) **JACOBO CLAVE**
Presidential Executive Assistant

MAGNA CARTA

EXECUTIVE ORDER NO. 901

July 19, 1983

PRESCRIBING THE RULES AND REGULATIONS TO IMPLEMENT THE SCIENTIFIC CAREER SYSTEM INITIALLY IN THE NATIONAL SCIENCE AND TECHNOLOGY AUTHORITY

WHEREAS, a Scientific Career System has been established within the civil service pursuant to Executive Order No. 784 dated March 17, 1982 in order to support and encourage the development of science and technology which is one of the major dimensions in the country's national development efforts;

WHEREAS, the implementation of the new system would bring about profound changes in the operation of the total civil service and must therefore be put into effect on a gradual basis starting with the National Science and Technology Authority which is the primary agency in the field of scientific and technological development;

WHEREAS, there is need to prescribe rules and regulations to put the system in operation in the NSTA;

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NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution and the authority vested in me by Presidential Decree No. 1416 as amended, do hereby order and direct:

Sec. 1. Statement of Policy It shall be the policy of the government to support and encourage the development of science and technology, to attract scientific experts into the public service, and to provide a system for the recognition and reward of technological and scientific specialists in the government who have, by their scientific productivity, efficiency, innovativeness and effectiveness on the job, shown their dedication to the public service.

Sec. 2. Definition and Character The Scientific Career System (SCS) is a system of recruitment, career progression, recognition and reward of scientists in the public service as a means of developing a pool of highly qualified and productive scientific personnel.

The System shall be characterized by:

- (a) Entrance to and career progression or advancement based on qualification, merit and scientific productivity;
- (b) Career paths that shall allow scientists to develop within their respective areas of expertise without leaving their status as scientists; and
- (c) Incentives and rewards to insure attraction and retention of highly qualified manpower in the science and technology sector.

Sec. 3. Coverage The System shall apply to scientific personnel with masteral and/or doctoral degrees in the sciences who are directly involved in research and development.

Other highly qualified scientific personnel who are occupying sensitive positions which are critical to research and development at the time of the approval of these rules may be included in the system upon the recommendation of the Director General of the National Science and Technology Authority (NSTA).

The System shall embrace the NSTA and its component agencies provided that other scientific personnel in the national government shall likewise be covered by the system as soon as rules and requirements for the purpose have been worked out.

As used in these rules, the System shall cover natural sciences, engineering and technology, medical sciences and agricultural sciences as listed in Annex 1. The Scientific Career System herein established may hereafter, upon the recommendation of the NSTA Director General, include other fields and disciplines in its coverage for the purpose of meeting the requirements of the national scientific community.

Sec. 4. Rank in the System Appointment in the System shall be based on rank from Scientist I to Scientist V. Scientific personnel shall be admitted into the System to the extent that they meet the minimum qualifications as follows:

- (a) Scientist I Completion of a masteral degree in the appropriate fields of science and the (10) years of productive scholarship and professional research and

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development (R&D) work beyond the masteral degree or a doctoral degree and five (5) years of productive scholarship and professional R&D work beyond the doctoral degree.

- (b) Corresponding qualification requirements for the other ranks (Scientists IIIIV) shall be developed by the SCC.

Sec. 5. Salary Schedule The salary schedule for the scientists appointed to the System shall be in accordance with the attached compensation plan (Annex II), and shall include fringe benefits and reasonable allowances comparable to those of the Career Executive Service, provided that the said plan may be revised with the concurrence of the Office of Budget and Management.

Sec. 6. Administration of the System

- (a) The Civil Service Commission (CSC) shall administer the System and shall have final authority to decide on all matters pertaining to the System.
- (b) A Scientific Career Council (SCC) shall be established jointly by the CSC and NSTA to screen candidates for appointment to the System. The Council shall be composed of the Chairman of the Civil Service Commission as ex-officio chairman, the Director General of the National Science and Technology Authority as ex-officio Co-Chairman and the following ex-officio members: the Chairman of the National Research Council of the Philippines, the President of the National Academy of Science and Technology, and the President of the University of the Philippines System.

The Scientific Career Council shall establish special technical committees in the following fields of specialization, namely, biological, physical and engineering sciences to assist the SCC in performing its tasks. Similar committees for other fields may also be created as needed.

Each of the above technical committees shall be composed of at least five (5) members who are recognized authorities in their respective fields and who shall each serve for a term of two (2) years. At least two (2) members shall be regular members of the National Academy of Science and Technology and at least three (3) regular members of the National Research Council of the Philippines.

- (c) A Scientific Career Evaluation Committee (SCEC) shall be established in the NSTA to assist in the preliminary screening of candidates for appointment to the System.

Sec. 7. Appointment/Advancement in the System

- (a) Upon request of the head of the NSTA the SCEC shall assess qualifications of candidates for appointment and/or advancement in the System.
- (b) The SCEC shall submit its assessment of the candidates to the NSTA head who shall submit to the Scientific Career Council the names of those nominated for further screening.
- (c) The SCC shall proceed to evaluate the candidates and recommend approval/disapproval of their appointment/advancement in the System.

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- (d) The NSTA head shall appoint scientific personnel to the rank in the System subject to approval by the CSC, except to the highest rank which shall be made by the President of the Philippines.
- (e) All those appointed to the System shall constitute a pool of scientists who may be assigned to special scientific projects within the NSTA or on an inter-agency basis. However, upon completion of the project, the scientist shall return to his post in the NSTA.
- (f) In line with the policy of providing scientific personnel with broad experience in leadership and research management which directly affects their effectiveness in R & D work and their professional advancement, or whenever demanded by the exigencies of the service as determined by the Scientific Career Council, those appointed in the System may be temporarily designated to the positions in the Career Executive Service in which case, they shall continue to receive the compensation and/or allowances pertaining to their scientific rank or the temporary position whichever are higher.

Sec. 8. Funding The funds required to implement the System shall be drawn from the existing appropriation of the NSTA and its agencies and thereafter shall be provided in future appropriation measures.

Sec. 9. Criteria for Appointment in the System The following shall be the criteria for appointment to scientific ranks:

- (a) Education shall refer to advanced academic degree of at least masteral level from a college or university of recognized standing either locally or abroad.
- (b) Productivity shall refer to significant outputs and contributions in relevant fields of applied and natural sciences. This shall include:
 - (1) Scientific articles in publications of international circulation, and other work of similar nature.
 - (2) Discoveries, inventions, and other significant original contributions.
 - (3) Practical applications of research findings, discoveries, inventions in commerce in public policy and in government.
 - (4) Books, monograms, compendiums, and major bodies of published work.
 - (5) Training of young scientists.
 - (6) Professional Standing shall refer to the level of acceptance and recognition in the scientific community in terms of professional, moral and ethical integrity.

In addition to the foregoing article, no person shall be considered for appointment to the System unless he has been granted eligibility under PD 997 or Republic Act No. 1080.

Sec. 10. Training and Development The Civil Service Academy and the NSTA shall develop and administer a continuing program of training and development for all scientific personnel in the government service.

Sec. 11. Security of Tenure No person covered by the System shall be divested of, or demoted in, rank except for cause as provided by law. The provisions of the Civil Service Law and Rules on administrative discipline shall apply in proceeding against members of the System.

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Sec. 12. Effectivity These rules shall take effect upon their approval.

Done in the City of Manila, this 19th day of July, in the year of Our Lord, nineteen hundred and eighty-three.

REPUBLIC ACT NO. 8439

AN ACT PROVIDING A MAGNA CARTA FOR SCIENTISTS, ENGINEERS, RESEARCHERS AND OTHER SCIENCE AND TECHNOLOGY PERSONNEL IN GOVERNMENT

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

Section 1. Title. - This Act shall be known as the "Magna Carta for Scientists, Engineers, Researchers and other S & T Personnel in the Government."

Section 2. Declaration of policy. - The State recognizes science and technology as an essential element for the attainment of national development and progress. To attain this objective, it is hereby declared the policy of the State to provide for a program of human resources development in science and technology to achieve and maintain the necessary reservoir of talent and manpower that will sustain its drive for total science and technology mastery.

The State shall establish, promote and support programs leading to the realization of this objective, such as science and engineering scholarship programs, improvement of the quality of science and engineering education, popularization of science culture, and provision of incentives for pursuing careers in science and technology.

Section 3. Definition of terms. -

- (a) Department - refers to the Department of Science and Technology (DOST) created under Executive Order No. 128.
- (b) Scientific and Technological Activities (STA) - all systematic activities which are closely concerned with the generation, advancement, dissemination, and application of scientific and technical knowledge in all fields of natural science and technology.

STA may be classified into three broad groups, namely:

- (1) Research and Experimental Development (R & D) - Any systematic and creative work undertaken in the physical, natural, mathematical and applied sciences by using methods in order to increase the stock of knowledge, and the use of this knowledge in these fields to devise new applications;
- (2) Scientific and Technological Services (STS) - Activities in support of scientific research and development, dissemination and applications of scientific and technical knowledge (i.e. library, information and museum services; geological and hydrological surveys; meteorological and seismological observations; compilation of routine statistics; testing, standardization and quality control; counseling of clients; patenting and licensing; engineering and technical services); and
- (3) Scientific and Technical Education and Training (STET) - All activities comprising higher education and training leading to a university degree, post-graduate and further

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training, organized lifelong training for scientists and engineers, and specialized non-university higher education.

Section 4. Science and Technology Career System. - A career system for science and technology personnel in the service of the government which is patterned after the Scientific Career System (SCS) shall be formulated by the DOST in coordination with the Civil Service Commission.

Section 5. Classification of S & T Personnel. - S & T personnel may be classified in the following categories:

- (a) S & T managers, supervisors, and planners. - Those who are graduate degree holders or have at least ten (10) years of managerial experience or are performing executive, planning and policy-making functions to effectively carry out STA related activities as defined in Section 3 of this Act;
- (b) Members of the scientific career system;
- (c) Scientists, engineers and researchers. - Those who are at least undergraduate degree holders in any of the natural science and engineering courses and are involved in research and development or other scientific and technological activities; and
- (d) DOST technicians and related S & T personnel. - Those who obtained at least twelve (12) units in science, engineering and other related courses or any appropriate training as determined by the Secretary of the Department and are providing support services to S & T personnel enumerated in the three (3) preceding sub-sections.

Section 6. Salaries. - The existing law on salary scales of government employees shall not apply in determining the salary scale of science and technology personnel as defined in Section 5 of this Act. A new salary scale shall be developed by the Department in consultation with the Department of Budget and Management and the Civil Service Commission, subject to the approval of the President.

Section 7. Other benefits. - Notwithstanding Section 12 of Republic Act No. 6758, science and technology personnel defined under Section 5 of this Act shall receive the following:

- (a) Honorarium. - S & T personnel who rendered services beyond the established irregular workload of scientists, technologists, researchers and technicians whose broad and superior knowledge, expertise or professional standing in a specific field contributes to productivity and innovativeness shall be entitled to receive honorarium subject to rules to be set by the Department;
- (b) Share in royalties. - S & T scientists, engineers, researchers and other S & T personnel shall be entitled to receive share in royalties subject to guidelines of the Department. The share in royalties shall be on a sixty percent-forty percent (60%-40%) basis in favor of the Government and the personnel involved in the technology/ activity which has been produced or undertaken during the regular performance of their functions. For the purpose of this Act, share in royalties shall be defined as a share in the proceeds of royalty payments arising from patents, copyrights and other intellectual property rights;

If the researcher works with a private company and the program of activities to be undertaken has been mutually agreed upon by the parties concerned, any royalty arising therefrom shall be divided according to the equity share in the research project;

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- (c) Hazard allowance. - S & T personnel involved in hazardous undertakings or assigned in hazardous workplaces, shall be paid hazard allowances ranging from ten (10%) to thirty (30%) percent of their monthly basic salary depending on the nature and extent of the hazard involved.

The following shall be considered hazardous workplaces:

- (1) Radiation-exposed laboratories and service workshops;
 - (2) Remote/depressed areas;
 - (3) Areas declared under a state of calamity or emergency;
 - (4) Strife-torn or embattled areas;
 - (5) Laboratories and other disease-infested areas.
- (d) Subsistence allowance. - S & T personnel shall be entitled to full subsistence allowance equivalent to three (3) meals a day, which may be computed and implemented in accordance with the criteria to be provided in the implementing rules and regulations. Those assigned out of their regular work stations shall be entitled to per diem in place of the allowance;
- (e) Laundry allowance. - S & T personnel who are required to wear a prescribed uniform during office hours shall be entitled to a laundry allowance of not less than One hundred fifty pesos (P150.00) a month;
- (f) Housing and quarter allowance. - S & T personnel who are on duty in laboratories, research and development centers and other government facilities shall be entitled to free living quarters within the government facility where they are stationed: Provided, That the personnel have their residence outside of the fifty (50)-kilometer radius from such government facility;
- (g) Longevity pay. - A monthly longevity pay equivalent to five percent (5%) of the monthly basic salary shall be paid to S & T personnel for every five (5) years of continuous and meritorious service as determined by the Secretary of the Department; and
- (h) Medical examination. - During the tenure of their employment, S & T personnel shall be given a compulsory free medical examination once a year and immunization as the case may warrant.

The medical examination shall include:

- (1) Complete physical examination
- (2) Routine laboratory, Chest X-ray and ECG
- (3) Psychometric examination
- (4) Dental examination
- (5) Other indicated examination

Section 8. Non-DOST S & T personnel. - S & T personnel not employed by the Department, who are involved in STA may avail of the benefits under this Act upon certification of the Secretary of the Department.

Section 9. Scholarships and grants. - S & T personnel in public and private sectors shall be entitled to avail of scholarship benefits and grants for pursuing undergraduate, graduate, post-graduate or training courses in accordance with a Scholarship Program to be implemented by the Department. Grantees of the program may study within the Philippines or abroad provided that the Department shall provide strict measures to ensure their return to the country to render the service obligation.

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Recipients of undergraduate scholarships shall, after graduation, be required to render service in the government for the equivalent number of years that they availed of their scholarships. However, in case where there are no available positions in the government, they may be allowed to work in the private sector.

Scholarship privileges may be on a full-time or part-time basis and shall include tuition fee, book allowance, transportation allowance, monthly stipend, dissertation grants, insurance and the payment of regular salary and other benefits.

For this purpose, the Human Resource Development Council created under Republic Act No. 8248 shall formulate the rules and regulations and implement the Scholarship Program provided in this Act.

Section 10. Honorarium for other services. - Scientists, engineers, researchers, technologists, technicians and other S & T personnel shall be allowed to render consultancy services to the private sector and shall be entitled to receive such honorarium that may be paid to them by the private entity concerned. Such payments shall be over and above their salary from the government during the period of the consultancy and shall not be considered as double compensation: Provided, That the consultancy work will not jeopardize or adversely affect the operations or activities of his originating office: Provided, further, That the Secretary of the Department approves such consultancy.

Section 11. Detail to the private sector. - Provisions of existing laws notwithstanding, scientists, engineers, researchers and other S & T related personnel who are employed on a regular basis in the government, whether or not they are conferred any rank under the Scientific Career System, shall hereby be allowed secondment to any private entity whenever such services are required: Provided, That the duration of such service with a private entity shall not exceed one (1) year: Provided, further, That the detail or secondment of said personnel will not hamper or adversely affect the operations or activities of his originating office: Provided, finally, That the head of the agency approves such detail or secondment.

During the period of such secondment, payment of the seconded employee shall be borne by the seconding private entity covered by a contract. The period of secondment shall be used in computing the retirement benefits but not for the commutation of leave credits earned in the mother agency.

Such secondment shall not likewise affect his Security of tenure nor result in the loss of seniority rights subject to guideline on secondment in the IRR of this Act.

Section 12. Exemption from the Attrition Law and Civil Service Rule on nepotism. - Appointment of S & T personnel to positions of research assistant and upwards shall not be covered by the Attrition Law and CSC rule on nepotism in consideration of the highly technical nature of these positions.

Section 13. Provision against double benefits. - S & T personnel already receiving the same benefits under any other law shall not be allowed to avail of the benefits under this Act unless they submit in writing their intention to withdraw the benefits already being received and opt for those provided hereunder.

Section 14. Highest basic salary upon retirement. - Upon retirement, the S & T personnel concerned shall automatically be granted one (1) salary grade higher than his/her basic salary and his/her retirement benefits shall be computed on the basis of his/her highest salary received.

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Section 15. Prohibition against diminution and/or elimination. - Nothing in this law shall be construed to eliminate or in any way diminish benefits being enjoyed by S & T personnel at the time of the effectivity of this Act.

Section 16. Hiring of retired scientists and technical personnel. - An employee retired under any existing law, who, in the judgment of the governing board or head of a research agency, possesses technical qualifications and the capability to undertake specific scientific research activities, may be rehired on contractual basis without refunding the unexpired portion of the gratuity and accumulated leave benefits received by him from the Government: Provided, That no qualified science and technology expert is available to undertake said scientific activities.

Section 17. Government scholars and training grantees. - Graduates or grantees of government S & T scholarship programs or trainings shall be given temporary waiver of CSC eligibilities for at least two (2) years and preferential access to financial grants from any government agency authorized to extend grants and to loans with easy terms from government financing institutes, for science and technology projects which are viable and in line with the development thrust of the country.

Section 18. Science and technology awards. - There shall be established Science and Technology Awards Committee which shall confer annually the Science and Technology Awards for outstanding achievement/s and excellence or original contribution to science and technology. The Committee shall promulgate the guidelines in implementing this Section and shall specify the categories of awards to be given and the amount of financial reward for each category.

Section 19. Congressional Commission on Science and Technology. - There is hereby created a Congressional Commission on Science and Technology (S and T COM) to review and assess, among others, the state of the Philippine human resources development in S & T, the state of computerization and information technology in the Philippine economy and society, and the implementation of this Act. The Commission shall be composed of five (5) Members of the House of Representatives and five (5) Members of the Senate. It shall be co-chaired by the Chairpersons of the Committee on Science and Technology of both Houses of Congress. Such congressional review shall be undertaken at least once every five (5) years.

Section 20. Funding. - The amount necessary to fully implement this Act shall be provided in the General Appropriations Act (GAA) of the year following its enactment into law under the budgetary appropriations of the DOST and concerned agencies.

Section 21. Annual report. - The Secretary of the Department shall submit to the Congressional Commission on Science and Technology, an annual report of the status of implementation of this Act.

Section 22. Implementing rules and regulations. - The Department, in consultation with government and nongovernment agencies involved in STA, shall formulate the implementing rules and regulations to carry out the provisions of this Act.

Section 23. Repealing clause. - All laws, decrees orders, rules and regulations, or parts thereof, inconsistent with the provisions of this Act are hereby amended or repealed accordingly.

Section 24. Separability clause. - The provisions of this Act are hereby declared separable. In the event that any provision hereof is rendered unconstitutional, those that are not affected shall remain valid and effective.

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Section 25. Effectivity. - This Act shall take effect immediately after publication in two (2) newspapers of general circulation.

Approved,

Representatives and the Senate on December 16, 1997.

Approved:

(Sgd) FIDEL V. RAMOS

President of the Philippines

IMPLEMENTING RULES AND REGULATIONS (REPUBLIC ACT NO. 8439)

MAGNA CARTA FOR SCIENTIST, ENGINEERS, RESEARCHERS AND
OTHER SCIENCE AND TECHNOLOGY PERSONNEL IN GOVERNMENT

BACKGROUND

Pursuant to Section 22 of Republic Act No. (R.A.) 8439, otherwise known as the Magna Carta for Scientists, Engineers, Researchers and other Science and Technology Personnel in Government approved on December 22, 1997 which took effect on January 20, 1998, the following Rules and Regulations are hereby adopted to effectively Implement the provisions of the Act.

Rule I – Coverage

Sec 1. Declaration of Policy

The State recognizes science and technology as an essential element for the attainment of national development and progress. To attain this objective, it is hereby declared the policy of the State to provide for a program of human resources development in science and technology to achieve and maintain the necessary reservoir of talent and manpower that will sustain its drive for total science and technology mastery.

The State shall establish, promote and support programs leading to the realization of this objective, such as the science and engineering scholarship programs, improvement of the quality of science and engineering education, popularization of science, culture, and provision of incentives for pursuing careers in science and technology.

Sec 2. Definition of Terms

2.1 Department - Department refers to the Department of Science and Technology (DOST) created under Executive Order No. 128.

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2.2 Scientific and Technological Activities (STA)- Scientific and Technological Activities refer to all systematic activities which are closely concerned with the generation, advancement, dissemination and application of scientific and technical knowledge in all fields of natural science and technology.

2.3 STA are classified into three broad groups, namely:

2.3.1 Research and Experimental Development (R&D) - Research and Experimental Development is any systematic and creative work undertaken in the physical, natural, mathematical and applied sciences by using methods in order to increase the stock of knowledge and the use of this knowledge in these fields to devise new applications;

2.3.2 Scientific and Technological Service (STS) - Scientific and Technological Services refer to activities in support of scientific research and development, dissemination and application of scientific and technical knowledge (i.e. library, information and museum services; geological and hydrological surveys; meteorological and seismological observations; compilation of routine statistics; testing, standardization and quality control; counseling of clients; patenting and licensing; engineering and technical services; and

2.3.3 Scientific and Technical Education and Training (STET) - Scientific and technical education and training refer to all activities comprising higher education and training leading to a university degree, post-graduate and further training, organized life-long training for scientists and engineers, and specialized non-university high education.

Sec. 3 Scientific and Technical (S&T) Personnel

3.1 Scientific and technical personnel shall include S&T managers, supervisors and planners; members of the Scientific Career System; scientists, engineers and researchers; and DOST technicians and DOST S&T-related personnel.

Sec. 4 Classification of S&T Personnel - S&T personnel are classified in the following categories:

4.1 S&T Managers, Supervisors and Planners

4.1.1 S&T managers, supervisors and planners are those who are graduate degree holders or have at least ten (10) years of managerial experience or are performing executive, planning and policy-making functions to affectively carry out STA related activities as defined in Section 3 of Republic Act No. 8439.

4.1.1.1 S&T Managers are those who are employed in R&D Institutions or other organizations conducting STA and are occupying the positions.

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4.1.1.2 S&T Supervisors are those who are employed in R&D Institutions or other organizations conducting STA and are occupying the positions of Associate Scientist, Assistant Scientist, Division Chief, Supervising Science Research Specialist and other positions of equivalent rank. These positions are with salary grades 22 to 26.

4.1.1.3 S&T Planners are those who are employed in R&D Institutions or other organizations conducting STA and are occupying the positions of Planning Officer IV, Project Development Officer IV and are essentially discharging supervisory functions. These positions are with salary grade 22.

4.2 Members of the Scientific Career System

4.2.1 Members of the Scientific Career System are those who have been conferred the rank of scientist in the Scientific Career System pursuant to Executive Order Nos. 784 and 901 dated 17 March 1982 and 19 July 1983, respectively.

4.3 Scientists, Engineers and Researchers

4.3.1 Scientists, Engineers and Researchers are those who are at least undergraduate degree holders in any of the natural science and engineering courses and are involved in research and development or other scientific and technological activities. Natural sciences shall include, but not limited to astronomy, bacteriology, biochemistry, biology, botany, chemistry, computer sciences, entomology, geology, geophysics, mathematics, meteorology, mineralogy, nutrition, oceanography, physical geography, physics and zoology.

4.3.2 Scientist, engineers and researchers are individuals who, as above mentioned, spend at least fifty percent (50%) of their official time in the conception and creation of new scientific knowledge, and engineering and technological principles, products, processes, methods and systems.

4.4 DOST Technicians and DOST S&T Related Personnel

4.4.1 DOST technicians are persons who control, operate and maintain technical and scientific equipment, and perform other related tasks connected with research and the application of concepts and operational methods in the fields of engineering and natural sciences. They have acquired their technical competencies either through baccalaureate degree program or on-the-job learning or completion of relevant technical-vocational education and training courses.

4.4.2 DOST S&T-related personnel refer only to all other DOST employees who do not qualify under the preceding Sub-sections 4.1, 4.2 and 4.3. and are providing support to S&T personnel and performing functions such as, but not limited to, secretarial, clerical, financial, maintenance work, science teaching and training, Information Dissemination, and other scientific and technological services.

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4.4.3 DOST technicians and DOST S&T-related personnel must possess any of the following qualifications:

4.4.3.1 Have at least 12 units in natural science, engineering and other related courses; or

4.4.3.2 Completed any appropriate technical training which enhances his/her skill from an institution, including the DOST Technology Training Center, duly recognized by the DOST Secretary. Provided further, that the DOST Secretary shall determine the appropriate training requirements for each position.

Sec. 5 Exemption from the Attrition Law and Civil Service Rule on Nepotism

5.1 Appointment of S&T personnel to positions of research assistant and upwards shall not be covered by the Attrition Law and Civil Service Commission (CSC) rule on nepotism in consideration of the highly technical nature of these positions.

Rule II – Benefits

Sec. 1 Who Are Entitled

1.1 S&T personnel who occupy plantilla positions whether permanent or temporary, on full time or part-time basis, and contractual, casual or emergency positions charged to lump-sum appropriations now existing or hereafter created provided that they conform with the provisions of Section 5 of Republic Act 8439, shall be entitled to the benefits provided hereunder.

Sec. 2 Types of Benefits

2.1 Notwithstanding Section 12 of Republic Act No. 6758, science and technology personnel defined under Section 5 of R.A. 8439, shall receive the following benefits; honorarium, share of royalties, hazard allowance, subsistence allowance, laundry allowance, housing and quarters allowance, longevity pay and medical examination.

Sec. 3 Honorarium

3.1 S&T personnel who rendered services beyond the established regular workload, whose broad and superior knowledge, expertise or professional standing in a specific field contributes to productivity and Innovativeness shall be entitled to receive honorarium subject to rules set by the Department.

3.2 Honorarium is a form of remuneration for services rendered beyond the regular workload of the following S&T personnel:

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3.2.1 those whose broad superior knowledge, expertise or professional standing in a specific field contributes significantly to S&T and R&D;

3.2.2 those whose services in management, administration or support capacities contribute to the effective operating or management of S&T and R&D

3.2.3 those requested to organize, speak, lecture act as resource person in seminars, workshops, conferences, symposia, trainings and classroom sessions.

3.3 Other Provisions

3.3.1 Funds for payment of honorarium shall be included in the appropriations the funding agency.

3.3.2 For foreign-funded projects, the provisions pertinent to payments of honorarium shall be followed as provided in the Memorandum of Agreement (MOA)/Memorandum of Understanding (MOU) between the parties concerned. In cases where the honorarium rates are not specified, those prescribed in these rules shall apply.

3.3.3 The rates of payment of honorarium to DOST personnel and DOST-assisted projects shall be subject to the approval of the Secretary of the Department upon the recommendation of the agency head.

3.3.4 Honorarium rates for non-DOST funded S&T projects shall follow the rates formulated by the funding agency but, as much as possible, shall be in harmony with DOST rates.

Sec. 4 Share of Royalties

4.1 Share in royalties shall be defined as a share in the proceeds of royalty payments arising from patents, copyrights and other intellectual property rights.

4.2 Intellectual property rights as presently defined in the intellectual Property Code shall consist of the following:

4.2.1 Copyrights and related rights;

4.2.2 Service marks;

4.2.3 Geographic indications;

4.2.4 Industrial designs;

4.2.5 Patents;

4.2.6 Layout designs of integrated circuits;

4.2.7 Protection of undisclosed information; and

4.2.8 Innovations of Inventions and utility models.

4.3 S&T personnel shall be entitled to receive share in royalty subject to the guidelines of the Department. The share in royalties shall be on a sixty (60%) to (40%) percent basis in favor of the Government and the personnel involved in the technology/activity which has been

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produced or undertaken during the regular performance of their functions.

- 4.4 If the researcher works with a private company and the program of activities to be undertaken has been mutually agreed upon by the parties concerned, any royalty arising therefrom shall be divided according to the equity share in the research project.

Sec. 5 Hazard Allowance

- 5.1 S&T personnel involved in hazardous undertakings or assigned in hazardous workplaces, shall be paid hazard allowance ranging from ten (10%) to thirty (30%) percent of their monthly basic salary depending on the nature and extent of the hazard involved.

- 5.2 Hazard Allowance is a compensation premium which is generally paid to officials and employees who are exposed to hazards, directly or indirectly, because of the nature and/or location of their work.

- 5.3 Hazardous areas cover any of the following:

5.3.1 difficult/distressed or hardship posts characterized by distance, inconvenience of travel due to bad roads and conditions of the terrain, isolation, inaccessibility and extreme weather conditions; remote/depressed areas;

5.3.2 work areas that are high danger zones to natural hazards;

5.3.3 work areas posing risks or danger to health and safety due to direct unavoidable exposure to radiation, communicable/contagious/infectious diseases; combustible and explosive, dangerous and toxic chemicals and biologicals; harmful physical substances and devices and other environmental hazards;

5.3.4 work areas posing risks and danger to health and safety due to unavoidable exposure to institutions for mental health, prison camps and industrial service workshops;

5.3.5 strife-torn or embattled areas where conflict exists;

5.3.6 work areas declared as under a state of calamity or emergency;

5.3.7 laboratories and clinics; and

5.3.8 such other areas that may be considered critical.

5.4 Other Provisions

5.4.1 Funds for the payment of hazard allowance shall be included in the appropriations of the agency.

5.4.2 Payment shall be based on actual presence in the hazardous work areas. The entitlement to the hazard allowance shall be coterminous with the assignment of the personnel in the hazardous work areas. The agency head shall determine the personnel entitled to this allowance.

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5.4.3 Personnel who are entitled to receive hazard allowance under existing laws, special laws, charters or enabling acts may opt to avail of the hazard allowance under Republic Act No. 8439.

5.4.4 Personnel who are on vacation, sick, maternity or study leave are excluded from receiving the hazard allowance. However, personnel on the study leave who conduct laboratory research related to the course, as duly certified by the school authority and not covered by an insurance shall be entitled to this allowance.

5.4.5 Personnel who are on secondment or who are on full time detail to another agency are not entitled to the hazard allowance except when the personnel of the agency to which he/she is seconded or on detail are entitled to such an allowance.

5.4.6 Personnel who are attending seminars, workshops, trainings or similar activities are likewise not entitled to the hazard allowance except when said activities are held in areas which are certified to be hazardous.

5.4.7 The declaration of the hazardous work areas shall be duly certified by the Secretary of the Department upon recommendation of the agency head. The Secretary may refer to the appropriate agency authorized under the Department of Budget and Management (DBM) National Budget Circular No. 451 dated March 14, 1996 for the necessary certification.

5.4.8 Personnel who are directly exposed to hazardous work areas shall be entitled to a hazard allowance of not less than thirty percent (30%) of their monthly basic salary.

5.4.9 Personnel who are indirectly exposed to hazardous work areas shall be entitled to the allowance of not less than twenty percent (20%) of their monthly basic salary. Indirectly exposed are those who have frequent interaction with personnel of agencies who are directly expose to hazards.

5.4.10 Personnel providing services in all other concerned areas are entitled to hazard allowance based on their actual presence in the hazardous area. A half day service shall entitle the personnel to fifty percent (50%) of the daily hazard allowance while service of less than four (4) hours shall not entitle them to hazard allowance. In instances where the personnel are providing service in strife-torn or embattled areas, they shall be entitled to one hundred percent (100%) of the daily hazard allowance; provided that they continuously remain in said areas.

Sec. 6 Subsistence Allowance

6.1 S&T personnel are entitled to a full subsistence allowance equivalent to three (3) meals a day or One Hundred Fifty Pesos (P150.00) per day.

6.2 In case an employee renders half day service, he is entitled to fifty percent (50%) or Seventy-five Pesos (P75.00). services of less than four (4) hours shall not entitle the employee to a subsistence allowance. The

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payment of this allowance shall be based on the actual presence of the S&T personnel either in the office or on official business.

- 6.3 Those assigned outside of their regular work stations are entitled to per diem as provided by Executive Order No. 248 dated May 25, 1995 “Prescribing Rules and Regulations and New Rates of Allowances for Official Local and Foreign Travels of Government Personnel”, instead of subsistence allowance. Likewise, the stipends of scholars shall be in lieu of subsistence allowance

Sec. 7 Laundry Allowance

- 7.1 S&T personnel who wear the prescribed uniform during office hours shall be entitled to a laundry allowance of Three Hundred Pesos (P300.00) per month. Personnel who are exempted, under existing regulations, from wearing uniform are also entitled to receive the allowance.

Sec. 8 Housing and Quarters Allowance

- 8.1 Housing and quarters allowance applies to S&T personnel who are on duty beyond office hours in laboratories, R&D Centers and other government facilities.
- 8.2 Employees concerned are entitled to free living quarters within the government facility, provided, their residence is outside of the fifty (50) kilometer radius from their official station.
- 8.3 Fees or cost of board and lodging shall be borne by the agencies concerned.
- 8.4 Availment of housing and quarters allowance is subject to availability of facilities.

Sec. 9 Longevity Pay

- 9.1 A monthly longevity pay equivalent to five percent (5%) of the monthly basic salary shall be paid to S&T personnel for every five (5) years of continuous and meritorious service as determined by the Secretary of the Department. “Continuous and meritorious” service shall mean service without gap and with a very satisfactory performance rating for the last two (2) semesters immediately preceding the date of entitlement of said benefit. During the specific year that the employee did not perform meritoriously, he shall not be entitled to receive the longevity pay for that period.
- 9.2 Payment of longevity pay shall cover the entire S&T government service as defined in the above provision from his original

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appointment subject to the approval of the DOST Secretary upon the recommendation of the Agency Head.

9.3 Longevity pay previously received will be deducted on a staggered basis within a period of six (6) months.

Sec. 10 Medical Examination

10.1 During the tenure of their employment, the S&T personnel shall be given a compulsory fee medical examination once a year and immunizations as the case may warrant.

10.2 The medical examination shall include:

10.2.1 Complete physical examination;

10.2.2 Routine laboratory, Chest X-ray and ECG

10.2.3 Psychometric examination;

10.2.4 Dental examination; and

10.2.5 Other indicated examination.

10.3 S&T personnel shall be entitled to a health insurance package benefit covering the above-cited services, including hospital room and board, doctor's fee, surgeon's fee, and other related expenses based on the insurance package to be adopted by the DOST.

Sec. 11 Prohibition Against Diminution and/or Elimination

11.1 Nothing in this law shall be construed to eliminate or in any way diminish benefits being enjoyed by S&T personnel at the time of the effectivity of republic Act No. 8439.

Sec. 12 Prohibition Against Double Benefits

12.1 S&T personnel already receiving the same benefits under any other law shall not be allowed to avail of the benefits under Republic Act No. 8439 unless they submit in writing their intention to withdraw the benefits already being received and opt for those herein provided.

Sec. 13 Non-DOST S&T Personnel

13.1 S&T Personnel not employed by the Department, who are involved in STA may avail of the benefits under Republic Act No. 8439 upon certification of the Secretary of the Department. Each department, agency or office concerned shall provide the necessary funds to cover the availment of benefits.

RULE III – Scholarships and Grants

Sec. 1 Conditions for Scholarships and Grants

1.1 S&T personnel in public and private sectors shall be entitled to avail of scholarship benefits and grants for pursuing

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- undergraduate, graduate, post-graduate or training courses in accordance with a Scholarship Program to be implemented by the Department.
- 1.2 Grantees of the program may study within the Philippines or abroad provided that the Department shall provide strict measures to ensure their return to the country to render the service obligation.
 - 1.3 Recipients of undergraduate scholarships shall, after graduation, be required to render service in the government for the equivalent number of years that they availed of their scholarships. However, in case where there are no available positions in the government, they may be allowed to work in the private sector.
 - 1.4 Scholarships may be on a full-time or part-time basis and privileges shall include tuition fee, book allowance, transportation allowance, monthly stipend, dissertation grants, insurance and the payment of regular salary and other benefits.
- Sec. 2** Privileges of Government S&T Scholars
- 2.1 Graduates or grantees of Government S&T Scholarship programs or trainings shall be given temporary waiver of CSC eligibilities for at least two (2) years. Likewise, they shall enjoy preferential access to financial grants from any government agency/financial institution authorized to extend grants and loans with easy terms for science and technology projects which are viable and in line with the development thrusts of the country.
 - 2.2 Government scholar graduates and training grantees can be hired in the government service on a temporary basis for two (2) years while waiting for the release of the results of examinations of the Civil Service Commission or professional licensure examinations of the Professional Regulation Commission.
 - 2.3 Availment of grants and loans shall be subject to the following:
 - 2.3.1 the accumulated duration of training availed should be at least six (6) months and in line with his/her expertise.
 - 2.3.2 Application for grants or loans shall be subject to the evaluation of the DOST and the government agency/financial institution and shall be used to establish an S&T project or to commercialize technologies.

RULE IV – Consultancy Services and Detail to the Private Sector

Sec. 1 Consultancy Services

- 1.1 General Conditions
 - 1.1.1 S&T personnel shall be allowed to render consultancy services to the private sector and shall be entitled to receive honorarium that may be paid to them by the private entity concerned. Such payments shall be over and above their salaries from the government during the period of consultancy and shall not be considered as double compensation; provided that, the consultancy work does not jeopardize or adversely affect the

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operations or activities of his mother agency; and there shall be full disclosure of the terms and conditions including remuneration and benefits of the consultancy; subject to the approval of the Secretary of the Department concerned.

1.2 Specific Conditions

1.2.1 S&T personnel who render consultancy services shall have permanent appointments.

Contractual and casual personnel whose salaries are charged to lump-sum appropriation may be allowed to accept consultancy services on a selective basis as may be determined by the agency head.

1.2.2 In addition to his regular projects, an S&T personnel shall be allowed to provide consultancy work in any private entity for a maximum of thirty-two (32) hours per month; provided that he shall only accept a maximum of three (3) projects at any one time.

1.2.3 There shall be full disclosure of the consultancy contract to the mother agency, as governed by a tripartite contract among the hiring institution, the mother agency and the S&T personnel.

1.2.4 S&T personnel cannot render consultancy services to an institution where they have direct oversight functions or where they are responsible for the evaluation and screening of projects funded by a grant from their agencies.

1.2.5 The DOST and the Institute/Agency shall have a share of ten percent (10%) of the total consultancy fee. The accumulated fund shall be used to support S&T activities as approved by the agency head. Other agencies may adopt the same policy.

1.2.6 For foreign consultancy, the S&T personnel shall be allowed a maximum of two (2) months per year.

1.2.7 In cases of extension, the S&T personnel must file a leave of absence not to exceed one (1) year inclusive of the two-month consultancy period subject to the approval of the agency head.

Sec. 2 Detail to Private Sector

2.1 General Conditions

2.1.1 Provisions of existing laws notwithstanding, S&T personnel who are employed on a regular basis in the government, may be seconded to any private entity where such services are needed, provided that the duration of such secondment shall not exceed one (1) year; the detail or secondment of said personnel will not hamper or adversely affect the operations or activities of their mother agency; and the head of the agency approves the detail or secondment.

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- 2.1.2 During the period of such secondment, the salary of the seconded S&T personnel shall be borne by the private entity. The period of secondment shall be included in computing the length of service for purposes of retirement. The S&T personnel shall not earn leave credits during the period of secondment.
- 2.1.3 Such secondment shall not likewise affect his security of tenure nor result in the loss of seniority rights.

2.2 Special Conditions

- 2.2.1 S&T personnel who have rendered at least four (4) years of continuous and actual service in the institute/agency shall be allowed secondment to a private entity requiring their expertise for not more than twelve (12) months.
- 2.2.2 S&T personnel who avail of this arrangement must serve the DOST or concerned agency for four (4) years after the secondment before another secondment may be granted upon the recommendation of the agency head and approval of the Secretary of the Department concerned.
- 2.2.3 During the secondment, the S&T personnel shall receive salary from the private entity where he/she is on detail. Such personnel shall not be entitled to any benefits provided under Republic Act No. 8439.
- 2.2.4 The agreement for secondment shall be covered by a tripartite contract among the S&T personnel, Secretary of the department concerned and the private entity with full disclosure of the terms and conditions.
- 2.2.5 The mother agency shall have a share of a minimum of five percent (5%) of the total compensation received from the private entity. The accumulated fund shall be considered as trust recipients and shall be used to support S&T activities as approved by the head of the agency.
- 2.2.6 In case the grantee opts to continue the secondment, he/she shall have to resign from the government service provided that he/she has no scholarship/service/financial obligation from the mother agency. Provided further, that the period of secondment immediately preceding the resignation shall not be counted in the computation of the number of years of service in the government.

RULE V – Hiring of Retired Scientist and Technical Personnel

Sec. 1 Hiring of Retired S&T Personnel

- 1.1 S&T personnel retired under any existing law, who, in the judgement of the governing board or head of a research agency, possess technical qualifications and the capability to undertake specific scientific research activities, may be rehired on contractual basis without refunding the unexpired portion of the gratuity and accumulated leave benefits received by them from the government; provided that no qualified science and technology expert is available to undertake said scientific activities.

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- 1.2 The retired S&T personnel to be rehired must be mentally, emotionally and physically fit as supported by a medical certificate.

RULE VI – Science and Technology Awards

Sec. 1. S&T Awards

- 1.1 A Science and Technology Awards Committee shall be established which shall be established which shall confer annually the science and technology awards for outstanding achievement/s and excellence or original contribution to science and technology. The Committee shall promulgate guidelines implementing this Section and shall specify the categories of awards to be given and the amount of financial reward for each category.
- 1.2 Such committee shall take into consideration the existing awards system being administered by the various councils and agencies of the DOST.

RULE VII - Congressional Commission on Science and Technology

Sec. 1 Congressional Commission on Science and Technology

- 1.1 A Congressional on Science and Technology (S and T COM) shall be created to review and assess, among others, the state of the Philippine human resources development in S&T, the state of computerization and information technology in the Philippine economy and society, and the implementation of Republic Act No. 8439. Such Congressional review shall be undertaken at least once every five (5) years.
- 1.2 The Commission shall be composed of five (5) members of the House of Representatives and five (5) member of the Senate. It shall be co-chaired by the chairpersons of the Committee on Science and Technology of both Houses of Congress.

RULE VIII - Special Provisions

Sec. 1 Science and Technology Career System

- 1.1 A career system for science and technology personnel in the service of the government, patterned after the Scientific Career System (SCS), shall be formulated by a committee to be created by the DOST Secretary in coordination with the Civil Service Commission (CSC) and such other agencies as may be necessary.

Sec. 2 Salary Scale

- 2.1 The salary scale of S&T personnel to be develop pursuant to Section 6 of R.A. 8439 shall, after consultation with the Department of Budget and Management (DBM) and the Civil Service Commission (CSC), and as approved by the President of the Philippines, take effect on the date of the effectivity of this law.

Sec. 3 Highest Basic Salary Upon Retirement

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- 3.1 Upon retirement, the S&T personnel concerned shall be automatically granted one (1) salary grade higher than his/her basic salary at the same stop of his/her current salary grade.
- 3.2 Retirement benefits shall be computed on the basis of his/her highest salary received.

Sec. 4 Human Resource Development Council

- 4.1 The Human Resource Development Council (HRDC) created under Republic Act No. 8248 shall formulate the rules and regulations and implement the scholarship programs as provided in Section 1 of Rule III. The scholarship programs of DOST, its councils and agencies, shall be submitted to the HRDC.

RULE IX - Report of the Secretary

Sec. 1 Annual Report

- 1.1 The Secretary of DOST shall submit to the Congressional Commission on Science and Technology, an annual report on the status of implementation of this Magna Carta.

RULE X - Date of Effectivity

Sec. 1 Effectivity

- 1.1 These rules and regulations shall take effect fifteen days after publication.

March 1998

(Sgd.) **WILLIAM G. PADOLINA**
Secretary

Republic of the Philippines DEPARTMENT OF SCIENCE AND TECHNOLOGY

IMPLEMENTING RULES AND REGULATIONS AMENDMENT NO. 2 DATED 06 APRIL 1999

MAGNA CARTA FOR SCIENTIST, ENGINEERS, RESEARCHERS AND OTHER SCIENCE AND TECHNOLOGY PERSONNEL IN GOVERNMENT

The following amendments to Section 5 and 9 of the Implementing Rules and Regulation (IRR) of the Republic Act No. 8439, entitled: "AN ACT PROVIDING A MAGNA CARTA FOR SCIENTISTS, ENGINEERS, RESEARCHERS AND OTHER SCIENCE AND TECHNOLOGY PERSONNEL IN GOVERNMENT", are hereby adopted:

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1. Rule II - Benefits

Sec. 5 Hazard Allowance

- “5.4.9 Personnel who are indirectly exposed to hazardous work areas shall be entitled to the allowance of not less than fifteen percent (15%) of their monthly basic salary. Indirectly exposed are those who are interaction with personnel of agencies who are directly exposed to hazards.”

2. Rule II - Benefits

Sec. 9 Longevity Pay

- “9.2 Payment of longevity pay shall cover the entire government service as defined in the above provision from his original appointment subject to the approval of the DOST Secretary upon the recommendation of the Agency Head.”
- Delete subsection 9.3.

For purpose of implementation those amendments shall take effect on February 4, 1998, the date of effectivity of the Act.

(Sgd.) FILEMON URIARTE

Secretary

Republic of the Philippines
DEPARTMENT OF SCIENCE AND TECHNOLOGY

**MAGNA CARTA FOR SCIENTISTS, ENGINEERS, RESEARCHERS AND
OTHER SCIENCE AND TECHNOLOGY PERSONNEL IN
GOVERNMENT**
(Republic Act No. 8439)

**Implementing Rules and Regulations Amendment No. 3 dated
October 14, 2003**

The following amendments to the Implementing Rules and Regulations (IRR) of Republic Act No. 8439, entitled: “AN ACT PROVIDING A MAGNA CARTA FOR SCIENTISTS, ENGINEERS, RESEARCHERS AND OTHER SCIENCE AND TECHNOLOGY PERSONNEL IN GOVERNMENT”, are hereby adopted:

1. Deletion of Section 10.3, Rule II which reads as follows:

Sec. 10. Medical Examination

Sec. 10.3 S&T personnel shall be entitled to a health insurance package benefit covering the above-cited services, including hospital room and board,

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doctor's fee, surgeon's fee, and other related expenses based on the insurance package to be adopted by the DOST.

2. Deletion of Section 1.2.5, Rule IV which reads as follows:

Sec. 1. Consultancy Services

Sec. 1.2.5 The DOST and the Institute/Agency shall have a share of ten percent (10%) of the total consultancy fee. The accumulated fund shall be considered as trust receipts pursuant to existing laws and shall be used to support S&T activities as approved by the agency head. Other agencies may adopt the same policy.

3. Deletion of Section 2.2.5, Rule IV which reads as follows:

Sec. 2. Detail to Private Sector

Sec. 2.2.5 The mother agency shall have a share of a minimum of five percent (5%) of the total compensation received from the private entity. The accumulated fund shall be used to support S&T activities as approved by the head of the agency.

These amendments shall take effect fifteen days after publication.

(Sgd) ESTRELLA F. ALABASTRO
Secretary

AMENDED IMPLEMENTING RULES AND REGULATIONS OF RA 8439 DATED AUGUST 23, 2007

The amendment to the Amended Implementing Rules and Regulations of Republic Act No. 8439, entitled: "AN ACT PROVIDING A MAGNA CARTA FOR SCIENTISTS, ENGINEERS, RESEARCHERS AND OTHER SCIENCE AND TECHNOLOGY PERSONNEL IN GOVERNMENT", is hereby adopted:

RULE VIII-SPECIAL PROVISIONS

SECTION 3 – HIGHEST BASIC SALARY UPON RETIREMENT

3.1. Upon retirement, optional or mandatory, under any existing law, the S&T personnel concerned shall automatically be granted one salary grade higher than his/her basic salary at the same step of his/her current salary grade, or the highest actual salary received.

This amendment shall take effect fifteen days after publication in the Official Gazette.

(Sgd.) ESTRELLA F. ALABASTRO
Secretary

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IMPLEMENTING RULES AND REGULATIONS OF RA NO. 8439 AS AMENDED

BACKGROUND

Pursuant to Section 22 of Republic Act No. (R.A.) 8439, otherwise known as the Magna Carta for Scientists, Engineers, Researchers and other Science and Technology Personnel in Government approved on December 22, 1997 which took effect on February 04, 1998, the following Rules and Regulations, as amended, are hereby adopted to effectively implement the provisions of the Act.

RULE I - COVERAGE

SEC 1. DECLARATION OF POLICY

The State recognizes science and technology as an essential element for the attainment of national development and progress. To attain this objective, it is hereby declared the policy of the State to provide for a program of human resources development in science and technology to achieve and maintain the necessary competent proof of expertise that will sustain its drive for total science and technology effectiveness and excellence.

The State shall establish, promote and support programs leading to the realization of this objective, such as the science and engineering scholarship programs, improvement of the quality of science, technology and engineering education, promotion of science and technology culture; and provision of incentives for pursuing careers in science and technology.

In furtherance of this policy, the science and technology community shall ensure the utilization of research and development results to maximize benefits from such endeavors.

SEC 2. DEFINITION OF TERMS

2.1 Department

Department refers to the Department of Science and Technology (DOST) created under Executive Order No. 128.

2.2 Scientific and Technological Activities (STA)

Scientific and Technological Activities refer to all systematic activities concerned with the generation, advancement, dissemination and application of scientific and technical knowledge in all fields of natural science and technology.

2.3 STA are classified into three broad groups, namely:

2.3.1 Research and Experimental Development (R&D)

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Research and Experimental Development is any systematic and creative work undertaken in the physical, natural, mathematical and applied sciences in order to increase the stock of knowledge and the use of this knowledge to devise new applications;

2.3.2 Scientific and Technological Service (STS)

Scientific and Technological Services refer to activities in support of scientific research and development, dissemination and application of scientific and technical knowledge (i.e. library, information and museum services; geological and hydrological surveys; information and communication technology services; meteorological and seismological observations; compilation of routine statistics; testing, precision measurements, calibration, standardization and quality control; counseling of clients; patenting and licensing; engineering and technical services); and

2.3.3 Scientific and Technical Education and Training (STET)

Scientific and Technical Education and Training refer to all activities comprising higher education and training leading to a university degree, graduate, post-graduate and further training, organized life-long training for scientists and engineers, and specialized non-university high education.

SEC. 3 SCIENTIFIC AND TECHNOLOGY (S&T) PERSONNEL

Section 5 of Republic Act No. 8439 classifies S&T personnel in the following categories: (a) S&T managers, supervisors and planners; (b) members of the Scientific Career System; (c) scientists, engineers, and researchers; and (d) DOST technicians and related S&T personnel.

Section 8 of Republic Act No. 8439 provides that government S&T personnel not employed by the Department of Science and Technology (DOST), who are involved in STA may avail of the benefits under this Act upon certification of the DOST Secretary.

Personnel of R&D institutions and other organizations may be classified as S&T personnel provided that their institutions and the units in said institutions to which they belong have, among their major mandates and functions, those relating to science and technology; and provided further, that the personnel's individual functions relate to STA as defined in Section 3 of Republic Act No. 8439.

3.1 S&T Managers; Supervisors and Planners

S&T managers, supervisors and planners are those who are graduate degree holders or have at least ten years of managerial experience or are performing executive, planning and policy-making functions to effectively carry out S&T-related activities as defined in Section 3 of Republic Act No. 8438.

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3.1.1 S&T Managers are those who are employed in R&D Institutions or other organizations conducting STA and who occupy the positions of Secretary, Undersecretary, Assistant Secretary, Executive Director, Director, Regional Director, Deputy Executive Director, Deputy Director, Department Service Chief and other officers of equivalent rank as may be identified by the Career Executive Service Board. S&T managers are those who are directly supervising STA. S&T manager positions are with equivalent salary grades of 27 and above.

3.1.2 S&T Supervisors are those who are employed in R&E Institutions or other organizations conducting STA and who occupy the positions of Associate Scientist, Assistant Scientist, Division Chief, Supervising Science Research Specialist and other positions of equivalent rank. S&T supervisor positions are with equivalent salary grades of 22 and above.

3.1.3 S&T Planners are those who are employed in R&D Institutions or other organizations conducting STA and who occupy the positions of Planning Officer IV, Project Development Officer IV, Project Evaluation Officer IV, and other positions of equivalent rank and are directly supervising or undertaking

3.2 Members of the Scientific Career System

Members of the Scientific Career System are those who have been conferred the rank of scientist in the Scientific Career System pursuant to Executive Order Nos. 784 ad 901 dated 17 March 1982 and 19 July 1983, respectively.

3.3 Scientists, Engineers and Researchers

Scientists, Engineers and Researchers are those who are employed at the Research and Development Institutes and other organizations who are at least college degree holders in any of the natural science and engineering courses and are involved in research and development or other scientific and technological activities. Natural sciences shall include, but not limited to basic/natural sciences and mathematics; engineering and information and communications technology; medical sciences and agricultural sciences under the Scientific Career System; physical anthropology; physical geography; library and archival sciences, and scientific and technical documentation.

Scientists, engineers and researchers are individuals who, as above mentioned, spend at least fifty percent of their official time in conception and application of scientific knowledge, and/or engineering and technological principles, products, processes, methods and systems.

3.4 DOST Technicians and DOST S&T Related Personnel

3.4.1 DOST technicians are persons who operate and maintain technical and scientific equipment, and perform other related tasks connected with research and the application of concepts and operational methods in the fields of engineering and natural sciences. They have acquired their technical competencies either through

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baccalaureate degree program or on-the-job learning or completion of relevant technical-vocational education and training courses.

3.4.2 DOST S&T-related personnel refer only to all other DOST employees who do not qualify under the preceding sections and are providing support to S&T personnel and performing functions such as, but not limited to, secretarial, clerical, financial, maintenance work, science teaching and training, Information handling, processing, and services; marketing and promotion; statistical work; data gathering; planning; documentation and publication; library services and other scientific and technological services.

3.4.3 DOST technicians and DOST S&T-related personnel must possess any of the following qualifications:

3.4.3.1 Have at least 12 units in natural science, engineering and other related courses; or

3.4.3.2 Have completed any appropriate technical training which enhances their skills from an institution, including the DOST Technology Training Center and its accredited training Institutions, duly recognized by the DOST Secretary, and provided further, that the DOST Secretary shall determine the appropriate training requirements for each position.

SEC. 4 EXEMPTION FROM THE ATTRITION LAW AND CIVIL SERVICE RULE ON NEPOTISM

Appointment of S&T personnel to positions of research assistant and upwards shall not be covered by the Attrition Law and Civil Service Commission (CSC) rule on nepotism in consideration of the highly technical nature of these positions.

RULE II - BENEFITS

SEC. 1 WHO ARE ENTITLED

S&T personnel who occupy plantilla positions whether permanent or temporary, on full time or part-time basis, and contractual, casual or emergency positions charged to lump-sum appropriations now existing or hereafter created provided that they conform with the provisions of Section 5 of Republic Act 8439, shall be entitled to the benefits provided hereunder.

SEC. 2 TYPE OF BENEFITS

Notwithstanding Section 12 of Republic Act No. 6758, science and technology personnel defined under Section 5 of R.A. 8439, shall receive the following benefits; honorarium, share of royalties, hazard allowance, subsistence allowance, laundry allowance, housing and quarters allowance, longevity pay and medical examination.

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2.1 HONORARIUM

S&T personnel who render services beyond the established regular workload, whose broad and superior knowledge, expertise or professional standing in a specific field contributes to productivity and Innovativeness shall be entitled to receive honorarium subject to rules set by the Department.

2.2 SHARE IN ROYALTIES Honorarium is a form of remuneration for services rendered beyond the regular workload of the following S&T personnel:

2.2.1 Share in royalties shall be defined as a share in the proceeds of royalty payments arising from patents, copyrights and other intellectual property rights.

2.2.2 Intellectual property rights as presently defined in the Intellectual Property Code shall consist of the following:

- a. Copyrights and related rights;
- b. Trademarks and service marks;
- c. Geographic Indications;
- d. Industrial designs;
- e. Patents
- f. Layout designs (topographies) of integrated circuits;
- g. Protection of undisclosed information

2.2.3 S&T scientists, engineers, technologists, researchers and other S&T personnel involved in STA shall be entitled to receive share in royalties subject to the guidelines of the Department. The share in royalties shall be on a sixty percent-forty percent (60%-40%) basis in favor of the Government and the personnel involved in the technology/activity which has been produced or undertaken during the regular performance of their functions.

2.2.4 If the researcher works with a private company and the program of activities currently or to be undertaken has been mutually agreed upon by the parties concerned, any royalty arising therefrom shall be divided according to the equity share in the research project.

2.3 HAZARD ALLOWANCE

2.3.1 Hazard allowance is a compensation premium, which is generally paid to S&T personnel who are exposed to hazards, directly or indirectly, because the nature and/or location of their work.

2.3.2 S&T personnel involved in hazardous undertakings or assigned in hazardous workplaces, shall be paid hazard allowance equivalent to 15% or 30% of their monthly basic salary depending on the nature and extent of the hazard involved. If exposure to hazard is direct, the S&T personnel are entitled to hazard allowance equivalent to 30% of their monthly basic salary.

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If exposure to hazard is direct, the S&T personnel is entitled to hazard allowance of 15% of their monthly basic salary. Indirectly exposed are those who have frequent interaction with personnel of agencies who are directly exposed to hazards, or from time to time exposed to hazardous workplaces.

2.3.3 Hazardous workplaces cover any of the following:

2.3.3.1 Difficult/distressed or hardship posts characterized by distance, inconvenience of travel due to bad roads and conditions of the terrain, isolation, inaccessibility and extreme weather conditions; remote/depressed areas;

2.3.3.2 Work areas on land, air, and seas that are high danger zones to natural hazards;

2.3.3.3 Work areas posing risks or danger to health or safety due to exposure to dangerous working conditions or environmental elements such as, contaminants; ionizing radiation; communicable, contagious, infectious diseases; flammable/combustible explosive, reactive, corrosive and toxic chemicals and biologicals; absence or inadequate supply of safe and potable water; harmful physical substances and mechanical devices, operation of heavy equipment/apparatus; and other environmental hazards;

2.3.3.4 Strife-torn or embattled areas where conflict exists.

2.3.3.5 Work areas declared as under a state of calamity or emergency;

2.3.3.6 Laboratories and service workshops

2.3.4 Other Provisions

2.3.4.1 The agency head shall determine the personnel entitled to this allowance and the extent of exposure of said personnel to hazards.

2.3.4.2 Payment shall be based on actual presence in the hazardous work area and while in the performance of the assigned work. The entitlement to the hazard allowance shall be coterminous with the assignment of the personnel in the hazardous work areas.

2.3.4.3 Personnel who are entitled to receive hazard allowance under existing laws, special laws, charters or enabling acts may opt to avail of the hazard allowance under Republic Act No. 8439.

2.3.4.4 Personnel who are on secondment or who are on full time detail to another agency are not entitled to the hazard allowance

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except when the personnel of the agency to which he/she is seconded or on detail are entitled to such an allowance.

2.3.4.5 The declaration of the hazardous work areas shall be duly certified by the Secretary of the Department upon recommendation of the agency head. The Secretary may refer to the appropriate agency authorized for the necessary certification.

2.4 SUBSISTENCE ALLOWANCE

2.4.1 S&T personnel are entitled to a full subsistence allowance equivalent to three (3) meals a day or One Hundred Fifty Pesos (P150.00) per day.

2.4.2 In case an employee renders half day service, he is entitled to fifty percent (50%) or Seventy-five Pesos (P75.00). The payment of this allowance shall be based on the actual presence of the S&T personnel either in the office or on official business/official time. Services of less than four hours shall not entitle the employee to a subsistence allowance.

2.4.3 Those assigned outside of their regular work stations are entitled to per diem as provided by pertinent administrative issuances, instead of subsistence allowance. Likewise, the stipends of scholars shall be in lieu of subsistence allowance.

2.4.4 S&T personnel pursuing higher education and attending local non-degree training on official time without stipend, shall be entitled to subsistence allowance.

2.5 LAUNDRY ALLOWANCE

S&T personnel who wear the prescribed uniform during office hours shall be entitled to a laundry allowance of Five Hundred Pesos (P500.00) per month. Personnel who are exempted, under existing regulations, from wearing uniform are also entitled to receive the allowance.

2.6 HOUSING AND QUARTERS ALLOWANCE

2.6.1 Housing and quarters allowance is given to S&T personnel who are on duty beyond office hours in laboratories, R&D Centers and other government facilities.

2.6.2 Employees concerned are entitled to free living quarters within the government facility where they are stationed, provided, their residence is outside of the fifty kilometer radius from such government facility.

2.6.3 Availment of housing and quarters is subject to availability of facilities. If there are none, costs of board and lodging shall be borne by the agency concerned.

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2.7 LONGEVITY PAY

2.7.1 A monthly longevity pay equivalent to five percent of the monthly basic salary shall be paid to S&T personnel for every five years of continuous and meritorious service as determined by the Secretary of the Department. "Continuous and meritorious" service shall mean service without gap and with a very satisfactory performance rating for the last two semesters immediately preceding the date of entitlement of said benefit. Service without gap includes leave with pay; privilege leaves authorized by the Civil Service Commission; leave without pay but authorized by the head of agency on valid grounds such as prolonged sickness and efforts to professionalize the civil service. During the specific year that the employee did not perform meritoriously, he shall not be entitled to receive the longevity pay for that period.

2.7.2 Payment of longevity pay shall cover the entire S&T government service as defined in the above provision from the S&T personnel's original appointment subject to the approval of the DOST Secretary upon the recommendation of the agency Head.

2.8 MEDICAL EXAMINATION

2.8.1 During the tenure of their employment, the S&T personnel shall be given a compulsory fee medical examination once a year and immunizations as the case may warrant.

2.8.2 The medical examination shall include:

- a. Complete physical examination;
- b. Routine laboratory, Chest X-ray and ECG;
- c. Psychometric examination;
- d. Dental examination; and
- e. Other indicated examination.

SEC. 3 PROHIBITION AGAINST DIMINUTION AND/OR ELIMINATION

Nothing in this law shall be construed to eliminate or in any way diminish benefits being enjoyed by S&T personnel at the time of the effectivity of republic Act No. 8439.

SEC. 4 PROHIBITION AGAINST DOUBLE BENEFITS

S&T personnel already receiving the same benefits under any other law shall not be allowed to avail of the benefits under Republic Act No. 8439 unless they submit in writing their withdrawal of the benefits already being received and opt for those herein provided.

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SEC 5. TERMINATION OF ENTITLEMENT TO BENEFITS

Entitlement to benefits under R.A. No. 8439 shall be terminated when the grantee ceases to perform as S&T personnel by reason of change of work assignment to non-S&T functions, retirement, death, resignation, transfer, dismissal, reorganization or phase out activity, and similar cause.

RULE III-SCHOLARSHIPS AND GRANTS

SEC. 1 CONDITIOND FOR SCHOLARSHIPS AND GRANTS

S&T personnel in public and private sectors shall be entitled to avail of scholarship benefits and grants to pursue undergraduate, graduate, post-graduate or training courses in accordance with a Scholarship Program implemented by the Department.

- 1.1 Scholarship privileges may be on full-time or part-time basis and shall include tuition fee, book allowance, transportation allowance, monthly stipend, dissertation grants, insurance and the payment of regular salary and other benefits.
- 1.2 Grantees of the program may study within the Philippines or abroad provided that the Department shall provide strict measures to ensure their return to the country to render the service obligation.
- 1.3 Recipients of undergraduate scholarships shall, after graduation, be required to render service in the government for the equivalent number of years that they availed of their scholarships. However, in case where there are no available positions in the government, they may be allowed to work in the private sector.

SEC 2. PRIVILEGES OF GOVERNMENT S&T SCHOLARS AND TRAINING GRANTEES

- 2.1 Graduates or grantees of Government S&T Scholarship programs or trainings shall be given temporary waiver of CSC eligibilities for at least two years. They can be hired in the government service on a temporary basis for two years while waiting for the release of the results of examinations of the Civil Service Commission or professional licensure examinations of the Professional Regulation Commission.
- 2.2 Graduates or grantees of government S&T scholarship programs or trainings shall be given preferential access to financial grants from any government agency/ financial institution authorized to extend grants and loans with easy terms for science and technology projects which are viable and in line with the development thrusts of the country.

Availment of grants and loans shall be subject to the following:

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2.2.1 The accumulated duration of training availed of should be at least six months and in line with one's expertise, and within the mandates of the agency.

2.2.2 Application for grants or loans shall be subject to the evaluation of the DOST and the government agency/financial institution.

2.2.3 The grant or loan shall be used to undertake an S&T project or to commercialize technologies.

RULE IV - CONSULTANCY SERVICES AND DETAIL TO THE PRIVATE SECTOR

SEC. 1 CONSULTANCY SERVICES

1.1 General Conditions

Scientists, engineers, researchers, technologists, DOST technicians and other DOST S&T related personnel shall be allowed to render consultancy services to the private sector and shall be entitled to receive such honorarium that may be paid to them by the private entity concerned. Such payments shall be over and above their salaries from the government during the period of consultancy and shall not be considered as double compensation; provided that, the consultancy work does not jeopardize or adversely affect the operations or activities of his mother agency; that there shall be full disclosure of the consultancy contract to the mother agency; and provided further, that it is subject to the approval of the Secretary of the department concerned.

1.2 Specific Conditions

1.2.1 S&T personnel who render consultancy services shall have permanent appointments.

Contractual and casual personnel whose salaries are charged to lump-sum appropriation may be allowed to accept consultancy services on a selective basis as may be determined by the agency head.

1.2.2 In addition to one's regular projects, the S&T personnel shall be allowed to provide either local or foreign consultancy work in any private entity. Local consultancy shall be allowed for a maximum of forty-eight working days per year taken either on staggered or cumulative basis; and foreign consultancy shall be allowed a maximum of two months per year. In case of extension, the S&T personnel must file a leave of absence not to exceed one year inclusive of the two-month consultancy period already availed of, subject to the approval of the agency head.

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1.2.3 There shall be full disclosure of the consultancy contract to the mother agency, as governed by a tripartite contract among the hiring institution, the mother agency and the S&T personnel.

1.2.4 S&T personnel cannot render consultancy services to an institution where they have direct oversight functions or where they are responsible for the evaluation and screening of projects funded by a grant from their agencies.

SEC. 2 DETAIL/SECONDMENT TO THE PRIVATE SECTOR

2.1 General Conditions

2.1.1 Provisions of existing laws notwithstanding, S&T personnel who are employed on a regular basis in the government, may be seconded to any private entity where such services are needed, provided that the duration of such secondment shall not exceed one year; the detail or secondment of said personnel will not hamper or adversely affect the operations or activities of their mother agency; and the head of the agency approves the detail or secondment.

2.1.2 During the period of such secondment, the salary of the seconded S&T personnel shall be borne by the private entity. The period of secondment shall be included in computing the length of service for purposes of retirement but not for the commutation of leave credits earned in the mother agency. The S&T personnel shall not earn leave credits in the mother agency during the period of secondment to the private sector.

2.1.3 Such secondment shall not likewise affect the S&T personnel's security of tenure or result in the loss of one's seniority rights.

2.2 Special Conditions

2.2.1 S&T personnel who have rendered at least four years of continuous and actual service in the agency shall be allowed secondment to a private entity requiring their expertise for not more than twelve months.

2.2.2 S&T personnel who avail of this arrangement must serve the DOST or concerned agency for four years after the secondment before another secondment may be granted upon the recommendation of the agency head and approval of the Secretary of the Department concerned.

2.2.3 During the secondment, the S&T personnel shall receive salary and other benefits including commutable leave credits one may be entitled from the private entity where one is seconded. Such personnel shall not be entitled to any benefits provided under Republic Act No. 8439.

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2.2.4 The agreement for secondment shall be covered by a tripartite contract among the S&T personnel, the mother agency and the private entity, with full disclosure of the terms and conditions of the secondment.

2.2.5 In case the grantee opts to continue the secondment, beyond the period agreed upon, or to remain in the private sector, he/she shall have to resign/retire from the government service provided that he/she has no scholarship/service/financial obligation from the mother agency. Provided further, that the period of secondment immediately preceding the resignation shall not be counted in the computation of the number of years of service in the government.

RULE V- HIRING OF RETIRED SCIENTIST AND TECHNICAL PERSONNEL

SEC. 1 HIRING OF RETIRED SCIENTISTS AND TECHNICAL PERSONNEL

- 1.1 S&T personnel retired under any existing law, who, in the judgement of the governing board or head of a research agency, possess technical qualifications and the capability to undertake specific scientific research activities, may be rehired on contractual basis without refunding the unexpired portion of the gratuity and accumulated leave benefits received by them from the government; provided that no qualified science and technology expert is available to undertake said scientific activities.
- 1.2 The retired S&T personnel to be rehired must be mentally, emotionally and physically fit as supported by a medical certificate.

RULE VI-SCIENCE AND TECHNOLOGY AWARDS

SEC. 1 S&T AWARDS

- 1.1 A Science and Technology Awards Committee shall be established which shall confer annually the science and technology awards for outstanding achievement/s and excellence or original contribution to science and technology. The Committee shall promulgate guidelines implementing this Section and shall specify the categories of awards to be given and the amount of financial reward for each category.
- 1.2 Such committee shall take into consideration the existing awards system being administered by the various councils and agencies of the DOST.

RULE VII-CONGRESSIONAL COMMISSION ON SCIENCE AND TECHNOLOGY

SEC.1 CONGRESSIONAL COMMISSION ON SCIENCE AND TECHNOLOGY REVIEW

Pursuant to Sec. 19 of R.A. No. 8439, the Congressional Commission on Science and Technology (S&T COM) shall review and assess, among others, the state of the

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Philippine human resources development in S&T, the state of computerization and information technology in the Philippine economy and society, and the implementation of Republic Act No. 8439. Such Congressional review shall be undertaken at least once every five years.

RULE VIII-SPECIAL PROVISIONS

SEC. 1 SCIENCE AND TECHNOLOGY CAREER SYSTEM

A career system for science and technology personnel in the service of the government, patterned after the Scientific Career System (SCS), shall be formulated by a committee to be created by the DOST Secretary in coordination with the Civil Service Commission (CSC) and such other agencies as may be necessary.

SEC. 2 SALARY SCALE

Pursuant to Section 6 of Republic Act No. 8439, the Department shall promulgate the salary scale of S&T personnel in consultation with the Department of Budget and Management and the Civil Service Commission, and subject to the approval of the President.

SEC. 3 HIGHEST BASIC SALARY UPON RETIREMENT

- 3.1 Upon retirement, the S&T personnel concerned shall be automatically granted one salary grade higher than his/her basic salary at the same step of his/her current salary grade, or the highest actual salary received.
- 3.2 Retirement benefits shall be computed on the basis of his/her highest salary received.

SEC. 4 HUMAN RESOURCE DEVELOPMENT COUNCIL

The Science and Technology Human Resource Development Council (S&T HRDC) created under Republic Act No. 8248 shall formulate the rules and regulations and implement the scholarship programs as provided in Section 1 of Rule III. The scholarship programs of DOST, its councils and agencies, shall be submitted to the HRDC.

SEC. 5 FUNDING

The department, agency or office concerned shall provide the necessary funds through appropriations or savings to cover the availment of benefits under R.A. No. 8439 by their respective eligible S&T personnel.

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RULE IX-REPORT OF THE SECRETARY

ANNUAL REPORT

The Secretary of DOST shall submit to the Congressional Commission on Science and Technology, an annual report on the status of implementation of R.A. No. 8439.

RULE X-DATE OF EFFECTIVITY

EFFECTIVITY

These amended rules and regulations shall take effect fifteen days after publication.

(Sgd.) **ESTRELLA F. ALABASTRO**
Secretary

Department of Science and Technology
Department of Budget and Management

JOINT CIRCULAR NO. 1 S. 2013

June 25, 2013

TO : **Heads of Departments, Bureaus, Offices, and Agencies of the National Government, Including State Universities and Colleges (SUCs), Government-Owned or -Controlled Corporations (GOCCs); and All Others Concerned**

SUBJECT : **Rules and Regulations on the Grant of Compensation-Related Magna Carta Benefits to Scientists, Engineers, Researchers, and Other Science and Technology (S&T) Personnel**

1.0 Background

- 1.1 Under Section 22 of Republic Act (RA) No. 8439", approved on December 22, 1997, the Department of Science and Technology (DOST), in Consultation with government and non-government agencies involved in S& T activities, was authorized to formulate the implementing rules and regulations to carry out the provisions of the Act.
- 1.2 On the other hand, item (6), "Magna Carta Benefits of the Senate and House of Representatives Joint Resolution (JR) No. 4, S, 2009 provides, among others, that the Department of Budget and Management (DBM), in coordination with the agencies concerned, shall determine the qualifications, Conditions, and rates in the grant of said benefits, and to determine those that may be categorized under the total Compensation Framework. It further states that the consultative Councils, departments, and officials previously authorized to issue the implementing rules and regulations of Magna Carta benefits shall no longer exercise said functions relative to the grant of said benefits.

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- 1.3 Pursuant to the compensation principles espoused in JR No. 4, the grant of compensation-related Magna Carta benefits to Scientists, Engineers, Researchers, and other S & T Personnel in the Philippine government, Collectively the S & T Personnel, needs to be rationalized to ensure equity and uniformity in remuneration, while considering the unique and distinct needs of the highly technical and specialized S & T Personnel and the imperative to sustain the drive for Philippine economic growth through S&T mastery.
- 1.4 Moreover, there is a need to balance and harmonize the provisions of R.A. No. 8439 and the implementing rules and regulations on the grant of said benefits with the availability of government financial resources and the imperative to enforce the rules on the use of funds, particularly savings.

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2.0 Purpose

This Joint Circular (JC) is issued to prescribe the rules and regulations on the grant of the following compensation-related Magna Carta benefits to S&T Personnel:

- 2.1 Honoraria for Assignment in Special Projects;
- 2.2 Honoraria for Lecturers, Resource Persons, Coordinators, and Facilitators;
- 2.3 Honoraria/Compensation for Consultancy Services Rendered to the Private Sector;
- 2.4 Compensation for Secondment to the Private Sector;
- 2.5 Honoraria/Per Diem for Membership in Governing Boards of National Government Agencies (NGAs) under the DOST and in Inter-Agency Committees Created by Law or Executive Issuance;
- 2.6 Hazard Pay;
- 2.7 Subsistence Allowance;
- 2.8 Laundry Allowance;
- 2.9 Free Living Quarters or Quarters Allowance;
- 2.10 Longevity Pay; and
- 2.11 Salary Increase for Retirement and Terminal Leave Benefit Purposes.

3.0 Coverage

This JC covers the following personnel in NGAs, including SUCs, and GOCCs holding regular, contractual, or casual positions, which are either covered or not covered by RA No. 6758³, as amended:

- 3.1 Personnel under the DOST and its attached agencies who are involved in the following activities:
 - 3.1.1 S & T program and project planning and policy work - includes the formulation of policies, plans, programs, and projects for S & T development and promotion and for ensuring that the results thereof are properly applied and utilized; and prescription of guides for performance evaluation and monitoring;
 - 3.1.2 S&T activities such as:
 - 3.1.2.1 Research and development services - includes conduct of basic and applied research to increase stock of knowledge and to devise new or modified applications or technologies and products up to the commercial state, which may be in joint venture with the public and private sectors; and establishment of product/technology standards.
 - 3.1.2.2 Scientific and technological services - refers to support to basic and applied research, including but not limited to the following:

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- a) Conduct of geological, hydrological, other Science related Surveys; undertaking observations and forecasts of weather Systems and other climatological studies; conduct of studies related to; volcanology, Seismology, tsunamis, other related hazards - to enhance capacity for disaster risk reduction and for generation of technologies; observance of atmospheric, geophysical, and astronomical phenomena to ensure the safety, Security, and Well-being of people; biotechnology; and micro-electronics;
 - b) Conduct of technology assessment, feasibility, and technical studies;
 - c) Operation and maintenance of research and development facilities;
 - d) Provision of engineering design services and/or consultancy services to complement research and development;
 - e) Licensing and regulatory activities related to the production, transfer, and utilization of nuclear and/or radioactive substances;
 - f) Counseling of clients;
 - g) Providing access to S & T information through library Services, museum services, dissemination of S & T information through publications and press releases;
 - h) Provision of testing, standardization, quality control, and calibration services;
 - i) Provision of Support Services to patent application;
 - j) Overseeing technology transfer and commercialization;
 - k) Programming of government funds for research and development; generation of external funds for research and development projects, conduct of scientific conferences, scientific publications; and
 - l) Development and maintenance of management information systems on S & T.
- 3.1.3 S & T education and training - undertaking S & T manpower development for improvement of science and mathematics instruction; conduct of specialized non-university education; provision of secondary education with emphasis on science and mathematics subjects; administration of scholarship grants; maintenance of effective linkages with scientific organizations; and promotion of S & T information exchange;
- 3.1.4 S & T technical support services - those rendered by technicians, technologists or science aides in the operation and maintenance of scientific and technical equipment and conduct of Supervised routine technical or laboratory procedures; other related technical assistance services;
- 3.1.5 Support services rendered by DOST S & T Related Personnel, provided that they have obtained at least 12 academic units in science, engineering, related Courses, or completed any appropriate training, as determined by the DOST Secretary.

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- 3.2 Personnel under the DOST and other government agencies appointed to the ranks of Scientist I to V under the Scientific Career System, along the fields of natural sciences, engineering, technology, medical Sciences, agricultural sciences, selected fields of social sciences, and other related disciplines as may be determined by the Scientific Career Council created under Executive Order No. 90, upon recommendation of the DOST.
- 3.3 S&T Personnel and technical support personnel under other government agencies outside of the DOS who are engaged in S & T program and project planning and policy work, and S&T activities, who are certified as S&T Personnel by the DOST Secretary on a yearly basis, subject to the following conditions, among others:
 - 3.3.1 The S & T-related functions of an agency are authorized by law or by competent authority;
 - 3.3.2 The positions concerned are part of the authorized staffing pattern of organizational units performing S&T functions;
 - 3.3.3 The incumbents of positions are actually engaged in S & - related work; and
 - 3.3.4 The validity of the DOST Certification shall be coterminous with the actual exercise of functions or involvement of the certified S&T Personnel.

4.0 Honoraria for Assignment in Special Projects

Section 7(a) of R.A. No. 8439 provides that S & personnel who render services beyond the established workload of scientists, technologists, researchers and technicians whose broad and superior knowledge, expertise or professional standing in a specific field contributes to productivity and innovativeness shall be entitled to receive Honoraria. The Implementing Rules and Regulations of R.A. No. 8439 allows the grant of Honoraria to S&T Personnel for assignment in special projects.

Section 44(e) of the General Provisions of R.A. No. 10352, the FY 2013 General Appropriations Act (GAA), provides that personnel assigned to special projects that are reform-oriented and developmental, contribute to the improvement of service delivery and enhancement of the performance of the core functions of an agency, and have specific timeframes and deliveries for accomplishing objectives and milestones set by the agency for the year, shall be entitled to Honoraria. Such assignment entails the rendition of work in addition to, or over and above their regular work load.

Consequently, S & T Personnel have to perform the regular duties and responsibilities of their positions related to their agency's functions mandated under existing laws within the prescribed work hours. When assigned to special projects, the S&T Personnel concerned may have to exert extra effort to be able to perform both the regular work and the added work borne out of assignment to special projects.

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4.1 Special Projects

For purposes of this JC, and in line with Section 44(e) of the General Provisions of R.A. No. 10352, and as may be reiterated in subsequent GAAS, special projects in an agency or among agencies may be composed of one or more components requiring an inter-disciplinary or multi-disciplinary approach, to be accomplished within a specific timeframe. Special projects may include:

- 4.1.1 High technology solutions in the event of national emergencies, national security threats, public safety threats, public health crises, and natural calamities;
- 4.1.2 Collaborative undertakings between or among agencies of the national/local government for the improvement of critical and priority public services;
- 4.1.3 Projects assigned on ad-hoc basis by the Office of the President, in view of the exigencies of the service;
- 4.1.4 Collaborative undertakings between DOST and the private sector; and,
- 4.1.5 Memberships in Technical Panels, Steering Committees, Councils and other Equivalent National Technical Advisory Bodies.

4.2 Designations

S & T Personnel may be assigned to designated positions in DOST special projects by virtue of office orders issued by the agency head.

The following hierarchy of responsibilities shall serve as guide in designating personnel to special projects and in determining rates of Honoraria:

- 4.2.1 Senior Project Manager or Senior Project Director - Plans, organizes, directs, and Coordinates the activities of a big special project with at least 2 component sub-projects. This level of work is equated to that of a position at SG-28.
- 4.2.2 Project Manager or Project Director - Plans, organizes, directs, and coordinates the activities of a small special project or one component of a big special project. This level of work is equated to that of a position at SG-27.
- 4.2.3 Project Consultant - Provides special/advisory expertise, assistance, or services outside of agency capability. This level of work is equated to that of a position at SG-27.

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- 4.2.4 Assistant Project Manager or Assistant Project Director - Assists in planning, organizing, directing, and coordinating the activities of a small special project or one component of a big special project. This level of work is equated to that of a position at SG-26.
- 4.2.5 Technical Staff Team Leader - Heads a group of technical staff assigned to a special project Component; may devise own plans, and procedures, consistent with overall special project objectives. This level of work is equated to that of a position at SG-24.
- 4.2.6 Senior Technical Staff - Performs the difficult phases of professional, technical, or Scientific work of a special project which may or may not be subject to technical review. This level of work is equated to that of a position at SG-19 or SG-18, as may be applicable.
- 4.2.7 Team Member/Technical Staff - Performs the simple phases of professional, technical, or scientific work of a special project which are subject to technical review. This level of work is equated to that of a position at SG-16 or SG-15, as may be applicable.
- 4.2.8 Senior Administrative Staff - Renders administrative and Support services to a special project, including but not limited to personnel, financial records, and supply management and other auxiliary services. This level of work is equated to that of a position at SG-10.
- 4.2.9 Administrative Staff - Provides technical support services in a special project, such as Conduct of laboratory and other Scientific procedures, calibration, operation, and maintenance of laboratory/scientific equipment. This level of work is equated to that of a position at SG-8.

4.3 Honoraria Rates

As token payment for services rendered beyond the regular duties and responsibilities of their positions, Honoraria for Assignment in Special Projects may be granted.

- 4.3.1 The total Honoraria per personnel for a month shall be based on productivity and quality of completed and accepted deliverables for the set timeframe. Hence, a special project plan shall be prepared, in consultation with all personnel concerned, subject to approval by the agency head. Such plan shall contain the following details:
 - 4.3.1.1 Outputs or deliverables per project component;
 - 4.3.1.2 Project timetable;
 - 4.3.1.3 Personnel assigned to the special project and

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their duties and responsibilities;

4.3.1.4 Expected deliverables per personnel; and

4.3.1.5 Estimated cost of monthly honoraria for each personnel based on work hours spent beyond the regular work hours, computed as follows;

Estimated Honoraria = [Salary/Month] [1 Month/22 Days] [1 Day/8 Hours] T
hours

Where:

Salary = Step 1 of the Salary Grade for the designated position

T = estimated numbers of work hours spent in the special project

4.3.2 The total Honoraria that may be paid from government funds for all special projects shall not exceed 25% of the employee's annual basic Salary pursuant to Section 44(e) of R.A. No. 10352 and as may be reiterated in subsequent GAAs.

4.3 Department Secretaries, Department Undersecretaries, and Department Assistant Secretaries who are designated to positions in special projects are not entitled to receive Honoraria, as their additional assignments relate to their primary functions and are already paid for and covered by the Compensation attached to their positions in the principal office. This is in line with the Supreme Court decision in *Civil Liberties Union vs. Executive Secretary*, 194SCRA 317 (1991).

4.0 Honoraria for lecturers, Resource Persons, Coordinators, and Facilitators

Although Section 7(a) of R.A. No. 8439 is not specific, the Implementing Rules and Regulations on R.A. No. 8429 allows the grant of Honoraria to S & T Personnel requested to organize, speak, lecture, or act as resource persons in seminars, Workshops, Conferences, Symposia, trainings, and classroom sessions.

Section 44 (b) of the General Provisions of R.A. No. 10352, as may be reiterated in similar provisions in succeeding GAAS, allows the grant of Honoraria to those who act as lecturers, resource persons, coordinators, and facilitators in seminars, training programs, and other similar activities in training institutions, including those conducted by agencies for their officials and employees.

However, if the preparation for and conduct of seminars and training programs are part of the permanent duties and responsibilities of positions, then the incumbents thereof are not entitled to such Honoraria since they have been compensated through their salaries.

The policy guidelines under Budget Circular No. 2007-1 dated April 23, 2007 shall apply to the S&T Personnel concerned:

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- 5.1 Honoraria shall not be granted to S & T Personnel who act as lecturers, resource persons, coordinators, and facilitators within their parent agencies since dissemination of information, clarifying issues and concerns, and interacting with clients and/or implementers of agency mandates are deemed part of the duties and responsibilities of their regular positions.
- 5.2 Agency heads have the flexibility to determine the rate of Honoraria for the duration of the engagement of a qualified lecturer, resource person, coordinator, or facilitator, within a range of minimum and maximum amounts computed in accordance with the following formula:

$$\begin{aligned} \text{Total Minimum Honoraria} &= (2) [\text{MSRmin}/1 \text{ Month}] [1 \text{ Month}/22 \\ &\text{Days}] [1 \text{ Day}/8 \text{ Hours}] (2) (T \text{ Hours}) \\ &= (0.023) (\text{MSRmin}) (T) \end{aligned}$$

$$\begin{aligned} \text{Total Maximum Honoraria} &= (2) [\text{MSRmax}/1 \text{ Month}] [1 \\ &\text{Month}/22 \text{ Days}] [1 \text{ Day}/8 \text{ Hours}] (2) (T \text{ Hours}) \\ &= (0.023) (\text{MSRmax}) (T) \end{aligned}$$

Where:

MSRmin = monthly salary rate of the lecturer, resource person, coordinator, or facilitator

MSRmax = monthly salary rate of a Professor VI, Step 1 of SG-29; consider the difficulty and complexity of the subject matter, professional qualifications, and position levels of participants

T = number of actual lecture/training hours

First factor (2) = as recognition of expertise on the specialized subject, and excellent interpersonal and communication skills required to make quality and effective presentations.

Second factor (2) = to Consider hours of preparation for such engagement

6.0 Honoraria/Compensation for Consultancy Services Rendered to the Private Sector

Section 10 of R.A. No. 8439 allows S & T Personnel to render consultancy services to the private sector and to be entitled to Honoraria for such services,

Consultancy services refer to the technical and advisory services rendered by S&T Personnel outside of the parent agency, It may be in the form of local consultancy, rendered to Filipino-owned/controlled enterprises/entities based locally or abroad, or in the form of foreign

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consultancy, rendered to foreign-owned/controlled enterprises or institutions based locally or abroad.

6.1 Qualified S&T Personnel

The following S&T Personnel may be authorized to render local or foreign consultancy services:

- 6.1.1 Those who hold permanent appointments and possess the appropriate education, training, and relevant experience; have rendered a minimum of 2years continuous service with very satisfactory performance ratings for the last 2 consecutive semestral rating periods in the parent agency; and without pending administrative or criminal cases; and
- 6,1,2 Contractual and casual personnel who meet all of the qualifications in item 6.1.1, on a selective basis as may be determined by the agency head.

6.2 Instances. When Consultancy Services May Be Rendered to the Private Sector

Upon request of a third party expressing the need, urgency, and nature of the consultancy, the rendition of consultancy services to the private sector may be allowed if it redounds to:

- 6.2.1 The encouragement of active involvement of both the public and private sectors in technology development and utilization to increase productivity and quality of products;
- 6.2.2 The rendition of expertise, technical know-how and advice as well as the promotion and assistance of technological services;
- 6.2.3 The increase of awareness and appreciation of the usefulness of science and technology in everyday life;
- 6.2.4 The expansion and reinforcement of scientific and technical cooperation with other Countries through technical assistance programs in identified priority areas;
- 6.2.5 The maximum utilization of the benefits of bilateral and multilateral linkages;
- 6.2.6 The encouragement of private sector to tap government-generated S&T Innovations; and
- 6.2.7 The increase of hands-on exposure and experience in addressing current S & T-related issues.

6.3 Conditions on the Rendition of Consultancy Services

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Consultancy services to the private sector may be allowed provided the following conditions are observed:

- 6.3.1 The Consultancy will not jeopardize or adversely affect the regular operations of the parent agency and the regular duties and responsibilities of an S&T Personnel;
 - 6.3.2 The consultancy will not involve divulging Philippine trade, business, military/national security secrets, and Philippine cutting edge technologies especially to Philippine foreign competitors based locally or abroad;
 - 6.3.3 If the consultancy will be rendered to a multi-national corporation, the latter should be one that does not directly compete with Philippine products, to safeguard the interest of local, micro, Small and medium enterprises;
 - 6.3.4 The Consultancy Services will be rendered to an institution where the S & T personnel has no direct oversight function or supervisory authority/influence on the decision or approval of projects, and where they are not responsible for the evaluation and screening of projects funded by grants from their respective agencies;
 - 6.3.5 Whenever applicable, the Corporation or institution where the S&T personnel will be detailed does not use rare, endemic and endangered species of animals and plants including micro-organisms as raw materials in manufacturing their products; and
 - 6.3.6. Whenever applicable, the corporation or institution has established policies/programs on environment protection.
- 6.4 Period of Consultancy Services
- 6.4.1 S&T personnel may render local consultancy services for a maximum total of 48 working days per year, on staggered or continuous basis, up to a maximum of 3 Consultancies at any one time.
 - 6.4.2 For foreign consultancy to be rendered locally, an S & T Personnel may render services for a maximum of 2 months per year, on staggered or continuous basis. In case of extension, S&T Personnel must file a leave of absence, with or without pay, for a maximum of 10 months, Subject to Civil Service laws, rules, and regulations.
 - 6.4.3 For foreign Consultancy to be rendered abroad, an S & T Personnel may render services for a maximum of 2 months per year, on staggered or continuous basis, while on leave of absence with or Without pay. In case of extension, S & T Personnel must file a leave of absence, with or without pay, for a maximum of 10 months, Subject

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to Civil Service laws, rules, and regulations.

6.5 Other Conditions

6.5.1 The rendition of Consultancy services shall be governed by a tripartite contract among the private sector entity, the parent agency, and the S&T Personnel,

6.5.1.1 The contract shall indicate the duration, nature of consultancy Services to be rendered, remuneration, other fringe benefits, and other relevant terms/conditions.

6.5.1.2 The contract shall fully disclose the use of the parent agency's Scientific and technological innovations.

6.5.1.3 The Contract shall not include any commitment of the resources of the parent agency; otherwise, the contract shall provide for the charging of specific fees for the use of agency resources.

6.6 Honoraria/Compensation for Consultancy Services

The Honoraria/Compensation for consultancy services rendered by S & T Personnel to the private Sector shall be determined by the parties to the tripartite contract as provided in item 6.5.1 above.

6.7 Reportorial Requirements

6.7.1 The S & T Personnel concerned shall submit to the parent agency a monthly report on the consultancy services undertaken,

6.7.2 The private sector third party shall provide the parent agency a monthly report of performance of the S&T Personnel concerned.

6.7.3 The agency head shall submit a semi-annual report to the Department Secretary concerned.

7.0 Compensation for Secondment to the Private Sector

Section 11 of R.A. No. 8439 allows the secondment of S & T Personnel to the private sector whenever such services are required.

For purposes of this JC, secondment shall refer to the temporary movement of S & T Personnel holding professional, technical, and scientific positions from one government agency to the private Sector or international organization recognized by the Philippine Government.

7.1 Qualified S&T Personnel

The S&T Personnel who may be authorized for secondment should possess the following qualifications:

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- 7.1.1 Holds a permanent appointment;
- 7.1.2 Has the appropriate education, training, and relevant experience;
- 7.1.3 Has at least 4 years of Continuous and actual service in the parent agency;
- 7.1.4 With very satisfactory performance ratings for the last 2 consecutive semestral rating periods in the parent agency; and
- 7.1.5 Without pending administrative or criminal cases.

7.2 Instances. When Secondment May Be Allowed

The instances cited in items 6.2.1 to 6.2.7 hereof shall apply in the secondment of S&T Personnel.

7.3 Period of Secondment

For Secondment to a local or foreign private sector entity, an S & T Personnel may render services for a maximum of one (1) year while he/she is on leave without pay in the parent agency.

7.4 Other Conditions

7.4.1 The secondment shall be governed by a tripartite contract among the private Sector entity, the parent agency, and the S & T Personnel. The contract shall indicate the duration, nature of services to be rendered, remuneration, other fringe benefits, and other relevant terms/conditions,

7.4.2 The secondment shall not affect the security of tenure nor result in loss of seniority rights.

7.4.3 After the secondment, an S&T Personnel must serve the parent agency for the following duration before another secondment may be authorized.

Period of Secondment	Required Service Period before Another Secondment
9 mos. to 1 year	4 years
6 mos. to less than 9 mos.	3 years
3 mos. to less than 6 mos.	2 years
Less than 3 mos.	1 year

7.4.4 During the period of secondment, an S & T Personnel shall not be entitled to the salaries, allowances, benefits, including Magna Carta benefits under R.A. No. 8439, and incentives attached to the position in the parent agency, and accumulation of leave credits.

7.4.5 In line with Section 11 of R.A. No. 8439, the period of secondment shall

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be considered as part of government service for purposes of determining retirement benefits. The period of secondment immediately preceding resignation, however, shall not be Counted as part of government service.

7.5 Compensation Due to Secondment

Heads of government agencies shall determine the reasonable compensation for the services to be rendered by an S & T Personnel, to be charged the receiving private entity or international organization, subject to the approval of the Department Secretary or equivalent official.

7.6 Responsibilities of the Parties Concerned

7.6.1 The S & T Personnel concerned shall submit to the agency head a monthly report on the activities and accomplishments;

7.6.2 The private sector third party shall:

7.6.2.1 Pay the salary and other benefits due the S&T personnel;

7.6.2.2 Provide all benefits under R.A. No. 8439 unless otherwise specified in the contract;

7.6.2.3 Grant leave privileges including monetization of leave credits earned by the seconded employee during the period of secondment;

7.6.2.4 Shoulder all mandatory contributions (e.g. GSIS, PAG-Ibig, ECC, Philhealth, etc.); and

7.6.2.5 Submit a monthly performance report of the S & T personnel to the parent agency,

7.6.3 The agency head shall submit a semi-annual report to the Secretary of the Department concerned.

8.0 Compensation for Membership in Governing Boards of NGAs Under the DOST and in Inter-Agency Committees Created by Law or Executive Issuance

Although Section 7(a) of R.A. No. 8439 is not specific, the Implementing Rules and Regulations on R.A. No. 8439 allows the grant of Honoraria to members of policymaking bodies Composed of representatives from various government, private, and other institutions that provide policy direction in terms of program identification and priority setting, among others.

Such policy-making bodies refer to the sectoral planning councils and the governing boards of agencies under the DOST.

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Per existing Compensation policy, Honoraria shall be granted to the chair, vice-chair, and members of a governing board if so specified in the pertinent law, Otherwise, Per Diem per meeting shall be the appropriate compensation for the governing boards pursuant to items (4)(e) and (4)(g)(ii) of JR No. 4.

8.1 The rates of Per Diem per meeting shall remain the same as those for the Honoraria previously granted under item 3.3 of DOST Memorandum Circular No. 001 series of 2009, and shall remain in force until amended by a Budget Circular to be issued to standardize Per Diem rates of governing boards of NGAS.

8.2 The chair, vice-chair, and members of governing boards from the public sector who are appointed by the President of the Philippines may be granted Per Diem per meeting actually attended at rates provided under sub-item 8,1 of thi5 JC.

8.3 Department Secretaries, Department Undersecretaries, and Department Assistant Secretaries and other officials who are ex-officio chairs, vice-chairs, and members of governing boards are not entitled to Per Diem per meeting, in line with the Supreme Court ruling in G.R. No. 83896 and G.R. No. 83815, as consolidated, dated February 22, 1991. Such ex-officio positions are actually and in legal contemplation part of the principal office. They act in such capacities without further warrant or appointment.

8.4 The alternates/representatives of those under sub-item 8.2 are also not entitled to Per Diem per meeting in view of the Supreme Court rulings in G.R. No. 138489 dated November 29, 2001, and G.R. No. 147392 dated March 12, 2004, that such alternates/representatives should not have better rights than their principals.

8.5 The elective and/or appointive chair, vice-chair, and members from the private sector who are appointed by the President of the Philippines or by authorities as provided for by law, may be granted Per Diem per meeting actually attended at the rates under sub-item 8.1 of this JC.

8.6 Reimbursable Expenses

The *ex-officio*, appointive and elective chair, vice-chair, and members of governing boards may be reimbursed of actual and reasonable expenses necessary to attend board meetings, but only for the following items:

8.6.1 Transportation expenses in going to and from the place of meeting;

8.6.2 Travel expenses during official travel, subject to pertinent guidelines;

8.6.3 Communication expenses; and

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8.6.4 Meals during meetings.

9.0 Hazard Allowance

Hazard Allowance is an additional compensation for performing hazardous duties and for enduring physical hardships in the course of performance of duties.

As a general compensation policy, and in line with Section 7(c) of R.A. No. 8439, S&T Personnel whose nature of duties and responsibilities, actual services, and location of work expose them to great danger, occupational risks, perils to life, and physical hardships, may be granted Hazard Allowance, but only during periods of actual exposure to hazards and hardships.

9.1 Hazard Allowance may be granted to S&T Personnel if they are at high risk or low risk to hazards as defined below.

9.1.1 High Risk to Hazards - S&T Personnel that are at high risk to hazards are those that have direct and unavoidable exposure in the following areas:

9.1.1.1 Work areas including laboratories and service workshops that pose risks or dangers to health and safety due to dangerous working conditions or environmental elements such as: contaminants; ionizing radiation; electromagnetic radiation, communicable and Contagious diseases; Combustible, explosive, reactive, corrosive, and toxic chemicals and biological substances; absence of adequate supply of safe and potable water; and operation of hazardous equipment;

9.1.1.2 Remote areas, depressed areas, and hardship posts characterized by difficult terrain, distance, inconvenience of travel due to bad roads and conditions of the terrain, isolation, inaccessibility, and extreme weather conditions;

9.1.1.3 Embattled or strife-torn areas which are sites of armed encounters between government troops and enemy forces and/or enemy-initiated attacks, raids, or ambushes, as may be declared by the Department of National Defense;

9.1.1.4 Work areas under state of calamity or emergency where there are: earthquake, tsunami, volcanic activity/eruption, lahar and pyroclastic flows, floods, landslides and other natural hazards; and,

9.1.1.5 Work areas that are considered natural danger zones.

9.1.2 Low Risk to Hazards - S &T Personnel that are at low risk to hazards are those exposed to less degree of occupational risks, perils to life, or physical hardships such as; in work areas in prison camps, drug rehabilitation centers and mental health institutions; or in frequent interaction with employees working in the laboratory or highly hazardous

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areas.

9.2 The Hazard Allowance for a month shall be based on the degree of risk to hazards, as specified in sub-items 9.1.1 and 9.1.2 above, and the number of workdays of actual exposure over 22 Workdays in a month, at rates not to exceed 30% of monthly basic salary. In case of exposure to both high risk and low risk to hazards, the Hazard Allowance for the month shall be based on only one risk level, whichever is more advantageous to the S & T Personnel.

Rates of Hazard Allowance

Level of Risk Actual Exposure	High Risk	Low Risk
15 or more days	30% of monthly basic salary	15% of monthly basic salary
8 to 14 days	23% of monthly basic salary	12 % of monthly basic salary
Less than 8 days	15% of monthly basic salary	10% of monthly basic salary

9.3 For non-DOST personnel, Hazard Allowance shall be granted only to those certified by the DOST Secretary as entitled to this benefit.

10.0 Subsistence Allowance

Section 7(d) R.A. No. 8439 entitles S8 T Personnel to Subsistence Allowance.

The following rationalized rules shall apply:

10.1 S&T personnel who are required to render services within the premises of offices, laboratories, field operations centers, research and development Centers, and other S & T facilities, and to make their services available at any and all times may be entitled to Subsistence Allowance.

10.2 S & T Personnel under the following circumstances are not entitled to Subsistence Allowance:

10.2.1 When not required to make their services available at all times such that they can leave their work stations during break-times;

10.2.2 When on leave of absence, with or without pay;

10.2.3 While on official travel and entitled to travel expenses under E.O. No. 298 and as amended; and

10.2.4 While attending trainings, Seminars, workshops, and similar activities where meals are provided,

10.3 The Subsistence Allowance for an S&T Personnel shall be:

10.3.1 P150 for each day (8 hours) of actual full time service; and

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10.3.2 P75 for each half-day (4 hours) of actual service,

10.4 For services of less than 4 hours, the employee shall not be entitled to Subsistence Allowance.

11.0 Laundry Allowance

Section 7(e) of R.A. No. 8439 provides that Laundry Allowance shall be granted to 58. S&T Personnel.

The following rationalized rules shall apply:

11.1 S & T Personnel assigned in offices, laboratories, field operation centers, research and development centers, and other S & T facilities and who are required to wear personal protective clothing or uniforms at all times while working, in order to provide them the required degree of protection at work, while reassuring clients of their professionalism, competency, and identity, may be granted Laundry Allowance to defray the cost for washing and pressing the uniform/protective clothing.

11.2 An S&T Personnel who rendered actual service on all workdays in a month may be granted Laundry Allowance at P500 per month.

11.3 An S & T Personnel Who rendered less than a month of actual service may be granted the Laundry Allowance for the month, LA, corresponding to the number of days of actual services rendered, D, computed by using the following formula:

$$LA = [P500/1 \text{ Month}] [1 \text{ Month}/22 \text{ Workdays}] (D \text{ days of actual services rendered})$$

To simplify, $LA = (22.727) (D)$

12.0 Free Living Quarters or Quarters Allowance

12.1 In view of Section 7(f) of R.A. No. 8439, S & T Personnel on duty in laboratories, research and development centers, and other S & T facilities, shall be entitled to Free Living Quarters within government facilities where they are stationed, provided, that their residences are outside of the 50kilometer radius from such government facilities.

12.2 Availment of Free Living Quarters shall be subject to the availability thereof, and shall include telephone, water, and electricity for basic needs.

12.3 In the absence of Free Living Quarters, each qualified S & F Personnel shall be granted Quarters Allowance at the prevailing rental rate in the locality, until Free Living Quarters are available.

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13.0 Longevity Pay

Section 7(g) of R.A. No. 8439 provides that a monthly Longevity Pay equivalent to 5% of the current monthly basic salary shall be paid to S & T Personnel for every 5 years of continuous and meritorious services as determined by the Secretary of the Department.

To rationalize the grant of Longevity Pay, the following rules shall be observed:

- 13.1 To be entitled to the Longevity pay, the S & T Personnel who holds a position in the agency plantilla of regular positions shall have rendered at least satisfactory performance on all rating periods covered by the 5-year period, and has not been found guilty of any administrative or criminal case within said period.
- 13.2 The Longevity Pay already received by S&T Personnel as of the effectivity of this JC, pursuant to sub-section 9.2 of the Implementing Rules and Regulations of R.A. No. 8439, shall be continually received and not diminished. Any subsequent adjustment of Longevity Pay on or after the effectivity of this JC shall be based on the monthly basic salary of the employee as of every 5-year milestone prescribed herein.
- 13.3 An S & T Personnel hired on or after the effectivity of R.A. No. 8439 shall be granted the first Longevity Pay, LP, on the day after reaching the first 5 years as S & T Personnel, subject to sub-item 15.2 hereof. Subsequent adjustments in LP shall be granted every 5 years thereafter.
- 13.4 An S & T Personnel hired on or after the effectivity of this JC, and duly certified by DOST, may be granted LP after completion of 5 years of service as S&T Personnel, subject to the conditions set in sub-item 13.1 hereof.
- 13.5 The grant of Longevity Pay to an S&T Personnel on leave of absence with or without pay for more than 3 months shall be deferred corresponding to the period of leave of absence in order to complete the service and performance rating requirements.
- 13.6 An S & T Personnel previously granted Step Increment Due to Length of Service shall no longer be granted subsequent Step Increment Due to Length of Service in view of the prohibition in item (4)(d) of JR No 4, Likewise, an S&T Personnel hired on or after the effectivity of this JC shall not be granted Step Increment Due to Length of Service.
- 13.7 The first Longevity Pay, LP, shall be based on the monthly basic salary, St, as of the LP effectivity, upon completion of the first 5 years of service as S & T Personnel. The second Longevity Pay, LP, shall be based on the monthly basic salary, S, as of the LP, effectivity and so on. The total Longevity Pay, LP, at any given time shall be the sum of LP up to the latest Longevity Pay, LPn. Thus,

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$$\begin{aligned}LP1 &= (0.05) (S^1) \\LP2 &= (0.05) (S2) \\LPn &= (0.05) (Sn) \\LPt &= LP^1 + LP2 + \dots LPn\end{aligned}$$

13.8 The LP shall be a separate benefit not integrated into the basic salary.

14.0 Salary Increase for Retirement Benefit and Terminal Leave Benefit Purposes

14.1 Upon retirement, an S&T Personnel shall automatically be granted one (1) salary grade higher than his/her basic Salary and retirement benefits shall be computed on the basis of the highest salary received, pursuant to Section 14 of R.A. No. 8439.

14.2 Consistent with the clarification on a similar issue expounded in the "Primer on the GSIS Act of 1997 (RA 8291), "the effectivity of the 1 salary grade increase "upon retirement" shall take effect on the last day of service of the retiring S&T Personnel. This will affect the computation of:

14.2.1 Retirement gratuity under R.A. No. 1616 which is based on the highest salary received (but with negligible effect on the computation of the retirement benefits under R.A. No. 660, Presidential Decree No. 1146, and R.A. No. 8291); and

14.2.2 Terminal Leave Benefit.

14.3 If the position of an S & T Personnel is covered by R.A. No. 6758, as amended, the 1 salary grade increase on his/her last day of service shall be based on the applicable salary Schedule for the NGA or GOCC concerned. For example, if the salary of an S&T Personnel is at SG-18, Step 7, it shall be adjusted to SG-19, Step 7.

14.4 If the position of an S & T Personnel is not covered by R.A., No. 6758, as amended, the 1. Salary/job grade increase on his/her last day of service prior to retirement shall be based on the salary schedule authorized for the agency.

15.0 General Conditions on the Grant of Magna Carta Benefits

15.1 The grant of Compensation-related Magna Carta benefits to S&T Personnel shall be subject to availability of funds. In case of insufficiency or lack of funds, the benefits may be granted at lower rates which shall be applied uniformly or proportionately to all S & T Personnel concerned in an agency.

The agency head shall determine the priority benefits that can be supported by available funds.

15.2 S&T Personnel shall not be entitled to back Magna Carta benefits for prior years.

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15.3 The prohibition on double compensation under Section 8, Article IX-B of the Philippine Constitution, and the prohibition against double benefits under Section 13 of R.A. No. 8439 shall be complied with.

16.0 Fund Sources

16.1 For NGAs including SUCs:

16.1.1 The amounts required for payment of Magna Carta benefits shall be charged to the respective agency appropriation/budgets. The augmentation thereof from any available Savings of the agency concerned shall be subject to the approval by the DBM pursuant to Section 41 of R.A. No. 10352, and to similar general provisions in subsequent GAAS.

16.1.2 In succeeding years, the requirement for Magna Carta benefits of S&T Personnel in national government agencies concerned shall be provided for in the budget.

16.1.3 The Magna Carta benefits for contractual and casual personnel shall be charged against the respective agency lump sum appropriations from which their salaries or wages are drawn.

16.2 For GOCCs, the amounts required shall be charged against their respective corporate funds in the approved corporate operating budgets.

16.3 Any funding requirement for compensation-related Magna Carta benefits, borne out of working arrangements with the private sector, shall be charged against the funds of private sector entities involved in the agreements.

17.0 Responsibilities of Agency Heads

17.1 Agency Heads shall be held responsible for the proper implementation of the provisions of this JC.

17.2 They may issue such agency internal guidelines providing specific criteria and administrative procedures on the grant of each Magna Carta benefit as Supplement to this JC.

17.3 They shall be held liable for any grant or payment of Magna Carta benefits not in accordance with the provisions of this JC without prejudice, however, to the refund of any undue payment received by the S & T Personnel concerned.

18.0 Cases for Resolution

Cases not covered by the provisions of this C shall be referred to the DBM for resolution, in Coordination with the DOST.

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19.0 Repealing Clause

All existing provisions of circulars or issuances on the grant of compensation-related Magna Carta benefits to S & T Personnel that are inconsistent with the provisions of this JC are repealed or superseded accordingly.

20.0 Effectivity

This Joint Circular shall take effect immediately.

FLORENCIO B. ABAD

DBM, Secretary

MARIO G. MONTEJO

DOST, Secretary

SCHOLARSHIPS

REPUBLIC ACT NO. 4090

AN ACT PROVIDING FOR STATE SCHOLARSHIPS IN SCIENCE, ARTS, AND LETTERS FOR POOR BUT DESERVING STUDENTS; CREATING A STATE SCHOLARSHIP COUNCIL TO INTEGRATE, SYSTEMATIZE, ADMINISTER, AND IMPLEMENT ALL PROGRAMS OF SCHOLARSHIPS; AND APPROPRIATING FUNDS THEREFOR

Section 1. There shall be selected annually from the graduating classes of all public and private high schools throughout the Philippines poor but deserving students to be known as "State Scholars" who shall be granted state scholarships in science, arts, and letters and whose expenses, like tuition, matriculation, and other school fees, prescribe textbooks and equipment, board and lodging, clothing, travelling expenses, and miscellaneous allowances, shall be defrayed from funds appropriated by law or contributed from other sources for scholarship purposes.

Sec. 2. Candidates for state scholarship shall possess the following qualifications:

1. They must belong to the first ten of their respective graduating classes, and attain and maintain such tests, standards, or criteria as will insure that they are specially gifted in the particular fields chosen by them;
2. They and their parents or, if the latter are already dead, other persons required by law to give support have no resources to finance them for higher education;
3. They must be good health, excellent moral character, and unquestionable integrity;
4. They must be natural-born citizen of the Philippines and must not be more than 21 years of age at the time of their selection.

Sec. 3. (a) There is hereby created a State Scholarship Council which shall have as its principal function and shall possess the authority to consolidate, integrate,

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systematize, administer, and implement all programs of government scholarships, whether national, provincial, or municipal, as well as private scholarships which may be entrusted to it.

(b) In connection with the administration and implementation of the state scholarships established in section 1 hereof, the Council shall exercise and perform the following specific powers and duties:

1. To prescribe such tests, standards, or criteria which candidates for state scholarships shall attain and maintain as will insure that they are specially gifted in the particular fields chosen by them;
2. To determine the number of state scholars and the various courses of study open for state scholarships, taking into account the needs of Philippine society for men of knowledge and competence in the different fields of activities;
3. To select the colleges and universities which shall be qualified to enroll state scholars, considering their standards, faculties, libraries, equipment, and other facilities;
4. To screen and approve candidates for state scholarships in accordance with sections 1 and 2 hereof;
5. To approve or fix the different expenses which shall be allowed the individual state scholars as provided in section 1 hereof and authorize the payment thereof out of the sum of sums appropriated by law or contributed from other sources for the purposes.

(c) In connection with the administration and implementation of the other government scholarships, as well as the private scholarships entrusted to it, the Council shall exercise and perform the specific powers and duties provided in paragraph (b) above insofar as they are applicable and all the powers and duties provided in the laws, orders, resolutions ordinances, and other instruments establishing the said scholarships.

(d) In addition to the powers and duties mentioned in paragraph (b) and (c) above, the Council shall exercise and perform the following powers and duties:

1. To seek assistance from foundations, foreign government and agencies, international entities and bodies, and other sources for the support of any or all programs of scholarships placed in its charge;
2. To assist in the placement and employment of all the graduates who have been trained under the scholarship programs administered by it;
3. Subject to the civil service law, rules and regulations, to employ officers and employees that it may deem necessary, fix their compensation and other benefits, and prescribe their powers and duties;
4. In general, to do such acts, adopt such measures, enter into such arrangements, or issue such rules and regulations as may be proper for the consolidation, integration, systematization, administration, and implementation of all programs

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of scholarships mentioned in paragraph (a) above and for the effective carrying out of the provisions of this Act, including the allocation and payment of funds appropriated by law or contributed from other sources for scholarship purposes.

Sec. 4. (a) The Council shall be composed of the Secretary of Education, the President of the University of the Philippines, the Chairman of the Committee on Education of the Senate, the Chairman of the Committee on Education of the House of Representatives, the Chairman of the National Science Development Board, the Director of Public Schools, the Director of Private Schools, and two other members who shall represent non-governmental educational professional groups to be appointed by the President of the Philippines with the consent of the Commission on appointments. The Secretary of Education shall be the Chairman of the Council.

(b) The Council shall hold regular meetings once a month and such special meetings as may be needed upon call of its Chairman or at the request of any three members. A majority of all the members of the Council shall constitute a quorum to do business.

(c) The members of the Council who are public officials shall not receive any additional compensation, but the members who are private citizens shall receive twenty-five pesos for each meeting actually attended by them: provided, that no compensation shall be paid for more than two meetings a month.

Sec. 5. The Council shall have an Executive Secretary who shall be under its supervision and control and shall be immediately responsible to it for carrying out the provisions of this Act and the policies, decisions, resolutions, rules and regulations of the Council. He shall be appointed by the President of the Philippines upon recommendation of the Council with the consent of the Commission on Appointments. He shall receive a yearly compensation of not exceeding ten thousands pesos and such other benefits which the Council may fix.

Sec. 6. All existing program of scholarships now under the jurisdiction and control of the different government entities, offices, and agencies, including their appropriation, personnel, equipment, and other effects are transferred to, and all the powers and duties of said entities offices, and agencies having to do with such scholarships, are vested in and imposed on, the State Scholarship Council.

Sec. 7. There is hereby appropriated annually beginning with the fiscal year nineteen hundred and sixty-four and out of any funds in the National Treasury not otherwise appropriated the sum of two million pesos for carrying out the provisions of this Act. Such additional sum or sums as may be necessary shall be included in the annual General Appropriation Acts.

Sec. 8. All laws, orders, resolutions, ordinances, rules and regulations inconsistent with this Act are hereby repealed.

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Sec. 9. This Act shall take effect upon its approval.

Approved: June 19, 1964

(Sgd.) DIOSDADO P. MACAPAGAL

President of the Philippines

SCHOLARSHIPS

REPUBLIC ACT NO. 7687

AN ACT INSTITUTING A SCIENCE AND TECHNOLOGY SCHOLARSHIP PROGRAM AND OTHER PURPOSES.

Section 1. *Title.* — This Act shall be known as the "Science and Technology Scholarship Act of 1994".

Section 2. *Statement of Policy.* — Science and technology are essential for national development and progress. The State shall give priority to research and development, invention, innovation and their utilization; and to science and technology manpower in line, with economic development and to provide the capability required in the areas of research, development, innovation as well as their utilization. As such, it provides for scholarships, grant-in-aid, or other forms of incentives to deserving science students and other specially gifted citizens to enable them to pursue higher education or training in areas of science and technology.

Section 3. *General Objectives.* — To carry out the foregoing policy, this Act strengthens the country's science and technology manpower by creating a pool of scientists, engineers and technicians who shall fill the needs of industrialization. Towards this end, scholarships shall be provided to finance the education of poor, talented and deserving students desiring to pursue a degree or training in areas of science and technology as are recognized or permitted by law.

Section 4. *Science and Technology Scholarship Fund.* — There is hereby created a Science and Technology Scholarship Fund, hereinafter known as the Fund, to be administered by the Department of Science and Technology (DOST).

Section 5. *Appropriations.* — The amount necessary to carry out the initial implementation of this Act, shall be charged against the current Fiscal Year Appropriations of the DOST.

In order to provide funds necessary for the continuous implementation of the program for every year following its initial implementation, the budget of the DOST shall be increased in the amount of Sixty million pesos (P60M) per year until it eventually reaches the amount of Three hundred million pesos (P300M) to sustain the recipients of the scholarship during the duration of their study.

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Section 6. Coverage. — The grant of any scholarship award from the Fund shall be applied only in the field of science, mathematics, engineering, and such other areas in the undergraduate or postgraduate courses as may be provided for in the rules and regulations to be promulgated by the DOST and the Department of Education, Culture and Sports (DECS): Provided, however, That the scholarship grant for the postgraduate level shall not be limited to those scholars or recipients who are graduates of the undergraduate scholarship program.

Section 7. Assistance to Grantees. — The grantee of the scholarship program under this Act is entitled to financial assistance which may include tuition and other school fees, outright grant for prescribed textbooks and essential school supplies, outright grant for prescribed military science and physical education uniform, transportation expenses and monthly living allowance: Provided, however, That in the granting of financial assistance, the availability of funds, purchasing power of the peso and rate of financial assistance given under other government scholarship programs must be considered.

Section 8. Qualifications. — In order to qualify for the scholarship program, the applicant must be:

- (a) a member of the top five percent (5%) of the high school graduating class, regardless of gender, religion, and cultural affiliation;
- (b) a resident of the municipality for the last four (4) years prior to availing of the scholarship, as attested by the school records; and
- (c) of good moral character and in good health.

Section 9. Value Formation Program. — The scholarship program under this Act shall be supported by appropriate courses for value formation of scholars that will inculcate in them the virtues of nationalism, industriousness, honesty, commitment to national development and an effective work ethic.

Section 10. Distribution of Scholarship Slots. — The DOST in line with this Act shall provide for a proportional and equitable allotment of slots for identified fields of science and technology to attain a balanced distribution of manpower in terms of number and expertise. The DOST shall organize a program geared towards enlisting at least two (2) scholars in each municipality of the Philippines and at least ten (10) scholars for those congressional districts without municipality. Qualified members of the cultural minority in appropriate cases shall be given due preference.

Section 11. Place of Study in the Country. — The recipient of the scholarship privileges under this Act shall be required to pursue their degree program and/or the vocational, technical, or other courses specified under this Act at any academic or training institutions duly accredited by the DECS and the DOST and in private schools accredited by Federation of Accrediting Agencies in the Philippines (FAAP). Refusal or failure to comply with this provision shall be ground for disqualification from the Program.

Section 12. Place of Study Outside the Home Country. — The scholarship grant provided herein shall not be limited to studying only in any school in this country

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but would include scholars who can be granted the opportunity to study abroad in schools specializing in courses stated therein: Provided, however, That a grantee who has qualified for study abroad must execute an undertaking binding himself to return to the country to fulfill his service obligation on the basis of the length of his scholarship. The Department of Foreign Affairs is hereby directed to give full assistance in enforcing such undertaking.

Section 13. *Service Obligation.* — Immediately upon completion of a Bachelor of Science course, a scholar shall serve the country on full-time basis only along his field of training for a minimum period equivalent to the length of time a scholar enjoyed the scholarship by rendering service to his province or municipality by organizing technology-based livelihood activities or enterprises, teaching, or such other service related to the course or training he has completed, and, for this purpose, requiring the execution of a contract between the Government and the scholar incorporating the details of the said service obligation.

Any recipient of the program who has not completed his course shall render service to the country equivalent to the number of years he enjoyed the scholarship.

For the purpose stated in paragraph 1 of this Section, government banks, financial institutions, and appropriate agencies shall provide priority access to credit, research and development facilities, support programs and other assistance to graduate scholars under this Act where the same may be sound and viable.

Any scholar who violates the service obligation imposed under this section shall be liable to reimburse the Government of the fund assistance received under this Act in full or pro tanto as the case may be.

Section 14. *Post Scholarship Incentives.* — In order to encourage graduates of the scholarship program under this Act to serve in fulfillment of their service obligation and entice them to continue to stay and serve in the country even beyond their service obligation, they shall be entitled to the following incentives:

- (a) priority for job placement in the Government or in the private sector in positions appropriate to their area of education or training;
- (b) grants-in-aid and access to government research facilities in the conduct of research and development projects and other service and technology activities;
- (c) access to credit with liberal terms from government banks and financial institutions;
- (d) payment of hardship and/or hazard allowance to those who are engaged in research and other science and technology activities that posed danger and caused hardship to their well-being; and
- (e) travel and accident insurance coverage.

Section 15. *Advisory Committee.* — There is hereby created a committee composed of the Secretary of Science and Technology as Chairman, and the Secretaries or Heads of the following departments or agencies or their chosen representatives as members; Education, Culture and Sports; Budget and

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Management; Agriculture; Trade and Industry; Interior and Local Government; Finance and the National Economic and Development Authority; and two (2) representatives from the private sector one (1) of whom shall come from the Philippine Chamber of Commerce and Industry and one (1) from other sectors.

To ensure the effective coordination of the program, said body shall act in an advisory capacity in its implementation.

Section 16. *Implementing Body.* — The scholarship program herein provided shall be directly implemented by the DOST through the Science Education Institute.

Section 17. *Rules and Regulations.* — Within thirty (30) days from the approval of this Act, the DOST in joint collaboration with the DECS shall promulgate the necessary rules and regulations for the effective implementation of the provisions hereof.

Section 18. *Transitory Provisions.* — Within sixty (60) days from effectivity of this Act, existing state colleges and universities and private schools with curriculum offerings on science and technology shall ipso facto be deemed accredited.

Section 19. *Repealing Clause.* — All laws, decrees, orders, rules and regulations, or portions thereof, inconsistent with this Act are hereby repealed or modified accordingly.

Section 20. Separability Clause. — In the event any of the provisions of this Act is declared unconstitutional, the validity of the other provisions shall not be affected by such declaration.

Section 21. *Effectivity.* — This Act shall take effect upon its approval.

Approved,

FIDEL V. RAMOS

President of the Philippines

IMPLEMENTING RULES AND REGULATIONS OF RA 7687

Republic of the Philippines

DEPARTMENT OF SCIENCE AND TECHNOLOGY

And

DEPARTMENT OF EDUCATION

Joint Circular

25 August 2005

SUBJECT: AMENDED IMPLEMENTING RULES AND REGULATIONS
(IRR) FOR REPUBLIC ACT NO. 7687

CHAPTER VI

Pursuant to Republic Act No. 7687, otherwise known as the Science and Technology Scholarship Act of 1994, the following amended rules and regulations are hereby issued:

I. RATIONALE

The act aims to develop the country's human resources in science and technology and to upgrade the capability in the priority areas of research and technological innovations.

Specifically, the Act hopes to achieve the following objectives:

To strengthen the country's science and technology human resource by creating a pool of scientists and engineers who shall fill the needs of industrialization in the local, provincial and regional levels; and

To finance the education of poor, talented and deserving students desiring to pursue undergraduate, graduate post graduate courses including advanced/specialized trainings in areas of science and technology.

II. DEFINITION OF TERMS

Poor, talented and deserving students – refer to students who have high aptitude in science and technology and who belong to families whose socio-economic status does not exceed the set values of certain indicators as approved by the Advisory Committee.

Higher Education – refers to undergraduate, graduate and post graduate courses.

Basic Science Courses – refer to baccalaureate degrees in biology, chemistry, mathematics and physics that can be completed in four/five years from a college or university. These also include education education courses with major in biology, chemistry, mathematics and physics.

Applied Science Courses – refer to baccalaureate degrees in biochemistry, applied physics, applied mathematics, statistics, molecular biology and biotechnology, agricultural chemistry, chemical engineering, computer engineering, electrical engineering, mechanical engineering, metallurgical engineering, electronics and communications, engineering, computer science, information technology, environmental science, agricultural engineering, mining engineering and materials engineering.

Graduate Courses – refer to master's and/or doctoral degree studies with specialization in any of the identified s&T fields.

Post Graduate Courses – refer to foreign scholarships and grants for specialized trainings in priority areas in science and technology.

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III. COVERAGE

In accordance with RA 7687 and in the interest of developing globally competitive human resources in science and technology, undergraduate, graduate and post graduate scholarships shall be provided based on guidelines and priorities set forth by the Advisory Committee.

IV. ASSISTANCE TO GRANTEEES

The grantees are entitled to monetary and non-monetary assistance, to wit:

1. *Financial Assistance* – the rate of financial assistance shall depend on the availability of funds, purchasing power of peso and the rate of financial assistance given by other government agencies for similar scholarship programs. All financial assistance to the scholar except the tuition fees shall be released through banks or appropriate financial institutions. The financial assistance may include but not limited to the following:
 - 2.1 Outright grant for prescribed textbooks and school supplies;
 - 2.2 Monthly stipends up to 12 month duration;
 - 2.3 The rate of stipend shall be based on the purchasing power of the peso, the availability of funds and the rate of financial assistance given by other similar government scholarship programs.
 - 2.4 Outright grant of transportation allowance;

This allowance shall be granted on a fixed rate representing one round trip fare per academic year, to those whose place of study is not within the geographic location/city/province of the scholar's permanent residence.

The rate of transportation allowance shall vary depending on geographic location based on the current schedule of fares.
2. Tuition and other school fees to be paid directly to the school subject to the maximum rate allowed for the program;
 - 2.5 Additional allowance during summer shall be granted if required in the curriculum;
 - 2.6 Group Health and Accident Insurance while on scholarship;
 - 2.7 Outright grant of PE/Military Science uniform during the first semester of the first year only for undergraduate scholars;
 - 2.8 Thesis/Dissertation Grant for scholars taking Master's/Doctoral courses, the amount of which shall be determined by the Advisory Committee;

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- 2.9 Other privileges/incentives may be provided as may be determined by the Advisory Committee.
- 2.10 *Disbursement* – Disbursement of all financial assistance shall be based on the following conditions:
 - 2.10.1 submission of the official registration form or certificate of registration or its equivalent at the start of each semester;
 - 2.10.2 submission of an authenticated photocopy of the scholar's grades at the end of each semester; and
 - 2.10.3 good academic standing.
3. *Non-Monetary Assistance* – Shall be in the form of subsidy for bridging program and other appropriate or relevant seminars/workshops, on-the-job training and other activities relative to the continuous development of the scholar.

V. QUALIFICATIONS

A. S&T UNDERGRADUATE SCHOLARSHIPS

1. The applicant must be:
 - 1.1 poor, talented and deserving student who belongs to a family whose socio-economic status does not exceed the set values of certain indicators as approved by the Advisory Committee;
 - 1.2 a member of the top five percent (5%) of the high school graduating class regardless of sex, religion and cultural affiliation; or a member of the graduating class of a DOST-SEI identified/DepEd recognized science high school;
 - 1.3 a natural-born Filipino citizen;
 - 1.4 of good moral character and in good health.
 - 1.5 A resident of the municipality for the last four (4) years prior to the scholarship, as attested by the barangay/school records; and
 - 1.6 A passer of the S&T Scholarship qualifying examination.
2. The applicant must not:
 - 2.1 have earned units in any post-secondary/ undergraduate course;
 - 2.2 have taken any DOST-SEI Science and Technology Scholarship Examination; and
 - 2.3 have applied for resident/immigrant status in the USA or any other country.

B. S&T GRADUATE AND POST GRADUATE SCHOLARSHIPS

1. The S&T Graduate and Post Graduate Scholarship shall be made available to students who are qualified to pursue a master's or doctoral degree and post graduate studies in science and technology specifically in priority areas as determined by the Advisory Committee. These may include also foreign scholarships and grants for advanced level trainings.

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2. The applicant must:
 - 2.1 have completed a bachelor's degree in science, mathematics or engineering;
 - 2.2 meet the qualification requirements of the Master/MS/Ph.D. program of the DOST-SEI identified receiving institution and the guidelines set forth by the Advisory Committee;

VI. VALUE FORMATION PROGRAM

DOST-SEI and CHED shall ensure that appropriate courses for value formation of scholars are included and/or incorporated in the curriculum.

VII. ALLOCATION OF SLOTS

Slots shall be allocated in pursuit of the National Science and Technology (S&T) Plan and as determined by the guidelines set forth by the Advisory Committee for the undergraduate, graduate and post graduate levels.

VIII. UTILIZATION OF ACCRUED INTEREST FROM THE SCIENCE AND TECHNOLOGY SCHOLARSHIP FUND

Interest accruing from the Science and Technology Scholarship Fund administered by the Department of Science and Technology through the Science Education Institute shall be utilized solely for scholarship benefits.

IX. SELECTION OF SCHOLARSHIP AWARDEES

A. S&T UNDERGRADUATE SCHOLARSHIPS

1. *Preparatory Phase*
 - 1.1 The announcement for the scholarships open for award and application forms shall be circularized to all secondary schools throughout the country. Applicants will be advised to secure their application at the nearest DOST Regional Office or its S&T Provincial Centers and other government offices.
 - 1.2 The applications shall be filed at the nearest DOST Regional Offices or S&T Provincial Centers which have been authorized to accept and evaluate applications in the regions.
 - 1.3 The applicants shall be required to take the DOST-SEI National Scholarship Examination which is an aptitude test for science and technology courses.
2. *Procedure of Selection*
 - 2.1 Scholarship awardees shall be selected based on the socio-economic indicators and qualification in the DOST-SEI National

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Scholarship Examination. The selection of awardees for the scholarship shall be approved by the Advisory Committee.

B. S&T GRADUATE AND POST GRADUATE SCHOLARSHIPS

1. Preparatory Phase
 - 1.1 Applications shall be field directly to the DOST-SEI with complete documentary requiremnts attached;
 - 1.2 The applicant musta pass admission requirements of the identified university before applying for scholarship; and
 - 1.3 The applicants shall be required to take a qualifying examination and undergo second level screening to be handled by a Scholarship Screening Committee.
2. Procedure of Selection
 - 2.1 The applicant must meet the specific requirements of the DOST-SEI identified receiving institution.
 - 2.2 Selection of awardee shall be guided by the criteria set forth by the Advisory Committee.

X. PLACE STUDY

The scholars shall enroll in state colleges/universities with high quality training standards and those tertiary institutions identified by CHED as Centers of Excellence, DOST recognized R&D network institutions and in nationally and internationally recognized institutions as determined by the Advisory Committee.

Grants may be provided for advanced level trainings in foreign institutions recognized as Centers of Excellence in S&T.

Refusal or failure to comply wth this provision shall be grounf for disqualification from the Program.

XI. TERMS AND CONDITIONS OF AWARD

A. S&T UNDERGRADUATE SCHOLASRSHIPS

1. Signing of the Scholarship Agreement

A scholarship awardee together with his/her parent/legal guardian sahl sign an Agreement with DOST-SEI.

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2. Monitoring and Evaluation of the Scholars
 - 2.1 The scholars shall comply with the term and conditions of the Agreement and such appropriate policies for the duration of the scholarships. They shall be under the supervision and guidance of DOST-SEI.
 - 2.2 An awardee shall maintain the grade requirement for the continuance of the scholarship until completion of the course.
 - 2.3 Periodic evaluation of the academic performance based on established policies shall be deliberated upon by the Technical and Selection Committee or DOST-SEI to determine their scholarship status in the succeeding period.

B. S&T GRADUATE AND POST GRADUATE SCHOLARSHIPS

1. Signing of the Scholarship Agreement

The awardee shall sign an Agreement with DOST-SEI.

2. Monitoring and Evaluation of the Awardees
 - 2.1 The awardees shall comply with the terms and conditions of the agreement and such appropriate policies for the duration of their scholarships.
 - 2.2 Periodic evaluation of the academic performance shall be done based on established policies to determine the scholarship status in the succeeding period.

XII. SERVICE OBLIGATION

A. S&T UNDERGRADUATE SCHOLARSHIPS

1. Immediately upon completion of a course, a scholar shall serve the country particularly in his/her province or municipality on full-time basis along his/her field of training for a minimum period equivalent to the length of time a scholar enjoyed scholarship.
2. The scholar may render service to his/her province or municipality in the form of organizing technology-based livelihood activities or enterprise, teaching, or such other service which he/she may be able to render in relation to the course or training he/she has completed.
3. A scholar who is terminated prior to the completion of his/her course shall render service to the country equivalent to the number of years he/she enjoyed the scholarship or refund the total amount he/she received during the scholarship period and with interest.
4. A scholar-graduate shall not accept foreign posting while under service obligation with SEI. out-of-the-country training/s undertaken by the scholar shall not be credited as part of the service rendered.

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B. S&T GRADUATE AND POST GRADUATE SCHOLARSHIPS

1. For local scholarship, the awardee on full time status shall render one year for every year of scholarship.
2. For foreign scholarship, the awardee shall render two years for every year of scholarship.
3. The rendition of service shall start once the awardee reports back for work in his/her agency/institution after completion of the program.
4. The awardee shall refund in full to DOST-SEI the total financial assistance he/she received plus 12% interest or the prevailing market interest rate whichever is higher in the event of non-compliance of the policies of the scholarship program.

XIII. POST SCHOLARSHIP INCENTIVES

In order to encourage graduates of the scholarship program to fulfill their service obligation and continue to stay and serve the country even beyond their service obligation, the scholarship shall be entitled to the following incentives subject to availability of funds and rules and regulations of the research institution:

- 1.1 priority for job placement in the government or in the private sector in positions appropriate to their area of education or training;
- 1.2 grants-in-aid and access to government research facilities in the conduct of research and development projects and other service and technology activities;
- 1.3 access to credit with liberal terms from government banks and financial institutions;
- 1.4 payment of hardship and/or hazard allowance to those who are engaged in research and other science and technology activities that pose danger cause hardship to their well-being;
- 1.5 travel and accident insurance coverage;
- 1.6 attendance in job fairs/forum on job opportunities;
- 1.7 participation in capability and skills trainings; and
- 1.8 placement of the scholar-graduates' names in advertisements and in DOST-SEI websites

XIV. REFUND OF SCHOLARSHIP GRANT

A scholar shall be required to refund the total financial assistance he/she received with interest otherwise, legal action shall be instituted for any of the following causes:

1. Refusal to render service;
2. Willful abandonment of the scholarship including discontinuance in the course provided in the contract;
3. Gross misconduct;
4. Breach of contract; and
5. Other reasonable causes as determined by the Advisory Committee.

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XV. COMPOSITION OF THE ADVISORY COMMITTEE

To ensure the effective coordinationa of the program, a Committee to act in advisory capacity shall be created to be composed of:

Chairperson: Secretary, Department of Science and Technology

Co-Chairperson: Secretary, Department of Education

Members:

Secretary, Department of Agriculture

Secretary, Department of Budget and Management

Secretary, Department of Trade anf Industry

Secretary, Department of Interior and Local Government

Secretary, Department of Finance

Secretary and Director-General, National Economic and Development Authority

Chairman, Commission on Higher Education

President, Philippine Chamber of Commerce and Industry

One (1) Private Sector

The Committtee may invite individuals from the private sector and academic institutions to provide advise and/or assistance. Likewise, it is authorized to create appropriate sub-committees for the effective implementation of the Scholarship Program.

XVI. LIMITATION OF THE AWARD

The scholarship award does not become final until the DOST has received the signed Agreement and other required documents from the awardee.

XVII. EFFECTIVITY

The amended rules and regulations shall take effect immediately upon approval.

(Sgd.) ESTRELLA F. ALABASTRO

Secretary, Department of Science and Technology

(Sgd.) FE A. HIDALGO

Officer-In-Charge

Office of the Secretary

Department of Education

Chairperson, Advisory Committee on S&T Scholarships

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REPUBLIC ACT NO. 8248

AN ACT FURTHER STRENGTHENING THE SCIENCE AND TECHNOLOGY PROGRAM OF THE GOVERNMENT, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7687, OTHERWISE KNOWN AS THE SCIENCE AND TECHNOLOGY SCHOLARSHIP ACT OF 1994.

Section 1. Section 4 of Republic Act No. 7687, otherwise known as the Science and Technology Scholarship Act of 1994, is hereby amended by adding sub-section 4-A to read as follows:

"Sec. 4-A. Science and Technology Human Resource Development Council.
– A Science and Technology Human Resource Development Council is hereby created which shall be chaired by the Secretary of the Department of Science and Technology (DOST) and shall be composed of the following members:

"The Chairman of the Commission on Higher Education (CHED);

"The Secretary of the Department of Education, Culture and Sports (DECS);

"The Director-General of the Technical Education and Skills Development Authority (TESDA);

"The Secretary of the Department of Budget and Management Authority (DBM); and

"The President of the Philippine Association of State Universities and Colleges (PASUC).

"The Council shall perform the following functions:

"(1) Coordinate science and technology human resource development programs;

"(2) Formulate a medium-and long-term science and technology human resource development plan in accordance with the national medium-term plan;

"(3) Formulate broad policies for the allocations of science and technology scholarships;

"(4) Formulate policies on advanced degree programs for science and technology;

"(5) Formulate a career system for technologists and technicians to complement the scientific career system;

"(6) Formulate programs to train and retrain scientist, engineers, researchers and technologists and encourage them through various incentives, to return and practice their professions in the Philippines, to enhance and accelerate the technological development of the country; and

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"(7) Perform other functions necessary to effectively implement the provisions of this Act.

"The science and technology human resource development plan shall be submitted to the President six (6) months after the effectivity of this Act. The Council shall have a term of four (4) years commencing from the effectivity of this Act, unless otherwise extended by Congress."

Section 2. Section 5 of the same Act is hereby amended to read as follows:

"Sec. 5. *Appropriations.* – The amount necessary to carry out the initial implementation of this Act shall be charged against the current Fiscal Year Appropriations of the Department of Science and Technology.

"In order to provide funds necessary for the continuous implementation of the program for every year following its initial implementation, the budget of the DOST shall be increased in the amount of Sixty million pesos (P60,000,000.00) per year until it eventually reaches the amount of Three hundred million pesos (P300,000,000.00) to sustain the recipients of the scholarship during the duration of their study.

"For the first two (2) years of implementation of the program, an additional Six Million pesos (P6,000,000.00) per month, to be increased to Seven million pesos (P7,000,000.00) per month on the third and fourth year shall be provided, which sum shall be generated from the net income of the Philippine Amusement and Gaming Corporation (PAGCOR): Provided, That such amount shall be strictly used to subsidize the beneficiaries' expenses while studying under the scholarship program herein provided. Priority shall be accorded to scholars graduating from high schools located in the fifth (5th) and sixth (6th) class municipalities."

Section 3. This Act shall take effect fifteen (15) days after its complete publication in two (2) newspapers of general circulation.

Approved:

FIDEL V. RAMOS

President of the Philippines

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Republic of the Philippines
Congress of the Philippines
Metro Manila

Fifteenth Congress
Third Regular Session

Begun and held in Metro Manila, on Monday, the twenty-third day of July, two thousand twelve.

REPUBLIC ACT NO. 10612

AN ACT EXPANDING THE COVERAGE OF THE SCIENCE AND
TECHNOLOGY (S&T) SCHOLARSHIP PROGRAM AND
STRENGTHENING THE TEACHING OF SCIENCE AND MATHEMATICS
IN SECONDARY SCHOOLS AND FOR OTHER PURPOSES

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

CHAPTER I GENERAL PROVISIONS

SECTION 1. *Short Title.* – This Act shall be known as the “Fast-Tracked S&T Scholarship Act of 2013”.

SECTION 2. *Declaration of Policy.* – Science, technology and engineering are essential for national development and progress. The State shall give priority to research and development, invention, innovation and their utilization. Priority shall also be given to science and technology education, training and services.

In line with the above, it is hereby declared the policy of the State to promote the development of the country’s science and technology manpower in line with economic development and to provide the capability required in the areas of research, development, innovation as well as their utilization. As such, it is important that the State provide for quality science and mathematics teachers at the secondary level, which would encourage more students to pursue careers in science and technology.

Therefore, the State shall provide for scholarships to deserving science students and other specially-gifted citizens to enable them to pursue higher education or training in the areas of science, technology and engineering, and to provide incentives for them to become secondary school teachers, especially in their home regions.

SECTION 3. *General Objectives.* – To carry out the measure, this Act shall strengthen the country’s science and technology education by fast tracking graduates in the sciences, mathematics, and engineering who shall teach science and mathematics subjects in secondary schools throughout the country. Towards this

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end, scholarships shall be provided to finance the education of talented and deserving students in their third year of college, and pursuing a degree or training in the areas of science and technology, and to provide incentives for them to pursue a career in teaching in high schools, especially in their home regions.

CHAPTER II UNDERGRADUATE SCHOLARSHIP CRITERIA

SECTION 4. *Scholarship Program.* – This Act builds on the current Science and Technology Scholarships offered by the Department of Science and Technology (DOST), through its Science Education Institute (SEI), as provided for in Republic Act No. 7687, otherwise known as the “Science and Technology Scholarship Act of 1994”. It envisions a fast tracking of more science, technology, and engineering graduates by offering scholarships to deserving students in these courses in their third year of undergraduate study, based on their competitiveness and merit. It also offers additional incentives to attract the graduates of this scholarship program into teaching science, mathematics and technology courses in a public or private high school.

SECTION 5. *Eligibility.* – The following are qualifications for the scholarship with teaching incentive. Applicants must:

- (a) Be a Filipino citizen;
- (b) Be a regular third-year college student at the time of award;
- (c) Be currently enrolled in any of the state universities or colleges, or in private universities, especially in Commission on Higher Education (CHED)-compliant programs, under any of the identified priority S&T courses;
- (d) Have a general weighted average (GWA) of eighty-three percent (83%) or better during their first and second year of college; and
- (e) Qualify in the Junior-Level Science Scholarship Examination.

SECTION 6. *Award Amounts.* – Recipients are entitled to an annual award for full-time study equal to the complete financial assistance package offered under Republic Act No. 7687, for students attending an approved undergraduate program at quality schools, such as CHED-compliant programs and DOST Network Institutions, public or private, with minimum slots awarded in private schools to offset differences in tuition costs.

SECTION 7. *Duration.* – Recipients shall be entitled to an award for the last two (2) years of undergraduate study, or the last three (3) years for those enrolled in five (5)-year courses such as engineering, while matriculating in an approved program.

SECTION 8. *Approved Courses and Priority Programs.* – Recipients shall pursue degrees in science, technology and engineering, as identified and approved by

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the DOST as priority S&T courses. Applicants who are currently enrolled under such courses under the CHED-compliant programs will be given priority.

SECTION 9. *Terms and Conditions.* – Applicants for the scholarships must execute a service contract in which they:

- (a) Agree to teach as their return of service (ROS);
- (b) Agree to any of the approved ROS conditions; and
- (c) Agree to repay the amounts disbursed plus interest pursuant to the terms of their service contract.

Failure to comply with the terms of the service contract will result in the full repayment (plus penalties, if applicable) of all award monies received within a specified time, limit.

CHAPTER III RETURN OF SERVICE CONDITIONS AND INCENTIVES

SECTION 10. *Return of Service Conditions.* – Award recipients must teach full-time high school subject(s) in Mathematics, Biology, Chemistry, or Physics; or Information Technology or Agricultural, Aquaculture or Fisheries Technology, both in the university and technical-vocational tracks in the secondary education curriculum, for a minimum of two (2) years, in a public or private high school.

SECTION 11. *Incentives Schemes.* – The following are incentives granted to qualified graduates who shall be hired to teach at a public or private high school for a minimum of two (2) years. They shall be entitled to:

- (a) A starting salary grade equivalent to that of a Special Science Teacher I in the Philippine Science High School System;
- (b) Priority for job placement in any high school, public or private, of his/her choice within the country, with first priority in his/her home province;
- (c) A one-time relocation allowance should he/she be assigned in a place other than the permanent residence;
- (d) Scholarships in identified teacher education institutes for Science Education courses; and
- (e) Pass the Licensure Examination for Teachers (LET) within five (5) years of hiring.

Recipients of the four (4)- or five (5)-year S&T Undergraduate Scholarship of DOST-SEI under Republic Act No. 7687 may also opt to teach full-time the courses identified in Section 10 of this Act, for a minimum of two (2) years in a public or private high school in their home region.

SECTION 12. *Teacher Training.* – The Philippine Normal University (PNU), being the National Center for Teacher Education per Republic Act No. 9647, otherwise known as the “Philippine Normal University Modernization Act of 2009”, and its network of universities in teacher education like the National Network of Normal Schools (3NS), as well as CHED-compliant programs in teacher education and centers for teacher training recognized by the CHED and the DepED, are

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hereby tasked to provide training for hired teachers under this program. For this purpose, one thousand (1,000) scholarships are made available every year to these hired teachers to be sourced from the DepED, to be coordinated with their implementation of the teacher education and training provision of Republic Act No. 10533, otherwise known as the “Enhanced Basic Education Act of 2013”.

CHAPTER IV OPTIONS FOR OTHER SCIENCE, TECHNOLOGY, ENGINEERING AND MATHEMATICS GRADUATES

SECTION 13. *Eligibility of Science, Technology, Engineering and Mathematics (STEM) Graduates.* – Other STEM graduates and professionals, who are not recipients of the scholarship program provided for in this Act, may also apply to teach science, mathematics or technology subjects in a public or private high school. Applicants must:

- (a) Be a Filipino citizen;
- (b) Have graduated with a science, technology, engineering or mathematics degree, with a GWA of eighty-three percent (83%) or better from a reputable university;
- (c) Be at least forty (40) years of age at the time of application; and
- (d) Not have a service obligation under another program in conflict with DOST-SEI obligations.

Qualified graduates and professionals shall also be entitled to teacher training programs in any teacher education institution, as specified in Section 12 of this Act, to prepare them into full-time teaching in a public or private high school in their home region.

CHAPTER V IMPLEMENTING AGENCIES

SECTION 14. *Science Education Institute (SEI).* – The DOST-SEI shall be the main implementing agency of the provisions in this Act. The SEI shall be responsible for evaluation, award-giving and monitoring of scholarship grants and awardees. The Institute is also tasked with coordinating with other relevant agencies in the fulfillment of the goals of this Act.

SECTION 15. *Department of Education (DepED).* – The DepED is hereby tasked to ensure job placement and hiring of qualified graduates under this program as secondary school teachers in science, mathematics and related technology courses, and to ensure that these teachers are hired at Special Science Teacher salary grade levels, as specified in this Act. The Department is also tasked with the evaluation and monitoring of hired teachers under this program.

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CHAPTER VI MISCELLANEOUS PROVISIONS

SECTION 16. *Review and Monitoring.* – The DepED, the CHED and the DOST shall report to the President and Congress after the first three (3) years, and annually thereafter, on the implementation of the provisions of this Act and submit recommendations for its improvement.

The Departments are also tasked to monitor the hiring in high schools of scholars under this program, and to undertake such tracer studies and include these in the annual reports.

SECTION 17. *Implementing Rules and Regulations.* – Within sixty (60) days from the approval of this Act, the DOST and the DepED shall promulgate the rules and regulations to effectively implement the provisions of this Act.

SECTION 18. *Appropriations.* – The amount necessary to carry out the implementation of this Act, as specified in Chapter II, shall be charged against the current year's appropriations of the SEI under the DOST. Thereafter, such sums as may be necessary to augment the Science and Technology Scholarship Fund, as provided for in Republic Act No. 7687, shall be included in the annual General Appropriations Act.

In addition, the SEI is authorized to accept grants, contributions and/or donations from domestic and foreign sources for scholarship grants.

SECTION 19. *Separability Clause.* – If any provision or part hereof is held invalid or unconstitutional, the remainder of the law or the provisions not otherwise affected shall remain valid and subsisting.

SECTION 20. *Repealing Clause.* – All laws, decrees, executive orders, proclamations and administrative regulations or parts thereof inconsistent herewith are hereby repealed or modified accordingly.

SECTION 21. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* and in at least two (2) national newspapers of general circulation.

Approved: AUG 23 2013

(Sgd.) **BENIGNO S. AQUINO III**
President of the Philippines

CHAPTER VI

IMPLEMENTING RULES AND REGULATIONS OF REPUBLIC ACT NO. 10612, OTHERWISE KNOWN AS THE “FAST-TRACKED S&T SCHOLARSHIP ACT OF 2013”

Pursuant to Section 17 of Republic Act (RA) No. 10612, entitled “An Act Expanding the Coverage of the Science and Technology (S&T) Scholarship Program and Strengthening the Teaching of Science and Mathematics in Secondary Schools,” otherwise known as the “Fast-Trackled S&T Scholarship Act of 2013,” the Department of Science and Technology (DOST) and the Department of Education (DepEd) hereby jointly issue the following rules and regulations to implement the provisions of the aforesaid law.

RULE 1 GENERAL PROVISIONS

SECTION 1. Title. These rules and regulations shall be known and cited as the “*Implementing Rules and Regulations of Republic Act No. 10612, otherwise known as the “Fast-Trackled S&T Scholarship Act of 2013.”*”

SECTION 2. Declaration of Policy. Science, technology and engineering are essential for national development and progress. The state shall give priority to research and development, invention, innovation and their utilization. Priority shall also be given to science and technology education, training and services.

In line with the above, it is hereby declared the policy of the State to promote the development of the country’s science and technology manpower in line with economic development and to provide the capability required in the areas of research, development, innovation as well as their utilization. As such, it is important that the State provide for quality science and mathematics teachers as the secondary level, which would encourage more students to pursue careers in science and technology.

Therefore, the State shall provide for scholarship to deserving science students and other specially-gifted citizens to enable them to pursue higher education or training in the areas of science, technology and engineering, and to provide incentives for them to become secondary school teacher especially in their home regions.

SECTION 3. General Objectives. To carry out the measure, this implementing rules and regulations (IRR) shall strengthen the country’s science and technology education by fast tracking the graduates in the sciences, mathematics and engineering who shall teach science and mathematics subjects in secondary schools throughout the country. Towards this end, scholarships shall be provided to finance the education of talented and deserving students in their third year of college, and pursuing incentives for them to pursue a career in teaching in high schools especially in their home regions.

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RULE II DEFINITION OF TERMS

SECTION 1. Definition of Terms. For purposes of this IRR, the following terms shall mean or be understood as:

- (a) **Act** refers to RA No. 10612, entitled “*An Act Expanding the Coverage of the Science and Technology (S&T) Scholarship Program and Strengthening the Teaching of Science and Mathematics in Secondary Schools and for Other Purposes,*” otherwise **known** as the “**Fast-Tracked S&T Scholarship Program Act of 2013**”
- (b) **Commission of Higher Education (CHED)-Compliant Programs** refers to the specific programs meeting the minimum requirements prescribed by relevant CHED policies, standards, and guidelines.
- (c) **General Weighted Average (GWA)** refers to a representation (often numerical) of the overall scholastic standing of student used for evaluation. GWA is based on the grades in all academic subjects taken during the first and second year in college in the S&T priority course and applicant is enrolled in.
- (d) **Science and Technology (S&T) Priority Courses** refers to four (4) or five (5) year courses in the basic sciences, mathematics, engineering and other applied sciences identified as priority fields of study by the DOST-Science Education Institute (SEI).
- (e) **Republic Act No. 10533** refers to the law entitled “*An Act Enhancing the Philippine Basic Education System by Strengthening Its Curriculum and Increasing the Number of Years for Basic Education, Approaching Funds Therefore and for Other Purposes,*” otherwise known as the “*Enchanted Basic Education Act of 2013.*”
- (f) **Regular Third Year College Student** refers to a student who has completed his/her first and second years in college without any failing grade in all academic subjects and is currently enrolled in full load in the third year level as prescribed in his/her curricular program.

RULE III UNDERGRADUATE SCHOLARSHIP CRITERIA

SECTION 1. Scholarship Program. This IRR builds on the current Science and Technology Scholarships offered by the DOST, through SEI, as provided for in RA No. 7687, otherwise known as the “*Science and Technology Scholarship Act of 1994.*” It envisions a fast tracking of more science, technology, and engineering graduates by offering scholarships to deserving students in these courses in their third year of undergraduate study, based on their competitiveness and merit. It also offers additional incentives to attract the graduates of this scholarship program into teaching science, technology, engineering, and mathematics courses in a public or private high school.

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SECTION 2. Eligibility. The following are qualifications for the scholarship with teaching incentive. Applicant must:

- (a) Be a Filipino citizen;
- (b) Be a regular third year college student at the time of award;
- (c) Be currently enrolled in any of the state universities or colleges, or in private universities or colleges, especially in CHED-compliant programs, under any of the identified priority S&T courses;
- (d) Have a GWA of at least eighty-three percent (83%) or its equivalent in their first and second years in college; and
- (e) Pass the Junior Level Science Scholarship Examination administered by the DOST-SEI. as used in this section, the term “*Junior Level Science Scholarship*” refers to two (2) or three (3) year science scholarship grants awarded to regular third year college students enrolled in priority S&T courses as identified institutions.

SECTION 3. Award Amounts. Recipients are entitled to an annual award for full-time study equal to the complete financial assistance package offered under RA No. 7687, for students attending an approved undergraduate program at quality schools such as CHED-compliant programs and DOST Network Institutions, public or private, with minimum slots awarded in private schools to offset differences in tuition costs.

In furtherance of this section, the DOST-SEI shall provide the necessary guidelines to determine the minimum number of slots awarded to students enrolled in private schools.

SECTION 4. Duration. Recipients shall be entitled to an award for the last two (2) years of undergraduate study, or the last three (3) years for those enrolled in five (5)-year courses such as engineering, while matriculating in an approved program.

SECTION 5. Approved Courses and Priority Programs. Recipients shall pursue degrees in science, technology and engineering, as identified and approved by the DOST as priority S&T courses. Applicants who are currently enrolled under such courses under the CHED-compliant programs shall be given priority.

SECTION 6. Terms and Conditions. Applicants for scholarship must execute a service contract in which they:

- (a) Agree to teach in the secondary level of basic education in a public or private high school as their return of service (ROS);
- (b) Agree to any of the approved ROS conditions; and
- (c) Agree to repay the amounts disbursed, plus interest applicable, in case of failure to comply with the terms of service contract.

The service contract shall stipulate, among others, the grounds for breach of contract and the corresponding penalties if applicable, including the definite period of payment.

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SECTION 7. Distribution of Scholarship Slots. The DOST shall allocate scholarships slots to areas based on the recommendation of the DepEd. For this purpose, the DepEd shall provide and continuously update an information system which shall include the specific regions where there are death of Science, Technology and Mathematics teachers in the teachers in the secondary level.

RULE IV RETURN OF SERVICE CONDITIONS AND INCENTIVES

SECTION 1. Return of Service Conditions. Award recipients must teach full-time high school subject(s) in Mathematics, Biology, Chemistry, or Physics, or Information Technology or Agricultural, Aquaculture or Fisheries Technology, both in the university and technical-vocational track education curriculum, for a minimum of two (2) years, in a public or private high school.

Under this section, the term “*university track*” refers to the academic track offered under the K to 12 Basic Education Program Curriculum.

SECTION 2. Incentives Schemes. The following are incentives granted to qualified graduates who shall be hired to teach at a public or private high school for a minimum of two (2) years. They shall be entitled to:

- (a) Starting salary grade equivalent to that of a Special Science Teacher I in the Philippine Science High School System. The DepEd in consultation with the DOST and the Department of Budget and Management, shall issue additional guidelines for the implementation of this sub-section;
- (b) Priority for job placement in any high school, public or private, of his/her choice within the country, with first priority in his/her home province;
- (c) One-time relocation allowance should he/she be assigned in a place other than the permanent residence;
- (d) Scholarships in identified teacher education institutions for Science Education courses; and
- (e) Teaching opportunity for those who have not yet acquired the Licensure Examination for Teachers (LET) eligibility. Qualified graduates who have not yet passed the LET shall be allowed to teach provided that they pass the LET within five (5) years from date of hiring.

Recipients of the four (4) or five (5)-year S&T Undergraduate Scholarships of DOST-SEI under RA No. 7687 may also opt to teach full-time any of the courses identified in Section 1, Rule IV of this IRR, for a minimum of two (2) years in a public or private high school in their home region.

SECTION 3. Hiring of Award Recipients. In the hiring of recipients of the Act and RA No. 7687, the DepEd and private educational institutions shall be guided by the teacher hiring requirements set by the IRR of RA No. 10533.

SECTION 4. Teacher Training. The Philippine Normal University (PNU), being the National Center for Teacher Education per RA No. 9647, otherwise known as the “*Philippine Normal University Modernization Act of 2009*,” and its network of

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universities in teacher education like the National Network of Normal Schools, as well as CHED-compliant programs in teacher education and centers for teacher training recognized by the CHED and the DepEd, are hereby tasked to provide training for hired teachers under this program. For this purpose, one thousand (1,000) scholarships are made available every year to these hired teachers to be sourced from the DepEd, to be coordinated with their implementation of the teacher education and training provision of RA No. 10533.

The PNU, together with other designated teacher education institutions, in collaboration with the Professional Regulations Commission (PRC), shall design and implement a teacher training program that envisions assisting hired teachers under this program to develop and demonstrate pedagogically sound and technically effective learning designs and methodologies appropriate for secondary level students; *Provided*, That the teacher training program shall be designed towards the eventual qualification of the hired teacher to take the LET.

RULE V OPTIONS FOR OTHER SCIENCE, TECHNOLOGY, ENGINEERING AND MATHEMATICS GRADUATES

SECTION 1. Eligibility of Science, Technology, Engineering and Mathematics (STEM) Graduates. Others STEM graduates and professionals, who are not recipients of the scholarship program provided for in this Act, may also apply to teach science, mathematics or technology subjects in a public or private high school. Applicants must:

- (a) Be a Filipino citizen;
- (b) Have graduated with a **STEM** degree, with a GWA of eighty-three percent (83%) or better from a reputable university;
- (c) Be at least forty (40) years of age at the time of application;
- (d) Not have a service obligation under other program in conflict with DOST-SEI obligations; and
- (e) Comply with other requirements as may be required by the **PRC** under RA No. 7836 and the provisions of RA No. 10533 and its IRR, such as the requirement on the Continuing Professional Education/Continuing Professional Development for qualified science, technology, engineering and mathematics professionals.

Provided, that qualified graduates and professionals shall also be entitled to teacher training programs in any teacher education institution as specified in Section 4, Rule IV of this IRR, to prepare them into full-time teaching in a public or private high school in their home region.

SECTION 2. Hiring of Teachers Under this Rule. In the hiring of teachers under this Rule, the DepEd and private educational institutions shall be guided by the teacher hiring requirements set by the provisions of RA No. 10533.

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RULE VI IMPLEMENTING AGENCIES

SECTION 1. Science Education Institute. The DOST-SEI shall be the main implementing agency of the provisions in this IRR. The SEI shall be responsible for evaluating, award-giving and monitoring of scholarship grants and awardees. The Institute is also tasked to coordinate with other relevant agencies in the fulfillment of the goals of the Act and this IRR.

The DOST-SEI shall formulate and prescribe timely and relevant guidelines on the monitoring and evaluation of the academic performance of scholars in the determination of the rates of financial assistance and compliance to obligation of graduates.

SECTION 2. Department of Education. The DepEd is tasked to ensure job placement and hiring of qualified graduates under this program as secondary school teachers in science, mathematics and related technology courses, and to ensure that these teachers are hired at Special Science Teacher salary grade levels, as specified in the Act, consistent with the teacher hiring provisions of RA No. 10533 and its IRR. The Department is also tasked with the evaluation and monitoring of hired teachers under this program.

RULE VII MISCELLANEOUS PROVISION

SECTION 1. Public Information, Education and Advocacy. The DOST and the DepEd shall, in coordination with CHED. Local government units and non-government organizations, or people's organizations, conduct information, education and advocacy activities on the provisions of the Act and this IRR through the media and other lawful means available.

Consistent with Section 7 of Rule III of this IRR, public information, education and advocacy activities shall focus on areas where there is a dearth of Science, Technology and Mathematics teachers in the secondary level.

Public information, education and advocacy activities shall commence within sixty (60) days from the issuance of this IRR and every year thereafter. The conduct of public information, education and advocacy activities shall emphasize on the additional incentives to attract the graduates of this scholarship program into teaching science, mathematics and technology subject areas in a public or private high school.

SECTION 2. Review and Monitoring. Pursuant to Section 16 of the Act, the DepEd, the CHED and the DOST shall report to the President and Congress after the first three (3) years, and annually thereafter, on the implementing of the provisions of the Act and this IRR to submit recommendations of its improvement.

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The Department are also tasked to monitor the hiring in high school of scholars under this programs, and to undertake such tracer studies and include these in the annual reports.

The DepEd, the CHED and the DOST shall conduct regular bi-annual meetings and special meetings, when necessary. The agenda of such meetings shall include, among others, the improvement of policies/programs/projects/activities and problems arising from the implementation of law including, but not limited to the distribution of scholarship slots, hiring of award recipients and other science, technology, engineering and mathematics graduates and the mechanisms for complying with the return of service conditions.

SECTION 3. Implementing Details. The DOST and the DepEd may issue such policies and guidelines as may be necessary to further implement this IRR.

SECTION 4. Appropriations. The amount necessary to carry out the implementation of Chapter II of the Act shall be charged against the current year's appropriations of the SEI under the DOST. Thereafter, such sums as may be necessary to augment the Science and Technology Scholarship Fund as provided for in RA 7687 shall be included in the annual General Appropriations Act.

In addition, the SEI is authorized to accept grants, contributions and/or donations from domestic and foreign sources for scholarship grants.

SECTION 5. Amendment. Amendments to this IRR shall be jointly promulgated by the Secretaries of DOST and DepEd.

SECTION 6. Separability Clause. Should any provision or part hereof is held invalid or unconstitutional, the same shall not affect the validity and effectivity of the other provisions.

SECTION 7. Repealing Clause. All rules and regulations contrary to or inconsistent with the provisions of this IRR are deemed repealed or modified accordingly.

SECTION 8. Effectivity Clause. This IRR shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

This IRR shall be registered with the Office of the National Administrative Register at the University of the Philippines Law Center, UP Diliman, Quezon City.

Done this 4th day of August 2014.

(Sgd.) MARIO G. MONTEJO
Secretary
Department of Science and Technology

(Sgd.) ARMIN A. LUISTRO FSC
Secretary
Department of Education

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PRESIDENTIAL DECREE NO. 819

DECLARING A BALIK-SCIENTIST PROGRAM, ALLOWING ANY FOREIGN BASED SCIENTIST, PROFESSIONAL, TECHNICIAN, OR ANY PERSON WITH SPECIAL SKILL OR EXPERTISE WHO IS OF FILIPINO ORIGIN OR DESCENT TO PRACTICE HIS/HER PROFESSION OR EXPERTISE IN THE PHILIPPINES AND ALIGNING INCENTIVES FOR HIM/HER AND FOR OTHER PURPOSES.

WHEREAS, Letter of Instruction No. 210 dated August 20, 1974 extending the Balikbayan Program to another period beginning September 1, 1975 to February 29, 1976, and has especially emphasized “our duty to encourage overseas Filipino scientists and technicians to come home and apply their knowledge to the development programs of the country..”;

WHEREAS, Presidential Decree No. 541 allows erstwhile Filipino professionals to practice their professions in the Philippines under certain conditions but did not specify Filipino professionals who passed licensure examinations given by their host country;

WHEREAS, Presidential Decree No. 659 amending Section 5 (j) of Presidential Decree No. 223 allows foreign nationals to practice their professions in the Philippines, also under certain conditions, but did not include those of Filipino origin and descent and their families who may also qualify under the Balikbayan project;

WHEREAS, Presidential Decree No. 439 as amended by Presidential decree No. 592 providing for tax holiday for overseas Filipinos as contemplated in Letters of Instructions No. 105, 163 and 210 which would include Balik Scientists, is co-terminus with the Balikbayan program which will end on February 29, 1976;

WHEREAS there is need of attracting foreign-based scientists, professionals, or person with special skill or expertise who are of Filipino descent or origin to visit the Philippines in order for them to learn the truth about new Philippines and contribute their share in the building of a New Society;

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

Section 1. Any foreign-based scientist, technician or any person with special skill or expertise who is a Filipino or of Filipino origin or descent and the members of his/her family, who is licensed to practice his/her profession, special skill or expertise in his/her host, adopted or native country, may practice his/her profession, special skill or expertise while staying in the Philippines either on a temporary or permanent bases upon approval by the Secretary of Health: PROVIDED, that such foreign-based scientist, technician or professional shall first register with the Professional Regulation Commission regardless of whether or not, his special skill or expertise falls within any of the regulated professions and

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vocations in the Philippines and pay the required license fee for the practice of his/her profession, skill or expertise in his country.

Section 2. All incentives, benefits and privileges now granted to or being enjoyed by overseas homecoming Filipino (Balikbayans) under existing decrees or letters of instructions are hereby granted to and may be availed or program which shall run for a period of five (5) years from the date of effectivity of this decree.

Section 3. The Department of Tourism, the National Science and Development Board and Professional Regulation Commission shall coordinate their activities in this regard and, within thirty (30) days from the promulgation of this Decree, jointly promulgate such rules and regulations maybe necessary to implement an carry out effectively the purpose, spirit and objective of this Decree. Said rules and regulations shall include such additional incentives, benefits and privileges that maybe necessary to attract the individuals referred to in Section 1 hereof, to come and help in the scientific and technological advancement of the country.

Section 4. The Secretary of Tourism, in his capacity as Chairman of the Civil Aeronautics Board, or his duly authorized representative, is hereby authorized to negotiate with or secure from any airline company non-revenue nor discounted air passage tickets for the use of any of the individuals covered by this Decree.

Section 5. All laws, decrees, orders, letter of instructions, rules and regulations or parts thereof that are inconsistent with provisions of this Decree are hereby repealed, superseded, modified or amended accordingly.

Section 6. This Decree shall take effect immediately.

Done in the City of Manila, this 24th day of October, in the year of our Lord, nineteen hundred and seventy-five.

(SGD.) FERDINAND E. MARCOS

President of the Philippines

BALIK SCIENTIST PROGRAM

LETTER OF INSTRUCTION NO.1044

EXTENDING THE IMPLEMENTATION OF THE BALIK SCIENTIST PROGRAM FOR FIVE YEARS

TO: MINISTER OF TOURISM
NATIONAL SCIENCE AND DEVELOPMENT BOARD

WHEREAS, the international energy crisis and uncertainties abroad require the government to boost and strengthen its agricultural and rural development thrusts for food self-sufficiency through research and extension programs;

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WHEREAS, there is an immediate need to continue to augment research capability of private and public institutions and agencies in research and development;

WHEREAS, the highly trained overseas Filipinos who have returned under Phase II of the Balik Scientists Program have boosted and strengthened the scientific and technological manpower of some private and public institutions and agencies involved in the production of good and services;

WHEREAS, there are still many highly trained overseas Filipino professional who have the expertise along the government priority areas of agriculture, energy and nutrition development if given adequate incentives to return;

NOW, THEREFORE, I FERDINAND E. MARCOS, do hereby order and instruct the extension of the Balik Scientist Program till October 24, 1986, with the same benefits pursuant to the provision of Presidential Decree No. 819 and the continued adoption of the Rules and regulations Implementing P.D. 819 with the following additional incentives as a means of attracting more "returnees":

- 1.0 Attendance to international scientific conferences, seminars, meetings along the field of expertise with funded by the program at least once a year.
- 1.1 The awardees shall have priority to obtain housing loans from the GSIS, SSS and Development Bank of the Philippines, to assure their continued stay in the country

Done in the City of Manila, this 18th day of July, in the year of our Lord, nineteen and eighty.

(Sgd.) **Ferdinand E. Marcos**
President

EXECUTIVE ORDER NO.130

INSTITUTING THE BALIK SCIENTIST PROGRAM UNDER THE DEPARTMENT OF SCIENCE AND TECHNOLOGY

WHEREAS, the Balik Scientist Program ("Program") was established pursuant to Presidential Decree No. 819 dated 24 October 1975 for a period of five (5) years and was extended up to October 1986 by Letter of Instruction No. 1044 dated 18 July 1980;

WHEREAS, the Program allowed any foreign-based scientist, professional, technician, or any person with special skill or expertise who is of Filipino origin or descent to practice his/her profession or expertise in the Philippines provided he/she shall first register with the Professional Regulation Commission;

WHEREAS, Section 2, Chapter 1, Title XVIII, Book IV of the Administrative Code of 1987 mandates the Department of Science and Technology to "formulate and implement policies, plans, programs, and projects for the development of science

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and technology and for the promotion of scientific and technological activities for both the public and private sectors and ensure that the results of scientific and technological activities are properly applied and utilized to accelerate economic and social development";

WHEREAS, the Department of Science and Technology has approved the revival of the Program, with the different features, as part of its Science and Technology, Human Resource Development Program:

WHEREAS, utilizing the expertise of expatriate Filipino scientists and technologists is a vital component of the Government's industrialization efforts;

WHEREAS, it is the policy of the Government to encourage Filipino science and technology experts from abroad to return to the Philippines and share their expertise for the purpose of accelerating the industrial development of the country; and

WHEREAS, this renewed Program aims to strengthen the scientific and technological manpower of the academe and public and private institutions in order to promote information exchange and accelerate the flow of new technology into the country.

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:

Sec. 1. A Balik Scientist Program is hereby instituted under the Department of Science and Technology.

Sec. 2. A Balik Scientist is a science or technology expert, as may be defined by the Department of Science and Technology, who is a Filipino citizen or a foreigner of Filipino descent, residing abroad and contracted by the National Government to return and work in the Philippines along his/her field of expertise for a short term with a duration of at least one (1) month ("Short-Term Program") or long term with a duration of at least two (2) years ("Long-Term Program").

Sec. 3. A Balik Scientist under the Short-Term Program may, through the Department of Science and Technology, be granted and/or avail of the following incentives:

- a. Free round-trip economy airfare originating from a foreign country to the Philippines by direct route, and such other privileges given under the Short-Term Program implementing guidelines; and
- b. Grants-in-aid for research and development projects approved by the Secretary of Science and Technology.

Sec. 4. A Balik Scientist under the Long-Term Program and returning new graduates from DOST-recognized science and technology foreign institutions may, through the Department of Science and Technology, be granted and/or avail of the following incentives:

- a. Free one-way economy airfare from a foreign country to the Philippines, including airfare for the spouse and two (2) minor dependents; free return

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- trip economy airfare after completion of two (2) years in the case of Balik Scientists, and three (3) years in the case of new graduates;
- b. Duty-free importation of professional instruments and implements, tools of trade, occupation or employment, wearing apparel, domestic animals, and personal and household effects in quantities and of the class suitable to the profession, rank or position of the persons importing them, for their own use and not for barter or sale, in accordance with Section 105 of the Tariff and Customs Code;
 - c. No-dollar importation of motor vehicles, provided that the importer companies with and is qualified in accordance with the Board of Investments' Guidelines on No-Dollar Importation of Second-Hand Motor Vehicles of Returning Residents/Immigrants and such other guidelines as may be issued by the Bureau of Import Services and the Department of Trade and Industry;
 - d. Exemption from payment of travel tax for Filipino permanent residents abroad in accordance with Section 2 of Presidential Decree No. 1183. Those not falling under the exempted categories of Section 2 of Presidential Decree No. 1183 may be exempted under Section 3 of Republic Act No. 6768 approved on 3 November 1989, otherwise known as the Balikbayan Program;
 - e. Reimbursement of freight expenses for the shipment of a car and personal effects;

The family of the expert/new graduate shall be reimbursement the freight expenses for 2-1/2 tons volume weight for surface shipment of a car and personal effects. In addition when travelling by air, the expert/new graduate is entitled or reimbursement for excess baggage not exceeding 20 kgs. per adult and 10 kgs. per minor dependent. Any excess shall be borne by the expert/new graduate;

- f. Housing may be arranged through pre-determined institutions;
- g. Assistance in securing a certificate of registration without examination or an exemption from the licensure requirement of the Professional Regulation Commission to practice profession, expertise or skill in the Philippines in accordance with Section 5 of Presidential Decree No. 223 dated 22 June 1973, as amended by Presidential Decree No. 657 dated 19 February 1975;
- h. Grants-in-aid for research and development projects approved by the Secretary of Science and Technology; and
- i. The participants under this Program including their dependents, as certified by the Department of Science and Technology, shall be granted by the Secretary of Justice special non-immigrant visas under Section 47 (a) (2) of the Philippine Immigration Act of 1940, as amended, after compliance with the requirements therefore. Said participants including their dependents shall be exempted from the payment of visa, immigration and registration fees in accordance with Section 251 of the Philippine Foreign Service Code of 1983.

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The length of the validity of said visas and their extension shall be accordance with the policy determined by the Secretary of Justice. The Secretary of Justice may refuse to grant a 47(a) (2) visa to restricted aliens.

Sec. 5. The incentives herein granted shall be financed through the programmed appropriations of the Department of Science and Technology for Assistance to Scientific Research and Development Activities with Local and Foreign Institutions, in accordance with the annual General Appropriations Act.

Sec. 6. The Department of Science and Technology shall administer this Program and shall issue the implementing rules in consultation with the appropriate agencies to effectivity implement the Program.

Sec. 7. The Secretary of Science and Technology may call on the heads of any of the departments, agencies and bureaus, including government-owned or controlled corporations, for the effective implementation of this Program.

Sec. 8. This Executive Order shall take effect immediately.

DONE, in the City of Manila, this 25th day of October in the year of Our Lord, Nineteen Hundred and Ninety-Three.

(SGD.) FIDEL V. RAMOS

By the President:

(SGD.) TEOFISTO T. GUINGONA, JR.

Executive Secretary

TECHNOLOGY TRANSFER

REPUBLIC ACT NO. 10055

AN ACT PROVIDING THE FRAMEWORK AND SUPPORT SYSTEM FOR THE OWNERSHIP, MANAGEMENT, USE, AND COMMERCIALIZATION OF INTELLECTUAL PROPERTY GENERATED FROM RESEARCH AND DEVELOPMENT FUNDED BY GOVERNMENT AND FOR OTHER PURPOSES

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

ARTICLE I

TITLE, DECLARATION OF POLICY AND OBJECTIVE, SCOPE AND OTHER GENERAL PROVISIONS

Section 1. *Short Title.* - This Act shall be known as the "Philippine Technology Transfer Act of 2009".

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Section 2. *Declaration of Policies and Principles.* - The State fully recognizes that science, technology and innovation are essential for national development and progress. It shall, therefore, give priority to research and development, invention, innovation and their utilization. It shall also encourage the widest and most systematic participation of all stakeholders in policy-making related to science and technology, and in the generation, transfer and utilization of intellectual property, especially for the benefit of the general public.

The State shall facilitate the transfer and promote the utilization of intellectual property for the national benefit and shall call upon all research and development institutes and/or institutions (RDIs) that perform government-funded research and development (R&D) to take on technology transfer as their strategic mission and to effectively translate results of government-funded R&D into useful products and services that will redound to the benefit of Filipinos, notwithstanding the income generated from intellectual property rights (IPRs) and technology transfer activities.

The State acknowledges that the successful transfer of government-funded R&D results depend on the proper management of intellectual property, development of capacity by RDIs to become self-sustaining and competitive, and on enhancing interaction and cooperation with the private sector, particularly small and medium enterprises through collaborative and contract research based on equitable, fair access, and mutual benefit for all involved partners.

The State shall establish the means to ensure greater public access to technologies and knowledge generated from government-funded R&D while enabling, where appropriate, the management and protection of related intellectual property.

Section 3. *Objective.* - This Act aims to promote and facilitate the transfer, dissemination, and effective use, management, and commercialization of intellectual property, technology and knowledge resulting from R&D funded by the government for the benefit of national economy and taxpayers.

Section 4. *Definition of Terms.* - For purposes of this Act:

(a) "*Intellectual Property (IP)*" is the term used to describe intangible assets resulting from the creative work of an individual or organization. IP also refers to creations of the mind, such as inventions, literary and artistic works, and symbols, names, images and designs used in commerce.

(b) "*Intellectual Property Rights (IPRs)*" refer to those rights recognized and protected in Republic Act No. 8293, otherwise known as the "Intellectual Property Code of the Philippines".

(c) "*Potential IPRs*" refer to intellectual property, or the products of creation and research that form the subject matter of IPRs, but which are not yet protected by the statutory grant of IP rights.

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(d) "*Protection of IPs*" refers to the statutory grant of rights upon which the basis of enforcing the right rests, such as issuance of patents; registration of utility models, industrial designs, and trademarks or availment of protection of undisclosed information and other rights as may be provided by law. "Protected IPs", therefore may refer to issued or pending patents; registered utility models, industrial designs and trademarks.

(e) "*IP Code*" refers to Republic Act No. 8293, otherwise known as the "Intellectual Property Code of the Philippines".

(f) "*Intellectual Property Rights Management*" refers to the principles, mechanisms and processes involved in the identification, assessment, protection, utilization and enjoyment of intellectual property rights.

(g) "*Government Funding Agency (GFA)*" refers to any government agency or instrumentality, or government-owned and/or -controlled corporation that provides research grants and other technical and material support, from government appropriations and resources and those sourced from government-managed Official Development Assistance (ODA) funds.

(h) "*Parent Agency*" refers to the Department or agency, which exercises the power of control or supervision over the GFAs, RDIs or RDI acting as the GFA itself. In general, where multiple GFAs are involved, the department or agency, which has the largest financial contribution, shall be deemed as the parent agency, except as may otherwise be specifically provided by this Act.

(i) "*Research and Development Institute or Institution (RDI)*" refers to a public or private organization, association, partnership, joint venture, higher education institution or corporation that performs R&D activities and is duly registered and/or licensed to do business in the Philippines, or otherwise with legal personality in the Philippines. In the case of private RDIs, they shall be owned solely by the citizens of the Philippines or corporations or associations at least sixty per centum (60%) of the capital of which is owned by such citizens. This does not include RDIs covered by international bilateral or multilateral agreements.

(j) "*Research Funding Agreement*" refers to a contract entered into by and among the GFA and other funding agencies and the RDI. It governs ownership of IP, duties and responsibilities of GFAs and RDIs, technology disclosure, exclusivity of the license, use for commercialization, establishment of spin-off firms, technologies for research use, and sharing of income and benefits from technology commercialization.

(k) "*Research Agreement*" refers to a contract entered into by RDIs and researchers, including the agreements between the RDI and collaborating RDIs.

(l) "*Researcher*" refers to a natural person who is engaged by the RDI by employment or other contract, to conduct research with or for the RDI.

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(m) "*Spin-off firm or company*" refers to a juridical entity that is an independent business technology taker with a separate legal personality from the GFA, RDI and researcher created through the initiative of the researcher-employee who generated the technology.

(n) "*Technology*" refers to knowledge and know-how, skills, products, processes, and/or practices.

(o) "*Technology transfer*" refers to the process by which one party systematically transfers to another party the knowledge for the manufacture of a product, the application of a process, or rendering of a service, which may involve the transfer, assignment or licensing of IPRs.

(p) "*Commercialization*" refers to the process of deriving income or profit from a technology, such as the creation of a spin-off company, or through licensing, or the sale of the technology and/or IPRs.

(q) "*Revenue*" refers to all monetary and non-monetary benefits derived as a result of the development, production, transfer, use and/or commercialization of IPRs, including income from assignments and royalties from licenses.

(r) "*Research and Development (R&D)*" refers to creative work undertaken on a systematic basis in order to increase the stock of knowledge, including knowledge of man, culture and society, and to use this stock of knowledge to devise new applications.

Section 5. *Coverage.* –

(a) All R&D activities carried out on behalf and for the interest of the Philippine government by RDIs receiving grants directly from the GFAs:

(b) All intellectual property rights derived from R&D activities funded by government;

(c) All government agencies that fund R&D activities as well as provide financial, technical or material support to such R&D activities; and

(d) All institutions that implement government funded R&D.

ARTICLE II

INTELLECTUAL PROPERTY OWNERSHIP

Section 6. *Ownership of Intellectual Property and Intellectual Property Rights.* - The ownership of IPs and IPRs shall be governed by the following:

(a) In recognition of the fact that RDIs are in a better position to identify the potential for economic utilization of IPs and IPRs subject to their possession of the right skills and management capability, the ownership of IPs and IPRs derived and generated from research funded by the GFA, whether such funding is in whole or in part, shall, in general, be vested in the RDI that actually performed the research, except in any of the following circumstances:

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- (1) When the RDI has entered into a public, written agreement sharing, limiting, waiving or assigning its ownership of the IPs or IPRs generated from its research in favor of the GFA: Provided, That the same may only be voluntarily executed by the RDI to protect public interest, and in particular involves national security, nutrition, health, or the development of other vital sectors;
- (2) In case of failure of the RDI to disclose potential IPRs to the GFA, whereupon the GFA shall assume the rights to the potential IPR;
- (3) In case of failure of the RDI to initiate the protection of potential IPRs within a reasonable time from confidential disclosure to the GFA, which shall in no case exceed three (3) months from public disclosure, whereupon the GFA shall assume the rights to the potential IPR; and
- (4) In case the RDI ceases to become a Filipino corporation as defined in Article I, Section 4(i) of this Act.

(b) In case of collaborative research where two (2) or more RDIs conducted the research funded by the GFA, the RDIs shall own the IPRs jointly or as otherwise stipulated in the research agreement between them: Provided, That any research agreement between RDIs and other funding entities shall be made with the full knowledge of the GFA: Provided, further, That the agreement shall strictly be in accordance with the provisions of this Act.

(c) Nothing in this Article shall modify, amend, derogate or prejudice IPs that will be owned by employees of the RDIs under the IP Code and other existing laws.

ARTICLE III

RIGHTS AND RESPONSIBILITIES OF THE GOVERNMENT FUNDING AGENCIES AND RESEARCH AND DEVELOPMENT INSTITUTES OR INSTITUTIONS

Section 7. *Rights and Responsibilities of a Government Funding Agency.* - Under this Act, the GFA shall:

(a) Protect government interest in the IPs and IPRs generated from the R&D that it funded through suitable provisions in the research funding agreement. The GFA is authorized to withhold from public disclosure, for a reasonable time, any information relating to potential IPR of the RDI, to allow the RDI to pursue full protection of such IPR;

(b) Monitor efforts and effectiveness of the RDI in securing IP protection and pursuing IP commercialization, as well as provide alternative solutions and assistance in case of shortfall in the RDFs performance in protecting, utilizing and commercializing the IP;

(c) Ensure adequate freedom to use the IP for further research to expand the knowledge frontier and requirements for publication of information as appropriate in accordance with government policy or academic policy, or institutional mandate of the RDI; and

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(d) Allow sharing of revenues from IP commercialization in a way that is not onerous to commercialization: Provided, That when the GFA assumes commercialization of the IPs, it shall, subject to existing laws requiring transparency and accountability, the Commission on Audit (COA) Rules and Regulations and as required under Article IX, Section 20 of this Act, be allowed to directly negotiate agreements for the commercialization of IPs: Provided, further, That it shall obtain a written recommendation from the Secretary of the Department of Science and Technology (DOST) and secure a fairness opinion report from an independent third party body composed of experts from the public and private sectors as may be determined by the DOST.

The fairness opinion report shall contain a statement expressing the opinion of the body as to the fairness to the GFA of the proposed transaction, particularly its financial terms. The report shall include, but not be limited to, a review and analysis of the proposed transaction, financial statements, industry information, economic conditions and assumptions used therein and a comparison of similar transactions: Provided, however, That it shall not be precluded from resorting to other modes of commercialization as allowed by all applicable laws.

Section 8. *Rights and Responsibilities of the RDIs.* - The following are the rights and responsibilities of the RDIs that availed of research funds from GFAs:

(a) Identify, protect, and manage the IPs generated from R&D funded by the GFA and pursue commercial exploitation diligently as a required performance stipulated in the research funding agreement and as allowed by this Act and other applicable laws.

In case of commercialization by public RDIs, it shall, subject to existing laws requiring transparency and accountability, the COA Rules and Regulations and as required under Article IX, Section 20 of this Act, be allowed to directly negotiate agreements for the commercialization of IPs: Provided, That it shall obtain a written recommendation from the Secretary of the DOST and secure a fairness opinion report from an independent third party body composed of experts from the public and private sectors as may be determined by the DOST.

The fairness opinion report shall contain a statement expressing the opinion of the body as to the fairness to the RDI of the proposed transaction, particularly its financial terms. The report shall include, but must not be limited to, the provisions in Section 7(d), Paragraph 2: Provided, however, That it shall not be precluded from resorting to other modes of commercialization as allowed by all applicable laws.

The responsibility of the RDI to protect any potential IPRs shall also apply in the event that the RDI elects to recover ownership of the potential IPRs that have been vested in the GFA under Section 7 of this Act;

(b) Provide a means for addressing any shortfall of its performance in utilizing and commercializing the IP;

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- (c) Notify the GFA within a reasonable time of all I PR applications, licenses and assignments made. All applications for IP protection shall disclose any biodiversity and genetic resource, traditional knowledge, and indigenous knowledge, systems and practices as these terms are defined in Republic Act No. 8371 or the Indigenous Peoples Rights Act and Republic Act No. 9147 or The Wildlife Act;
- (d) Report annually to the GFA on the progress of IP and/or IPR commercialization efforts and of all agreements entered and licenses granted;
- (e) Keep account of revenues and payments to the GFA if required in the research funding agreement;
- (f) Ensure that they have access to the skills and management capability to effectively perform their responsibilities of owning, managing, and exploiting the IP or IPRs. Smaller RDIs that may need external advice are encouraged to pool and share resources;
- (g) Accord their staff with incentives consistent with existing laws to sustain efforts in identifying valuable IP and in pursuing IP commercialization;
- (h) Be authorized, within a reasonable time, to keep confidential from the public any document or information relating to potential IPRs that are not yet fully protected by law;
- (i) Make a confidential disclosure to the GFA, within a reasonable time, of any potential IPRs with possibilities for commercialization and/or technology transfer. In case of failure to disclose any such potential IPRs, Section 6 of this Act shall apply;
- (j) Inform the GFA of any agreement pertaining to the research funded by the GFA and entered into by the RDI with any other entity or person. Failure to comply with the duty to inform shall render the agreement invalid as against the GFA, but in no case shall it prejudice any right of the GFA as provided in this Act; and
- (k) When necessary, create and establish spin-off companies to pursue commercialization subject to their respective mandates as allowed by law.

ARTICLE IV

MANAGEMENT OF IPS FROM R&D PERFORMED BY GOVERNMENT RDIS THROUGH THEIR OWN BUDGET

Section 9. *Responsibilities of RDIs Performing R&D with their Own Budget.*

- All government RDIs performing R&D through an annual budget provided by the government shall submit intellectual property management reports annually to the national government agencies where they are attached. The report shall contain plans for securing protection on IPs with commercial promise, the technology transfer approaches to be pursued, and the progress of ongoing commercialization of technologies derived from R&D funded from their own budget.

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Section 10. *Responsibilities of the Concerned National Government Agencies.*

- Concerned government and/or parent agencies shall monitor efforts and effectiveness of their RDIs in securing IP protection and pursuing IP commercialization, based on the annual IP management reports submitted by the RDIs.

ARTICLE V

REVENUE SHARING

Section 11. *Revenue Sharing.* - All revenues from the commercialization of IPs and IPRs from R&D funded by GFAs shall accrue to the RDI, unless there is a revenue sharing provision in the research funding agreement: Provided, That in no case will the total share of the GFAs be greater than the share of the RDI: Provided, further, That in case of joint funding, where research is funded by a GFA in part, and by other entity or entities in part, the RDI may enter into contractual agreements with the other entity or entities providing funding.

Sharing of revenues between RDI and researcher shall be governed by an employer-employee contract or other related agreements, without prejudice to the rights of researchers granted under Republic Act No. 8439 or the "Magna Carta for Scientists, Engineers, Researchers, and other S&T Personnel in the Government".

ARTICLE VI

COMMERCIALIZATION BY THE RESEARCHER AND ESTABLISHMENT OF SPIN-OFF FIRMS

Section 12. *Commercialization by Researchers.* - In meritorious cases and to help ensure successful commercialization, an RDI shall allow its researcher-employee to commercialize or pursue commercialization of the IP and/or IPRs generated from R&D funded by the GFA by creating, owning, controlling, or managing a company or spin-off firm undertaking commercialization, or accepting employment as an officer, employee, or consultant in a spin-off firm undertaking such commercialization: Provided, That the concerned researcher-employee takes a leave of absence, whenever applicable, for a period of one (1) year and renewable for another year, for a total period not exceeding two (2) years, from the time the researcher signifies in writing that he/she desires to create or participate in a spin-off company: Provided, however, That the researcher-employee may still be allowed access to the RDIs' laboratory facilities, subject to reasonable fees and regulations which the RDIs may impose.

The leave of absence shall be included in computing the length of service for retirement but not for the commutation of leave credits earned in the public RDI. The researcher shall not earn leave credits in the public RDI during such period of leave of absence. Such leave of absence shall not likewise affect the researcher-employee's security of tenure or result in the loss of one's seniority rights.

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Section 13. *Detail or Secondment to the Private Sector.* - In case where the researcher of a public RDI would be employed by an existing company, which will pursue the commercialization, the applicable provisions of Republic Act No. 8439 or the "Magna Carta for Scientists, Engineers, Researchers and other S&T Personnel in the Government" shall prevail.

Section 14. *Management of Conflict of Interest.* - The RDIs shall properly manage any possible conflict of interest by adopting appropriate guidelines for its researcher-employee. The guidelines for handling of such conflicts shall include, but are not limited to, the following:

(a) RDIs shall ensure that its researchers are made fully accountable for their research and that commercial objectives do not divert them from carrying out the RDI's core research program;

(b) Heads of RDIs should ensure that where researchers have any direct or indirect financial interest in a spin-off company; they shall not act on behalf of the RDI in transactions with that company;

(c) Where researchers of RDI are nominated as non-executive directors to the Board of a spin-off company or existing company in which the same RDI holds an equity stake, they should have a clear duty to ensure that the RDI's interests are not compromised by their role; and

(d) RDIs should take steps to ensure that collaborative undertaking with a spin-off or existing company is governed by a formal written public agreement.

ARTICLE VII

USE BY GOVERNMENT, COMPULSORY LICENSING AND ASSUMPTION OF POTENTIAL IPRS

Section 15. *Use by Government or Third Person Authorized by Government and/or Compulsory Licensing.* - This Act shall adopt the grounds, terms and conditions for the use by government or third person authorized by government, and/or compulsory licensing as stated in the IP Code of all IPRs generated under this Act.

Section 16. *Assumption of Ownership of Potential IPRs.* - The GFA and/or the parent agency may assume ownership of any potential IPRs in cases of national emergency or other circumstances of extreme urgency, or where the public interest requires, and in particular concerns for national security, nutrition, health, or the development of other vital sectors of the national economy, as determined by the head of the parent agency. Such determination shall be made within thirty (30) days after the receipt of the recommendation of the Head of the GFA. Such recommendation shall be made within thirty (30) days upon the discovery of the potential IPR by the GFA or the disclosure of the same by the RDI pursuant to Section 8(c) of this Act, or upon written notice or petition by other government agencies, or other interested persons. In cases where the parent agency itself is acting as the GFA, the Head of the parent agency may make such determination motu

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proprio, or upon written notice or petition by other government agencies or other interested parties. The right to the potential IPR shall be assumed by the GFA upon written order, declaration or determination by the Department Secretary or Head of the parent agency. The department or the agency that has functional jurisdiction over the technology or IPRs shall be deemed as the parent agency,

The determination by the Secretary or the Head of the parent agency of cases falling under the first paragraph of the right to the potential IPR to be vested to the GFA and/or parent agency shall be subject to the following conditions:

(a)The determination must be accompanied by an analysis and justification of such reason(s);

(b)The RDI may file with the Secretary or Head of the parent agency an opposition to such determination within fifteen (15) calendar days from notice or publication of the written determination;

(c)The assumption of the rights to the potential IPR by the GFA shall carry with it the obligation to equitably share with the RDI or other funding agencies any profits generated from the IPR; and

(d)The rights to the potential IPR shall revert to the RDI upon the cessation of the existence of the cases under this section as determined by the Secretary or Head of the parent agency motu proprio or by petition of the RDI.

Section 17. Except where otherwise provided by the IP Code, in all cases arising from the implementation of this article, no court, except the Supreme Court of the Philippines, shall issue any temporary restraining order or preliminary injunction or such other provisional remedies that will prevent its immediate execution.

ARTICLE VIII

USE OF INCOME AND ESTABLISHMENT AND MAINTENANCE OF REVOLVING FUND FOR R&D AND TECHNOLOGY TRANSFER

Section 18. *Use of Income and Revolving Fund.* - Public RDIs undertaking technology transfer shall be vested with the authority to use its share of the revenues derived from commercialization of IP generated from R&D funded by GFAs. All income generated from commercialization of IPs and/or IPRs from R&D funded by public funds shall be constituted as a revolving fund for use of the RDI undertaking technology transfer, deposited in an authorized government depository bank subject to accounting and auditing rules and regulations: Provided, That said income shall be used to defray intellectual property management costs and expenses and to fund R&D, science and technology capability building, and technology transfer activities, including operation of technology licensing offices: Provided, further, That no amount of said income shall be used for payment of salaries and other allowances.

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In case the income after payment of all costs and expenses for IPR management, including the payment of royalties to other parties, shall exceed ten percent (10%) of the annual budget of the RDI, a minimum of seventy percent (70%) of the excess income shall be remitted to the Bureau of Treasury: Provided, That this shall apply only if the GFA has solely funded the research: Provided, finally, That this paragraph shall not apply to state universities and colleges and government-owned and -controlled corporations, which enjoy fiscal autonomy under their respective charters or other applicable laws.

ARTICLE IX

INSTITUTIONAL MECHANISM

Section 19. *Establishment of Technology Information Access Facility and Public Access Policy.* - The DOST shall establish a system for the cost-effective sharing of and access to technologies and knowledge generated from government-funded R&D by developing appropriate policies and procedures on public access which shall be made known to the public. These policies and procedures shall be aimed at promoting the advancement of R&D, boosting its quality and enabling cross-disciplinary collaboration, and thereby, increasing the returns from public investment in R&D and contribute to the betterment of society. The DOST shall call for a regular national conference of all GFAs and RDIs in order to: (a) promote multi-disciplinary, joint, and cross collaboration in R&D; (b) coordinate and rationalize the R&D agenda; and (c) harmonize all R&D agenda and priorities.

Section 20. *Development of Internal IP Policies and Establishment of Technology Licensing Offices (TLOs) and/or Technology Business Development Offices.* - All RDIs are encouraged to establish their own TLOs in whatever form and to adopt their own policies on IPR management and technology transfer, in accordance with this Act and other existing laws and in support of the policies of the Intellectual Property Office Philippines and the national policy and the mandate of their parent agency.

Section 21. *Capacity-Building and Guidelines on IP Commercialization.* - The Department of Science and Technology (DOST), the Department of Trade and Industry (DTI) and the Intellectual Property Office (IPO), in consultation with the GFAs such as the Commission on Higher Education (CHED), the Department of Agriculture (DA), the Department of Health (DOH), the Department of Energy (DOE), the Department of Environment and Natural Resources (DENR), and the Department of National Defense (DND), shall undertake activities geared towards building the capacity of the GFAs and RDIs in commercializing IPs. The DOST as chair and convener, together with the DTI and the IPO shall jointly issue the necessary guidelines on IP valuation, commercialization, and information sharing, which may include, but not be limited to, the following considerations: public benefit and national interest, market size, cost and income. These guidelines shall be issued within one hundred twenty (120) days from the date of effectivity of this Act.

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ARTICLE X

DISPUTE RESOLUTION

Section 22. The administrative procedure for resolving any disputes on the determination for government ownership shall be provided by the Implementing Rules and Regulations (IRR) of this Act.

ARTICLE XI

MISCELLANEOUS, TRANSITORY AND FINAL PROVISIONS

Section 23. *Administrative, Criminal or Civil Liability.* - The failure of the GFA or RDI to fulfill its responsibilities under this Act, or the violation of any provision by any person, natural or juridical, shall subject the person involved to appropriate administrative, criminal, or civil liability, under applicable laws.

Section 24. *Congressional Oversight Committee.* - For the effective implementation of this Act, there shall be a Congressional Oversight Committee, hereinafter referred to as the Technology Transfer Oversight Committee, to be composed of five (5) members from the Senate, which shall include the Chairpersons of the Senate Committees on Science and Technology, and Trade and Commerce, and five (5) members from the House of Representatives, which shall include the Chairpersons of the House Committees on Science and Technology and Trade and Industry. The Technology Transfer Oversight Committee shall be jointly chaired by the Chairpersons of the Senate and House of Representatives Committees on Science and Technology. The Vice-chair of the Oversight Committee shall be jointly held by the Chairpersons of the Senate Committee on Trade and Commerce and the House of Representatives Committee on Trade and Industry.

Section 25. *Funding.* - The activities and operational expenses related to the implementation of this Act shall be funded from the budget appropriations and other incomes of GFAs and public RDIs. The Heads of the GFAs and public RDIs shall include in the agency's program the implementation of this Act. The COA shall exercise its auditing authority over the funds of the GFAs and public RDIs in order to ensure transparency and accountability.

Section 26. *Implementing Rules and Regulations.* - Except where otherwise indicated, the DOST and the IPO, with the participation of GFAs, RDIs, and other stakeholders, shall formulate the IRR for the effective implementation of this Act. The DOST Secretary shall chair the drafting committee. The IRR shall be issued within one hundred twenty (120) days after the effectivity of this Act. Copies of the IRR shall be submitted to the Committees on Science and Technology of both Houses of Congress within thirty (30) days after its promulgation, as well as to other appropriate agencies as may be required by law.

Nothing in the IRR shall derogate ownership of any copyright as conferred by the IP Code or other applicable laws. The IPO shall issue the necessary rules and regulations governing the ownership of copyrights as conferred by the IP Code or

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other applicable laws: Provided, That such IRR are consistent with the objectives of this Act. The IPO shall also issue the IRR to implement the disclosure requirements stated in Section 8.

Section 27. *Applicability to Intellectual Property Created Under Existing Laws.* - The provisions of this Act shall likewise apply to intellectual property created under existing laws, including, among others, Republic Act No. 9168 or the "Philippine Plant Variety Protection Act of 2002".

Section 28. *Repealing Clause.* - All laws, presidential decrees, executive orders, presidential proclamations, rules and regulations or part thereof which may be contrary to or inconsistent with this Act are hereby repealed or modified accordingly.

Section 29. *Separability Clause.* - If any provision of this Act is declared unconstitutional, the same shall not affect the validity and effectivity of the other provisions hereof.

Section 30. *Effectivity.* - This Act shall take effect fifteen (15) days after its complete publication in two (2) newspapers of general circulation.

Approved: MAR 23 2010

(Sgd.) **GLORIA MACAPAGAL-ARROYO**
President of the Philippines

JOINT DOST-IPO ADMINISTRATIVE ORDER NO. 02-2010 THE IMPLEMENTING RULES AND REGULATIONS OF REPUBLIC ACT NO. 10055

WHEREAS, Republic Act No. 10055, otherwise known as the "Philippine Technology Transfer Act of 2009", became effective on May 8, 2010;

WHEREAS, the Department of Science and Technology and the Intellectual Property Office are mandated to issue and promulgate the rules and regulations to implement the provisions of Republic Act No. 10055;

NOW THEREFORE, the following Joint Administrative Order covering the Rules and Regulations implementing Republic Act No. 10055 are hereby promulgated, adopted and prescribed for the information and guidance of all concerned.

CHAPTER I

DECLARATION OF POLICY AND OBJECTIVE, SCOPE AND OTHER GENERAL PROVISIONS

RULE 1. *Declaration of Policies and Principles.* – The State fully recognizes that science, technology and innovation are essential for national development and progress. It shall, therefore, give priority to research and development, invention, innovation and

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their utilization. It shall also encourage the widest and most systematic participation of all stakeholders in policy-making related to science and technology, and in the generation, transfer and utilization of intellectual property, especially for the benefit of the general public.

The State shall facilitate the transfer and promote the utilization of intellectual property for the national benefit and shall call upon all research and development institutes and/or institutions (RDIs) that perform government- funded research and development (R&D) to take on technology transfer as their strategic mission and to effectively translate results of government-funded R&D into useful products and services that will redound to the benefit of Filipinos, notwithstanding the income generated from intellectual property rights (IPRs) and technology transfer activities.

The State acknowledges that the successful transfer of government-funded R&D results depend on the proper management of intellectual property, development of capacity by RDIs to become self-sustaining and competitive, and on enhancing interaction and cooperation with the private sector, particularly small and medium enterprises through collaborative and contract research based on equitable, fair access, and mutual benefit for all involved partners.

The State shall establish the means to ensure greater public access to technologies and knowledge generated from government-funded R&D while enabling, where appropriate, the management and protection of related intellectual property.

The State recognizes that an effective intellectual and industrial property system is vital to the development of domestic and creative activity, facilitates transfer of technology, attracts foreign investments, and ensures market access for our products.

RULE 2. *Objective.* – These Rules and Regulations are promulgated to implement the State policies and objectives under the Act which aims to promote and facilitate the transfer, dissemination, and effective use, management, and commercialization of intellectual property, technology and knowledge resulting from research and development funded by the government for the benefit of national economy and taxpayers.

RULE 3. *Definition of Terms.* – For purposes of these Implementing Rules and Regulations, the following terms are defined as follows:

- (a) “Act” refers to Republic Act No. No. 10055.
- (b) “Author” refers to the natural person who has created the work.
- (c) “Biodiversity” refers to biological diversity which means the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems.
- (d) "Commercialization" refers to the process of deriving income or profit from a technology, such as the creation of a spin-off company, or through licensing, or the sale of the technology and/or IPRs.

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- (e) "Genetic Material" refers to any material of plant, animal, microbial or other origin containing functional units of heredity.
- (f) "Genetic Resources" refers to any genetic material of actual or potential value.
- (g) "Government Funding Agency (GFA)" refers to any government agency or instrumentality, or government owned and/or controlled corporation that provides research grants and other technical and material support, from government appropriations and resources and those sourced from government-managed Official Development Assistance (ODA) funds.
- (h) "Indigenous Knowledge Systems and Practices" refer to systems, institutions, mechanisms, and technologies comprising a unique body of knowledge evolved through time that embody patterns of relationships between and among peoples and between peoples, their lands and resource environment, including such spheres of relationships which may include social, political, cultural, economic, religious spheres, and which are the direct outcome of the indigenous peoples, responses to certain needs consisting of adaptive mechanisms which have allowed indigenous peoples to survive and thrive within their given socio-cultural and biophysical conditions.
- (i) "Intellectual Property (IP)" is the term used to describe intangible assets resulting from the creative work of an individual or organization. IP also refers to creations of the mind, such as inventions, literary and artistic works, and symbols, names, images, and designs used in commerce. IP can also refer to future tangible and/or intangible assets that may be recognized as intellectual property.
- (j) "Intellectual Property Rights (IPRs)" refer to those rights recognized and protected in Republic Act No. 8293, otherwise known as the "Intellectual Property Code of the Philippines", as amended. IPRs shall also include Plant Variety Protection as the term is defined under Title II, Sec 3(j) of Republic Act No. 9168.
- (k) "Intellectual Property Rights Management" refers to the principles, mechanisms and processes involved in the identification, assessment, protection, utilization and enjoyment of intellectual property rights.
- (l) "IP Code" refers to Republic Act No. 8293, otherwise known as the "Intellectual Property Code of the Philippines", as amended.
- (m) "Official Development Assistance Fund" refers to: a) a loan; or, b) loan and grant; or, c) grant which follow all the criteria under the R.A. No. 8182, otherwise known as the "Official Development Assistance Act of 1996", and other existing laws.
- (n) "Parent Agency" refers to the Department or agency, which exercises the power of control or supervision over the GFAs, RDI's or RDI acting as the GFA itself. In general, where multiple GFAs are involved, the department or agency, which has the largest financial contribution, shall be deemed as the parent agency, except as may otherwise be specifically provided by the Act.
- (o) "Potential IPRs" refer to intellectual property, or the products of creation and research that form the subject matter of IPRs, but which are not yet protected by the statutory grant of IP rights.

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- (p) "Protection of IPs" refers to the statutory grant of rights upon which the basis of enforcing the right rests, such as issuance of patents; registration of utility models, industrial designs, and trademarks or availment of protection of undisclosed information and other rights as may be provided by law. "Protected IPs", therefore may refer to issued or pending patents; registered utility models, industrial designs, and trademarks. In the case of pending patent applications that have already been published under Sec 44 of RA 8293 such pending patent application will still be considered as potential IPRs. In the same manner, pending applications for Plant variety protection that have also been published under Sec 42 of R.A. No. 9168 will still be considered as potential IPRs.
- (q) "RA" refers to Republic Act.
- (r) "Research and Development (R&D)" refers to creative work undertaken on a systematic basis in order to increase the stock of knowledge, including knowledge of man, culture and society, and to use this stock of knowledge to devise new applications. The aforementioned creative work not only refers to work subject of copyright protection but also to all potential IPRs.
- (s) "Research and Development Institute or Institution (RDI)" refers to a public or private organization, association, partnership, joint venture, higher education institution or corporation that performs R&D activities and is duly registered and/or licensed to do business in the Philippines, or otherwise with legal personality in the Philippines. In the case of private RDIs, they shall be owned solely by the citizens of the Philippines or corporations or associations at least sixty per centum of the capital of which is owned by such citizens. This does not include RDIs covered by international bilateral or multilateral agreements.
- (t) "Research Agreement" refers to a contract entered into by RDIs and researchers, including the agreements between the RDI and collaborating RDIs.
- (u) "Research Funding Agreement" refers to a contract entered into by and among the GFA and other funding agencies and the RDI. It governs ownership of IP, duties and responsibilities of GFAs and RDIs, technology disclosure, exclusivity of the license, use for commercialization, establishment of spin-off firms, technologies for research use, and sharing of income and benefits from technology commercialization. The Research Funding Agreement may also include instances where private funds are involved together with government funds. The Research Funding Agreement shall also be referred to as RFA in these Rules. The term other funding agencies may include private entities.
- (v) "Researcher" refers to a natural person who is engaged by the RDI by employment or other contract, to conduct research with or for the RDI.
- (w) "Revenue" refers to all monetary and non-monetary benefits derived as a result of the development, production, transfer, use and/or commercialization of IPRs, including income from assignments, and royalties from licenses.
- (x) "Rules" refers to these Implementing Rules and Regulations for RA No. 10055.

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- (y) "Spin-off firm or company" refers to a juridical entity that is an independent business technology taker with a separate legal personality from the GFA, RDI and researcher created through the initiative of the researcher-employee who generated the technology.
- (z) "Technology" refers to knowledge and know-how, skills, products, processes, practices, inventions and/or innovations.
- (aa) "Technology Licensing Officer / Office and/or Technology Business Development Office" refers to a person or persons or an office that is mandated by the RDI to manage technology transfer and/or intellectual property commercialization activities.
- (bb) "Technology Transfer" refers to the process by which one party systematically transfers to another party the knowledge for the manufacture of a product, the application of a process, or rendering of a service, which may involve the transfer, assignment or licensing of IPRs.
- (cc) "Technology Transfer Protocol" refers to policies, strategies and processes or procedures, which RDIs adopt to identify, protect, manage and commercialize IPs and/or IPRs and undertake technology transfer activities. These include, but are not limited to, the following:
 - i. Policies and procedures governing incentives to researchers to produce and to disclose IP derived and generated from publicly funded research and development to the RDI including the sharing of revenues between the RDI and its researchers as provided under these Rules;
 - ii. Policies and procedures for evaluating and processing invention and other IP disclosures in order to determine (1) who shall be recognized as the inventor(s), author(s), creator(s) of the IP and who will therefore be entitled to a share in revenues as provided under the Act and these Rules including mechanisms for resolving disputes on inventorship, authorship and creatorship and revenue sharing; (2) patentability/registrability; (3) commercial potential of IP; and (4) the most efficient mode for protecting and commercializing or transferring the IP;
 - iii. Policies and procedures for determining meritorious cases in which a researcher-employee can commercialize or pursue commercialization or participate in spin-off companies;
 - iv. Appropriate guidelines for the management of conflict of interest between the RDIs and the researcher-employee;
 - v. Policies and procedures governing trade secrets and other similar confidential information pursuant to the objectives of these Rules;
 - vi. The employer-employee contract and all other related agreements shall contain, but shall not be limited to, the following: duties and responsibilities of the parties, membership

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of the research team, degree of involvement of the researchers and the support staff, ownership of IP, sharing of monetary and non-monetary benefits, technology disclosure and management of conflict of interest.

- (dd) “Traditional Knowledge” refers to knowledge, innovations and practices of indigenous and local communities embodying traditional lifestyles relevant for the conservation and sustainable use of biological diversity.
- (ee) “Work”, “Works”, “works” or “work” refer to original intellectual creations in the literary or artistic domain protected from the moment of their creation and shall include, among others: (1) books, pamphlets, articles and other writings; (2) lectures, sermons, addresses, dissertations for oral delivery; (3) works of drawing, painting, architecture, sculpture and engraving; (4) original ornamental designs or models for articles of manufacture; (5) illustrations, maps, plans, sketches, charts and threedimensional works relative to geography, topography, architecture and science; (6) drawings or plastic works of scientific or technical character; (7) photographic works including works produced by a process analogous to photography; (8) audiovisual works and cinematographic works and works produced by a process analogous to cinematography or any process for making audiovisual recordings; (8) computer programs; and (9) other literary, scholarly, scientific, and artistic works. Derivative works which are protected under Sec. 173 of the Intellectual Property Code are also included.

RULE 4. Coverage. – The following are covered by these Rules:

- (a) All R&D activities carried out on behalf and for the interest of the Philippine Government by RDIs receiving grants directly from GFAs;
- (b) All intellectual property rights derived from R&D activities funded by government;
- (c) All government agencies that fund R&D activities as well as provide financial, technical or material support to such R&D activities; and
- (d) All institutions that implement government funded R&D.

CHAPTER II

INTELLECTUAL PROPERTY OWNERSHIP

RULE 5. Ownership of Intellectual Property and Intellectual Property Rights.

– The ownership of IPs and IPRs shall be governed by the following:

- (a) In recognition of the fact that RDIs are in a better position to identify the potential for economic utilization of IPs and IPRs subject to their possession of the right skills and management capability, the ownership of IP and IPRs derived and generated from research funded by GFA, whether such funding is in whole or in part, shall, in general, be vested in the RDI that actually performed the research, except in any of the following circumstances:

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- (1) When the RDI has entered into a public, written agreement sharing, limiting, waiving or assigning its ownership of the IPs or IPRs generated from its research in favor of the GFA; Provided, the same may only be voluntarily executed by the RDI to protect public interest, and in particular involves national security, nutrition, health, or the development of other vital sectors;
 - (2) In case of failure of the RDI to disclose potential IPRs to the GFA, whereupon the GFA shall assume the rights to the potential IPR;
 - (3) In case of failure of the RDI to initiate the protection of potential IPRs within a reasonable time from confidential disclosure to the GFA, which shall in no case exceed three (3) months from public disclosure, whereupon the GFA shall assume the rights to the potential IPR. An RDI is deemed to have initiated protection of potential IPRs upon the filing of an application for IP protection with the duly authorized local or international government agency or entity in charge of the statutory grant of IPRs. Public disclosure shall mean that the IP was disclosed by the researcher to any third person or entity and such disclosure was made in a manner sufficiently clear and complete for it to be carried out by a person skilled in the art;
 - (4) In case the RDI ceases to become a Filipino corporation as defined in Article I, Section 4 (i) of the Act and these Rules, the GFA shall assume rights to the potential IPRs. This nationality requirement shall also apply to RDIs that are organized as associations, partnerships, joint ventures, higher education institutions or other analogous and similar organizations; and
 - (5) In case the funding is sourced from ODA loan or loan and grant or grant, the terms and conditions thereof should be respected.
- (b) In case of collaborative research where two (2) or more RDIs conducted the research funded by the GFA, the RDIs shall own the IPRs jointly or as otherwise stipulated in the Research Agreement between them; Provided, That any Research Agreement between RDIs and other funding entities shall be made with the full knowledge of the GFA; Provided, further, That the agreement shall strictly be in accordance with the provisions of the Act. There is full knowledge of the GFA when the RDI submits a complete and executed copy of the written agreement between the RDIs and other funding agencies

RULE 6. *Copyright Ownership.* Ownership of copyright shall be governed as follows:

Section 1. *RDI Ownership of Copyright Produced Through Public Funds* - The ownership of copyright over any work derived and generated from publicly funded research, whether the funding is in whole or in part, shall be vested in the RDI whose researcher(s) actually authored the work pursuant to the RFA. It shall therefore be the duty of the RDI to include a provision in the Research Agreement requiring the author/s of a work produced through public funds to assign copyright over said work to the RDI, and to adopt such other appropriate policies and procedures in order to comply with its obligations under the RFA. Since the government is not

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precluded from receiving and holding copyrights transferred to it by assignment, bequest or otherwise, public RDIs must require such assignment to be made in its favor in order to achieve the objectives of these Rules. This rule shall not apply in the following instances:

- (a) **No Copyright in Works of Government** - No copyright shall subsist in any work of the Government of the Philippines. The term “work of the Government of the Philippines” is a work created by an officer or employee of the Philippine Government or any of its subdivisions and instrumentalities, including government-owned or controlled corporations as part of his regularly prescribed official duties. For the purpose of this provision, and consistent with the objectives of these Rules, employees or officers of Government granted special authority to conduct research and development for a limited period are not deemed performing regularly prescribed official duties. As such, copyright exists in works created by said employees or officers. However, prior approval by the public RDI whose researcher(s) actually authored the work pursuant to the RFA shall be necessary for the commercial or for-profit use of works derived and generated from such publicly funded research. Such public RDI may, among others, impose as a condition the payment of royalties. No prior approval or conditions shall be required for the use for any purpose of statutes, rules and regulations, and speeches, lectures, sermons, addresses, and dissertations, pronounced, read or rendered in courts of justice, before administrative agencies, in deliberative assemblies and in meetings of public character. The author of speeches, lectures, sermons, addresses and dissertations mentioned above shall have the exclusive right of making a collection of his works.
- (b) A GFA may receive and hold copyrights by way of assignment under any of the following circumstances:
 - i. When the RDI to which the researcher/s have assigned copyright under Section 1 above, subsequently executes a public, written agreement sharing, limiting, waiving or assigning its copyright ownership over the work in favor of the GFA in order to protect public interest, such as when it involves national security, nutrition, health, or the development of other vital sectors.
 - ii. When the RDI fails to disclose the work to the GFA within a reasonable period of time as provided in the RFA or in the absence of such provision as provided in these Rules, in which case the GFA shall assume the copyright over the work through a written assignment to be executed by the RDI or by the latter’s researcher/s who authored the work in case no appropriate assignment has been made to the RDI under Section 1 above. It shall be the duty of the RDI to include a specific provision in the Research Agreement requiring the researcher(s) to assign copyright over their work to the GFA under this circumstance.

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- iii. When the RDI ceases to become a Filipino corporation, in which case, the GFA shall assume the copyright over the work through a written assignment to be executed by the RDI or by the latter's researcher/s who authored the work in case no appropriate assignment has been made to the RDI under Section 1 above. It shall be the duty of the RDI to include a specific provision in the Research Agreement requiring the researcher(s) to assign copyright over their work to the GFA under the circumstances mentioned in (ii) and (iii) above.

Section 2. *Joint Ownership of Copyright.* - In case of collaborative research where two (2) or more RDIs conducted the research funded by the GFA, the RDIs shall own the copyright jointly or as otherwise stipulated in the Research Agreement between them; Provided, That any Research Agreement between the RDIs and other funding entities shall be made with the full knowledge of the GFA. In the case of works of joint authorship, the co-authors shall be the original owners of the copyright, and, in the absence of agreement, their rights shall be governed by the rules on co-ownership. If a work of joint authorship consists of parts that can be used separately and the author of each part can be identified, the author of each part shall be the original owner of the copyright in the part that he has created.

Section 3. *Copyright Over Works Not Derived and Generated from Publicly Funded Research.*

- (a) Works that are not derived and generated from publicly funded research shall be excluded from the coverage of these Rules, except by the following:
 - i. The ownership of copyright over works produced pursuant to the regular duties of an employee or researcher of a private RDI shall vest in the private RDI, unless there is an agreement, express or implied, to the contrary.
 - ii. The ownership of copyright over works produced not pursuant to the regular duties of an employee or researcher of an RDI, whether public or private, shall belong to the employee or researcher who actually authored the work, even if the employee or researcher uses the time, facilities and materials of the public or private RDI where they are employed.
- (b) When the work is produced pursuant to a commissioned contract, the copyright belongs to the person who created the work, unless otherwise indicated in the contract.

RULE 7. *Existing Laws.* Nothing in this Chapter shall modify, amend, derogate or prejudice IPs that will be owned by employees of the RDIs under the IP Code and other existing laws.

RULE 8. *Recovery of Ownership.* In cases where the RDI wants to recover the ownership of the IPs and/or potential IPRs, the procedure stated in Rule 12 shall apply, mutatis mutandis.

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CHAPTER III

RIGHTS AND RESPONSIBILITIES OF THE GOVERNMENT FUNDING AGENCIES AND RESEARCH AND DEVELOPMENT INSTITUTES OR INSTITUTIONS

RULE 9. *Rights and Responsibilities of a Government Funding Agency.* – Under these Rules, the GFA shall:

- (a) Protect government interest in the IP and IPRs generated from the R&D that it funded through suitable provisions in the RFA. The GFA is authorized to withhold from public disclosure, for a reasonable time, any information relating to potential IPR of the RDI, to allow the RDI to pursue full protection of such IPR. Reasonable time shall be determined by the parties in the RFA. Where the GFA finds it necessary to make a public disclosure of information pertaining to a potential IPR because of a legal or statutory obligation, it shall issue a written notice informing the RDI of such disclosure. Such written notice must be given by the GFA to the RDI in a timely manner before the public disclosure in order to enable the RDI to contest such disclosure or to take such other appropriate steps in order to protect its rights and/or to comply with its obligations under the provisions of non-disclosure, confidentiality, materials transfer or other similar agreements. If the public disclosure by the GFA is to be made before the RDI has filed, where applicable, a national or an international application for IP protection, the GFA shall ensure that the public disclosure contains only so much information or elements about the subject matter contained in the potential IPR that a person would not be able to practice it by using the information or elements contained in the said disclosure;
- (b) The GFA shall assume the rights to the potential IPRs in case the RDI fails to disclose the potential IPRs to the GFA within the period stipulated in the RFA, or, in the absence of such stipulation, within three (3) months from the submission of the report of the potential IPRs. The GFA shall notify in writing the RDI that it is assuming the rights to the potential IPRs;
- (c) Monitor efforts and effectiveness of the RDI in securing IP protection and pursuing IP commercialization, as well as provide alternative solutions and assistance in case of shortfall in RDI's performance in protecting, utilizing and commercializing the IP. Each GFA shall issue its respective monitoring mechanisms by way of an administrative order or issuance. The monitoring mechanisms may include time-bound performance milestones that include the following: i) preparation of IP management report template; ii) semi-annual monitoring of IP development from GFA funded projects; iii) annual monitoring of IP development from RDI funded projects; and, iv) execution and implementation of pertinent forms such as, but not be limited to, nondisclosure agreements. With respect to providing alternative solutions, such solutions may include, but not be limited to, additional funding support for filing of IP applications, technical assistance in the

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preparation of the applications and other documents, provision of experts whether in-house or outsourced;

- (d) Ensure adequate freedom to use the IP for further research to expand the knowledge frontier and requirements for publication of information as appropriate in accordance with government policy or academic policy, or institutional mandate of the RDI;
- (e) Allow sharing of revenues from IP commercialization in a way that is not onerous to commercialization; and
- (f) If the GFA assumes commercialization of the IPs, it shall be subject to the provisions of Rule 11 of these Rules.

RULE 10. *Rights and Responsibilities of the RDIs.* – The following are the rights and responsibilities of the RDIs that availed of research funds from GFAs:

- (a) Identify, protect, and manage the IPs generated from R&D funded by GFA and pursue commercial exploitation diligently as a required performance stipulated in the RFA and as allowed by the Act, these Rules and other applicable laws;
- (b) Establish and strengthen its Technical Review Committee or IP Management Committee. Towards this end, all RDIs shall craft, develop and implement their respective Technology Transfer Protocols;
- (c) In case of commercialization or commercial exploitation by public RDIs, it shall be subject to the provisions of Rule 11 of these Rules;
- (d) The responsibility of the RDI to protect any potential IPRs shall also apply in the event that the RDI elects to recover ownership of the potential IPRs that have been vested in the GFA under these Rules;
- (e) Provide a means for addressing any shortfall of its performance in utilizing and commercializing the IP;
- (f) Notify the GFA within a reasonable time of all IPR applications, licenses and assignments made. All applications for IP protection shall disclose any biodiversity and genetic resource, traditional knowledge, and indigenous knowledge, systems and practices as these terms are defined in RA No. 8371 or the Indigenous Peoples Rights Act and RA No. 9147 or The Wildlife Act and these Rules;
- (g) Report annually to the GFA on the progress of IP and/or IPR commercialization efforts and of all agreements entered and licenses granted;
- (h) Keep account of revenues and payments to the GFA if required in the RFA;
- (i) Ensure that they have access to the skills and management capability to effectively perform their responsibilities of owning, managing, and exploiting the IP or IPRs. Smaller RDIs that may need external advice are encouraged to pool and share resources;
- (j) Accord their staff with incentives consistent with existing laws to sustain efforts in identifying valuable IP and in pursuing IP commercialization. The RDI should clearly identify the composition of the research team and

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- execute the corresponding Research Agreement with its researchers and staff;
- (k) Be authorized, within a reasonable time, to keep confidential from the public any document or information relating to potential IPRs that are not yet fully protected by law;
 - (l) Make a confidential disclosure to the GFA, within a reasonable time, of any potential IPRs derived from the research with possibilities for commercialization and/or technology transfer. In case of failure to disclose any such potential IPRs, the applicable provisions of Chapter II of these Rules shall apply. The confidential disclosure herein shall be made within the period stipulated in the RFA, or, in the absence of such stipulation, within three (3) months from the confidential disclosure made by the inventor, author, or creator of the IP to the RDI as provided in the Technology Transfer Protocol. The confidential disclosure shall be made in writing and shall contain the following: (i) an identification of the RFA under which the potential IPRs were made; (ii) an explanation on the possibility of commercializing, licensing or transferring the potential IPR; (iii) the names of the inventors/creators/authors; and (iv) the technical details that convey a clear understanding of the characteristics of the potential IPRs. Confidential disclosure of undisclosed information or trade secrets shall be governed by Rule 12;
 - (m) Inform the GFA of any agreement pertaining to the research funded by the GFA and entered into by the RDI with any other entity or person. Failure to comply with the duty to inform shall render the agreement invalid as against the GFA, but in no case shall it prejudice any right of the GFA as provided in these Rules; and,
 - (n) When necessary, create and establish spin-off companies to pursue commercialization subject to their respective mandates as allowed by law.

RULE 11. *Fairness Opinion Report*

Section 1. *Commercialization by the GFA.* When the GFA assumes commercialization of the IPs, it shall, subject to existing laws requiring transparency and accountability, the Commission on Audit (COA) Rules and Regulations and as required under Article IX, Section 20 of the Act, be allowed to directly negotiate agreements for the commercialization of IPs: Provided, further, That it shall obtain a written recommendation from the Secretary of the Department of Science and Technology (DOST) and secure a fairness opinion report from an independent third party body composed of experts from the public and private sectors as may be determined by the DOST.

The fairness opinion report shall contain a statement expressing the opinion of the body as to the fairness to the GFA of the proposed transaction, particularly its financial terms. The report shall include, but not be limited to, a review and analysis of the proposed transaction, financial statements, industry information, economic conditions and assumptions used therein and a comparison of similar transactions; Provided, however, That it shall not be precluded from resorting to other modes of commercialization as allowed by all applicable laws.

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Section 2. *Commercialization by Public RDIs.* In case of commercialization or commercial exploitation by public RDIs, it shall, subject to existing laws requiring transparency and accountability, the Commission on Audit (COA) Rules and Regulations and as required under Article IX, Section 20 of the Act, be allowed to directly negotiate agreements for the commercialization of IPs; Provided, That it shall obtain a written recommendation from the Secretary of the DOST and secure a fairness opinion report from an independent third party body composed of experts from the public and private sectors as may be determined by the DOST.

The fairness opinion report shall contain a statement expressing the opinion of the body as to the fairness to the RDI of the proposed transaction, particularly its financial terms. The report shall include, but must not be limited to, the provisions in Section 7(d), Paragraph 2 of the Act; Provided, however, That it shall not be precluded from resorting to other modes of commercialization as allowed by all applicable laws.

Section 3. *When GFA may require Fairness Opinion Report from Private RDI.* In case the GFA has a share in the revenue to be derived from the commercialization of the IPs and/or IPRs directly negotiated by the private RDI, then the GFA may require said private RDI to secure a fairness opinion report.

Section 4. *Fairness Opinion Report in cases of Spin-offs.* In case of a spin-off, the RDI shall secure a Fairness Opinion Report consistent with the policies and principles of these Rules. The Fairness Opinion Report required herein should be issued prior to the creation and/or incorporation of a spin-off company.

Section 5. *Fairness Opinion Board.* The Fairness Opinion Report shall be issued by a Fairness Opinion Board that will be constituted in the following manner:

- (a) The RDI or the GFA, in the case the latter has assumed ownership over the IP, is allowed to transfer or commercialize IP through the various modes allowed by and subject to the limitations provided by law such as public bidding, direct negotiation, build operate transfer schemes, and such other similar and/or analogous modes. A favorable recommendation from the Secretary of the Department and Science and Technology and a fairness opinion report is required only in cases where the GFA or the public RDI, as the case may be, decides to directly negotiate IP commercialization agreements. The GFAs or RDIs that want a fairness opinion report issued on the proposed IP commercialization transaction shall make a written request to the Secretary of the DOST. The written request shall, at the minimum, include all relevant documents, such as, but not limited, to the proposed transaction, valuation report, due diligence report on the parties to the transaction, such other background documents regarding the prospective transferee and list of potential recommendees for membership in the Fairness Opinion Board. Without prejudice to existing laws and regulations, the written request shall be kept confidential.
- (b) The Secretary shall constitute the Fairness Opinion Board not later than thirty (30) days from receipt of the written request. The Secretary may have the option to appoint the members of the Board from the list enumerated

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in the written request. In selecting the members of the Board, the Secretary shall at all times give due regard to the person's neutrality, impartiality and expertise.

- (c) A Fairness Opinion Board shall be constituted on a per written request basis. It shall be composed of three (3) members with at least one (1) member coming from the private sector.
- (d) The Technology Application and Promotion Institute ("TAPI") shall serve as the secretariat to the Board. The Secretariat shall be headed by the Director of TAPI.
- (e) At its discretion, the Board may request for the presence of the representatives of the GFA and/or RDI as resource persons.
- (f) All costs and expenses of the Board shall be shouldered by the GFA and the RDI in the proportion as determined in the RFA. In the absence of such a provision, the costs and expenses shall be shouldered by the requesting party.
- (g) At all times, the members of the Board shall disclose and avoid any conflict of interest with respect to all matters pending before them.
- (h) The Board shall review relevant documents such as, but not limited to, the proposed transaction, valuation report, due diligence report on the parties to the transaction and other background documents regarding the prospective transferee. The Board may also obtain and consider other independent information.
- (i) The Board shall determine the dates, venue, frequency and other administrative requirements and details.
- (j) The Board shall complete and submit to the DOST Secretary the fairness opinion report no more than 60 calendar days upon constitution.
- (k) The Secretariat and the Board shall maintain or ensure confidentiality of all information submitted, without prejudice to the requirements of existing laws and regulations.

Section 6. *Contents of the Fairness Opinion Report.* The Fairness Opinion Report, shall at the minimum, contain the following information:

- (a) A statement expressing the opinion of the body as to the fairness to the GFA or RDI of the proposed transaction, particularly its financial terms;
- (b) Recommendations, if any, regarding the revision of certain provisions in the proposed transaction;
- (c) All citations, references and all supporting documents; and,
- (d) A certification and verification signed by all members of the Board.

RULE 12. *Common Provisions.* The following provisions shall apply, where applicable, to Rules 9, 10 and 11.

Section 1. *Research Funding Agreement.* The GFA and other funding agencies and the RDI are free to stipulate such terms and conditions in the RFA provided these provisions are not contrary to law and public policy. Notwithstanding the foregoing, the RFA should include the following provisions:

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- (a) That subject to the exceptions provided under the Act and these Rules, the IP and IPR ownership shall belong to the RDI; further, the RDI shall also undertake to include a provision in the Research Agreement requiring the author(s) in general to assign copyright to the RDI except in the cases mentioned in Rule 6 which provides that copyright shall be assigned by the author(s) to the GFA.
- (b) The revenue sharing scheme between the parties to the RFA subject to the provisions of Rule 15. (n) In case the GFA has a share in the revenue derived from the commercialization of the IPs and/or IPRs negotiated by the private RDI, then the GFA may require the said private RDI to secure a fairness opinion report as provided under Rule 11.
- (c) That the RDI shall adopt and implement the appropriate Technology Transfer Protocol as defined under these Rules (n) Provisions for patent pooling and encouraging the use of patent search and information and other similar activities may also be provided for.
- (d) The period and procedure for the confidential disclosure by the RDI to the GFA of the potential IP as provided under the rules on disclosure. The GFA shall take into account the resources and capacity of the RDI in determining the period within which the RDI shall be required to make such disclosure.
- (e) That the GFA and RDI shall be authorized to withhold from public disclosure, for a reasonable time as agreed by the parties in the RFA, any information relating to potential IPR to allow the RDI to pursue full protection of such IPR and for this purpose to include confidentiality provisions in the RFA and in other related agreements and to make use of non-disclosure, materials transfer and other similar agreements provided that:
 - i. Within a reasonable period of time as agreed by the parties in the RFA and/or the Research Agreement, the GFA and RDI shall allow the researchers to publish their findings or results covered by the RFA subject to the requirement that the same will not constitute a prejudicial disclosure nor include the disclosure of confidential information as agreed upon by the parties. In case of conflict between the provisions of the RFA and the Research Agreement with respect to the determination of the reasonable time stated herein, the provisions of the RFA shall prevail.
 - ii. The GFA shall allow the RDI to reserve for itself and for other persons the right to use the IP for educational, scholarly or other similar non-commercial research purposes.
- (f) That the RDI shall file for IPR application three (3) months after public disclosure otherwise the GFA will assume ownership over the potential IP; subject to the provisions of Rule 12, Section 2 on the protection of undisclosed information.
- (g) That the parties are required to resolve disputes pertaining to the determination of government ownership through the procedure provided under these Rules.

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Section 2. *Protection of Undisclosed Information.* Protection of Undisclosed Information or Trade Secrets is one of the IPRs recognized under the IP Code and international treaties. The GFA and RDI both recognize the importance of the protection of undisclosed information but this should be consistent with the policies and principles of the Act. The protection of undisclosed information shall be governed by the following provisions:

- (a) Protection of undisclosed information should be at the institutional level. RDIs are directed to develop mechanisms to handle such protection.
- (b) If the RDI in its judgment believes that any IP should be protected solely as undisclosed information, it should inform the GFA in writing and the GFA, after review, may recognize the same and may not obligate the RDI to file any application for IP protection.
- (c) RDIs shall continue to submit regular reports on the IP protected as undisclosed information as required by the GFA.

Section 3. *Disclosures.* Disclosure of potential IPRs and/or all biodiversity and genetic resource, traditional knowledge, and indigenous knowledge, systems and practices shall be governed by the following rules:

- (a) In order to ensure that any information pertaining to a potential IPR does not become part of prior art or prejudice the novelty of the national IPR application that the RDI may file with the Intellectual Property Office of the Philippines (IPO), or the Plant Variety Protection Board and/or the international application for IPR that the RDI may file in a foreign country or in such other IP authority, all disclosures of potential IPRs shall be covered by confidentiality agreements requiring the GFAs as well as their employees, consultants and agents to keep confidential from the public any document or information relating to the potential IPR until such time that the RDI has filed the appropriate national or international IPR application or when it gives notice to the GFA allowing public disclosure. The term “IPR application” shall mean an application for a patent for an invention, an application for a utility model, or an application for an industrial design or application for protection of plant variety, as the case may be.
- (b) Within three (3) months from the filing of the appropriate Philippine, foreign or PCT application, the RDI shall notify the GFA of the filing thereof, and shall report annually to the GFA on the progress of the said IPR application.
- (c) With respect to biodiversity, genetic resources or materials associated traditional knowledge, and indigenous knowledge, systems and practices, the following provisions shall govern:
 - i. The RDI shall provide the GFA with a written disclosure on the following: (1) any biodiversity, genetic resources or materials, associated traditional knowledge, and indigenous knowledge, systems and practices utilized in or which formed as basis in the development of the subject matter contained in the IPR application; (2) the primary source of any biodiversity, genetic resources or materials, associated

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- traditional knowledge, and indigenous knowledge, systems and practices utilized in or which formed as basis in the subject matter contained in the IPR application; or (3) the secondary source, if no information about the primary source is available.
- ii. The disclosure requirement under this section shall apply when the subject matter contained in a national or international IPR application is directly based on any biodiversity, genetic resources or materials, traditional knowledge, and indigenous knowledge, systems and practices to which the RDI has had access to prior to the filing of the IPR application. The subject matter contained in the IPR application must depend on the specific properties of, or must be consciously derived from, such biodiversity and genetic resource or materials, traditional knowledge, and indigenous knowledge, systems and practices.
 - iii. Where the RDI, for reasons beyond its control, does not have the necessary information to fulfill the disclosure requirement pertaining to any biodiversity, genetic resources or materials, traditional knowledge, and indigenous knowledge, systems and practices, such as, for instance, where a plant stored in a gene bank was collected decades ago and no information about its source exists, the RDI shall submit an affidavit from its researcher/s that the latter do not have the necessary information or that the source is unknown, and state the reasons thereof. The GFA shall review the affidavit to determine if this will constitute compliance with the disclosure requirement under this rule.
 - iv. The GFA that provided the research funds shall be responsible for ensuring that the RDI provides accurate disclosure and complies with the requirements of this Section.
 - v. A national or international IPR application filed by the RDI before the appropriate IP office shall include in the abstract and/or description of said application the same disclosure on biodiversity, genetic resources or materials, associated traditional knowledge, and indigenous knowledge, systems and practices utilized in or which formed as basis in the development of the subject matter contained in the said application, notwithstanding that such disclosure may not be required for the grant or issuance of certificate of IPR registration.
- (d) Disclosure shall be made by the Researcher to the head of the RDI. The head of the RDI, consistent with the RDIs obligations, shall make the disclosure to the head of the GFA.

Section 4. *Recovery of Ownership of Potential IPRs by RDIs.* If any of the grounds where the GFA has acquired ownership of the IPs, IPRs and/or potential IPRs under Chapter II have ceased, the GFA shall allow the RDIs to recover the ownership of the potential IP to enable the RDI to achieve the objective of the law to promote and facilitate the transfer, dissemination and effective use, management and commercialization of IP, technology and knowledge on the following and other similar circumstances:

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- (a) A duly signed letter of intent from a prospective commercialization taker, provided that it shall not violate any contractual obligation that the GFA may have entered into with other parties;
- (b) If the IP or potential IPR is an integral part of a portfolio of technologies which is in the hands of the RDI; and,
- (c) Any reacquisition of ownership should not prejudice existing contractual agreements or negotiations for commercialization

CHAPTER IV

MANAGEMENT OF IPs FROM R&D PERFORMED BY GOVERNMENT RDIs THROUGH THEIR OWN BUDGET

RULE 13. *Responsibilities of RDIs Performing R&D with their Own Budget.* – All government RDIs performing R&D through an annual budget provided by the government shall submit intellectual property management reports annually to the national government agencies where they are attached. The report shall contain plans for securing protection on IPs with commercial promise, the technology transfer approaches to be pursued, and the progress of ongoing commercialization of technologies derived from R&D funded from their own budget.

RULE 14. *Responsibilities of the Concerned National Government Agencies.* – Concerned government and/or parent agencies shall monitor efforts and effectiveness of their RDIs in securing IP protection and pursuing IP commercialization, based on the annual IP management reports submitted by the RDIs. National government agencies are encouraged to adopt their respective rules, mechanisms and procedures to effectively implement its aforesaid responsibility.

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REVENUE SHARING

RULE 15. *Revenue Sharing.* – All revenues from the commercialization of IPs and IPRs from R&D funded by GFA(s) shall accrue to the RDI, unless there is a revenue sharing provision in the RFA; Provided, That in no case will the total share of the GFA(s) be greater than the share of the RDI; Provided, further, That in case of joint funding, where research is funded by a GFA in part, and by other entity or entities in part, the RDI may enter into contractual agreements with the other entity or entities providing funding.

Sharing of revenues between RDI and researcher shall be governed by an employer-employee contract or other related agreements, without prejudice to the rights of researchers granted under RA No. 8439 or the "*Magna Carta for Scientists, Engineers, Researchers, and other S&T Personnel in Government*".

Section 1. In case of joint funding, where research is funded by a GFA in part, and by other entity or entities in part, the RDI may enter into contractual agreements, including revenue sharing provisions, with the other entity or entities providing

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funding. The RDI shall submit a complete and executed copy of the written agreement between it and the other funding entity or entities.

Section 2. The term revenue shall be defined by the RDI in the employer-employee contract or other related agreements between the RDI and the researcher subject to the provisions of R.A. No. 8439.

Section 3. With respect to royalties, the same shall also be governed by an employer-employee contract or other related agreements without prejudice to the provisions of RA No. 8439.

Section 4. Monetary revenues shall include but not limited to royalty payments, proceeds from sale of IP or technology, upfront technology transfer fees and dividends or sale from shares of stocks.

Section 5. Where practicable, all non-monetary revenues shall be converted to cash value. The RDI shall have the discretion to determine the cash conversion value of the non-monetary benefits provided that the same is consistent with the Research Agreement, employer-employee contract and existing laws and regulations.

Section 6. In determining whether non-monetary grants shall form part of revenue, the provisions of the Technology Transfer Protocol of the RDI shall prevail.

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COMMERCIALIZATION BY THE RESEARCHER AND ESTABLISHMENT OF SPIN-OFF FIRMS

RULE 16. *Commercialization by Researchers.* – In meritorious cases and to help ensure successful commercialization, an RDI shall allow its researcher-employee to commercialize or pursue commercialization of the IP and/or IPRs generated from R&D funded by GFA by creating, owning, controlling, or managing a company or spin-off firm undertaking commercialization, or accepting employment as an officer, employee, or consultant in a spin-off firm undertaking such commercialization; Provided, That the concerned researcher- employee takes a leave of absence, whenever applicable, for a period of one year and renewable for another year, for a total period not exceeding two years, from the time the researcher signifies in writing that he/she desires to create or participate in a spin-off company; Provided, however, That the researcher-employee may still be allowed access to the RDIs' laboratory facilities, subject to reasonable fees and regulations which the RDIs may impose.

The leave of absence shall be included in computing the length of service for retirement but not for the commutation of leave credits earned in the public RDI. The researcher shall not earn leave credits in the public RDI during such period of leave of absence. Such leave of absence shall not likewise affect the researcher-employee's security of tenure or result in the loss of one's seniority rights.

Section 1. The Technology Transfer Protocol shall establish the grounds in determining the meritorious cases where an RDI shall allow its researcher-employee

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to commercialize or pursue commercialization or create, own, control, or manage a company or spin-off firm. The parties may also explore other options available for commercialization as allowed under these Rules.

Section 2. In case of a spin-off, the provisions of Rule 11 of these Rules shall also apply.

Section 3. Spin-offs established under the Act and these Rules shall be considered separate and distinct entities from the RDIs.

Section 4. The guidelines on spin-offs shall be included in the Technology Transfer Protocol.

RULE 17. *Detail or Secondment to the Private Sector.* – In case where the researcher of a public RDI would be employed by an existing company, which will pursue the commercialization, the applicable provisions of RA No. 8439 shall prevail.

RULE 18. *Management of Conflict of Interest.* – The RDIs shall properly manage any possible conflict of interest by adopting appropriate guidelines for its researcher-employee. The guidelines for handling of such conflicts shall include, but are not limited, to the following:

- (a) RDIs shall ensure that its researchers are made fully accountable for their research and that commercial objectives do not divert them from carrying out the RDI's core research program;
- (b) Heads of RDI should ensure that where researchers have any direct or indirect financial interest in a spin-off company; they shall not act on behalf of the RDI in transactions with that company;
- (c) Where researchers of RDI are nominated as non-executive directors to the Board of a spin-off company or existing company in which the same RDI holds an equity stake, they should have a clear duty to ensure that the RDI's interests are not compromised by their role;
- (d) RDIs should take steps to ensure that collaborative undertaking with a spinoff or existing company is governed by a formal written public agreement; and,
- (e) In case of Higher Educational Institutions acting as RDIs, it shall be the decision of the said institution to promulgate their rules governing the academic vis-à-vis the business responsibilities of the researcher involved in a spin-off company.

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CHAPTER VII

USE BY GOVERNMENT, COMPULSORY LICENSING AND ASSUMPTION OF POTENTIAL IPRs

RULE 19. *Use by Government or Third Person Authorized by Government and/or Compulsory Licensing.* – These Rules shall adopt the grounds and terms and conditions for the use by government or third person authorized by government, and/or compulsory licensing as stated in the IP Code of all IPRs generated under the Act and these Rules.

RULE 20. *Assumption of Ownership of Potential IPRs.* –The GFA and/or the Parent Agency may assume ownership of any potential IPRs in cases of national emergency or other circumstances of extreme urgency, or where the public interest requires, and in particular concerns for national security, nutrition, health, or the development of other vital sectors of the national economy, as determined by the head of the Parent Agency. Such determination shall be made within thirty (30) days after the receipt of the recommendation of the head of the GFA. Such recommendation shall be made within thirty (30) days upon the discovery of the potential IPR by the GFA or the disclosure of the same by the RDI pursuant to Section 8 (c) of the Act, or upon written notice or petition by other government agencies, or other interested persons. In cases where the Parent Agency itself is acting as the GFA, the head of the Parent Agency may make such determination *motu proprio*, or upon written notice or petition by other government agencies or other interested parties. The right to the potential IPR shall be assumed by the GFA upon written order, declaration or determination by the Department Secretary or Head of the Parent Agency. The department or the agency that has functional jurisdiction over the technology or IPRs shall be deemed as the Parent Agency.

The determination by the Secretary or the head of the Parent Agency of cases falling under the first paragraph of the right to the potential IPR to be vested to the GFA and/or Parent Agency shall be subject to the following conditions:

- (a) The determination must be accompanied by an analysis and justification of such reason(s);
- (b) The RDI may file with the Secretary or Head of the Parent Agency an opposition to such determination within fifteen (15) calendar days from notice or publication of the written determination;
- (c) The assumption of the rights to the potential IPR by the GFA shall carry with it the obligation to equitably share with the RDI or other funding agencies any profits generated from the IPR; and
- (d) The rights to the potential IPR shall revert to the RDI upon the cessation of the existence of the cases under this Section as determined by the Secretary or Head of the Parent Agency *motu proprio* or by petition of the RDI.

Section 1. All recommendation for the assumption of ownership of potential IPRs made to the GFA shall be in writing and originally signed by the head of the GFA.

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The recommendation should be submitted to the head of the Parent Agency or to any other person authorized to receive on behalf of the said head of the Parent Agency.

Section 2. The written notice or petition for the assumption of ownership of potential IPRs by other government agencies or other interested parties should be originally signed and verified by the petitioner. The written notice or petition should contain the following: a) name and address of the petitioner; b) the description of the potential IPRs which is the subject of the written notice or petition; c) clear and detailed explanation for the use or utilization of the potential IPRs; d) supporting affidavits and other documents; and e) all other relevant documents.

Section 3. All interested persons should be citizens of the Philippines, in case of individuals; or if a private corporation, it should be duly registered or licensed to do business in the Philippines or otherwise with legal personality in the Philippines and owned and controlled solely by citizens of the Philippines or with at least 60% of the capital which is owned by such citizens. The interested person should also have the capacity and capability to utilize the potential IPRs for the grounds stated in this Chapter.

Section 4. During the period (hereinafter referred to as the “Assumption Period”) where the Parent Agency or GFA actually assumed and exercised management and control over the potential IPRs, the Research Agreement between the RDI and its researchers for the assumed potential IPRs and the corresponding RFA shall continue to be valid and in force.

Section 5. In cases where there is a pending application for IP protection of the potential IPRs during the Assumption Period, the Parent Agency or GFA shall notify in writing the IPO of such assumption in accordance with the rules and regulations of the IPO.

RULE 21. Except where otherwise provided by the IP Code, in all cases arising from the implementation of this Article, no court, except the Supreme Court of the Philippines, shall issue any temporary restraining order or preliminary injunction or such other provisional remedies that will prevent its immediate execution.

CHAPTER VIII

USE OF INCOME AND ESTABLISHMENT AND MAINTENANCE OF REVOLVING FUND FOR R&D AND TECHNOLOGY TRANSFER

RULE 22. *Use of Income and Revolving Fund.* – Public RDIs undertaking technology transfer shall be vested with the authority to use its share of the revenues derived from commercialization of IP generated from R&D funded by GFAs. All income generated from commercialization of IPs and/or IPRs from R&D funded by public funds shall be constituted as a revolving fund for use of the RDI undertaking technology transfer, deposited in an authorized government depository bank subject to accounting and auditing rules and regulations; Provided, That said income shall be used to defray intellectual property management costs and expenses and to fund

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research and development, science and technology capability building, and technology transfer activities, including operation of technology licensing offices; Provided, further, That no amount of said income shall be used for payment of salaries and other allowances.

In case the income after payment of all costs and expenses for IPR management, including the payment of royalties to other parties, shall exceed ten percent (10%) of the annual budget of the RDI, a minimum of seventy percent (70%) of the excess income shall be remitted to the Bureau of Treasury; Provided, That this shall apply only if the GFA has solely funded the research; Provided, finally, That this paragraph shall not apply to State Universities and Colleges and Government Owned and Controlled Corporations, which enjoy fiscal autonomy under their respective charters or other applicable laws. Professional fees shall be included in the computation of the IP management cost and expenses. For the avoidance of doubt, professional fees and/or services shall refer to payment for expert services as the term is defined by relevant government circulars. For the purposes of reckoning income and budget in this Chapter, current year shall be used.

CHAPTER IX

INSTITUTIONAL MECHANISM

RULE 23. *Establishment of Technology Information Access Facility and Public Access Policy.* – The DOST shall establish a system for the cost-effective sharing of and access to technologies and knowledge generated from government-funded R&D by developing appropriate policies and procedures on public access which shall be made known to the public. These policies and procedures shall be aimed at promoting the advancement of R&D, boosting its quality and enabling cross-disciplinary collaboration, and thereby, increasing the returns from public investment in R&D and contribute to the betterment of society. The DOST shall call for a regular national conference of all GFAs and RDIs in order to: (a) promote multi-disciplinary, joint, and cross collaboration in research and development; (b) coordinate and rationalize the research and development agenda; and (c) harmonize all research and development agenda and priorities. The DOST shall call for a regular national conference which should coincide and synchronize with the national budget cycle. In line with the foregoing provision, the DOST, in consultation with the stakeholders, shall establish a harmonized accessible format for technology and information access.

RULE 24. *Development of Internal IP Policies and Establishment of Technology Licensing Offices (TLOs) and/or Technology Business Development Offices.* – All RDIs are encouraged to establish their own TLOs in whatever form and to adopt their own policies on IPR management and technology transfer, in accordance with the Act and other existing laws and in support of the policies of the IPO and the national policy and the mandate of their parent agency. The DOST and IPO shall provide the templates, tools, kits and such other materials that may be needed for the establishment of the TLOs or to pursue IPR protection.

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RULE 25. *Capacity Building and Guidelines on IP Commercialization.* – The DOST, Department of Trade and Industry (DTI) and IPO, in consultation with GFAs such as Commission on Higher Education (CHED), Department of Agriculture (DA), Department of Health (DOH), Department of Energy (DOE), Department of Environment and Natural Resources (DENR), and Department of National Defense (DND), shall undertake activities geared towards building the capacity of GFAs and RDIs in commercializing IPs. The DOST as chair and convenor, together with DTI and IPO shall jointly issue the necessary guidelines on IP valuation, commercialization, and information sharing, which may include, but not be limited to, the following considerations: public benefit and national interest, market size, cost and income.

CHAPTER X

DISPUTE RESOLUTION

RULE 26. – As a general rule, any dispute between the parties on the determination of government ownership should be resolved amicably.

If the matter cannot be resolved amicably by the parties, then the administrative procedure for resolving any disputes on the determination for government ownership shall be subject to the mediation and arbitration rules of the IPO.

CHAPTER XI

MISCELLANEOUS, TRANSITORY, AND FINAL PROVISIONS

RULE 27. *Administrative, Criminal or Civil Liability.* – The failure of the GFA or RDI to fulfill its responsibilities under the Act and these Rules, or the violation of any provision by any person, natural or juridical, shall subject the person involved to appropriate administrative, criminal, or civil liability, under applicable laws.

RULE 28. *Technology Transfer Act Coordinating Committee.* – To aid in the effective implementation of the provisions of the Act and these Rules and for the purpose of making the necessary reports and representations with the Congressional Oversight Committee on the Technology Transfer Act (“COCTTA”), a Technology Transfer Act Coordinating Committee (“TTACC”) is hereby constituted. The TTACC shall be chaired by the Secretary of the DOST or his representative and co-chaired by the DG of IPO or his representative. The members of the committee and the secretariat shall be named by the Chairman and co-chairman.

RULE 29. *Amendments to the Rules.* The DOST and IPO, either jointly or individually, may initiate amendments to these Rules. Prior to the conduct of any public hearing for the proposed amendment, the initiating party shall first inform the other party of the same at least 30 days prior to the date of the first public consultation.

RULE 30. *Review of the Rules.* The DOST and IPO shall jointly review these Rules two (2) years after its effectivity and every three years thereafter.

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RULE 31. *Repealing Clause.* – All existing rules and regulations, or part thereof, which may be contrary to or inconsistent with these rules and regulations are hereby repealed or modified accordingly.

RULE 32. *Separability Clause.* – If any provision of these Rules are declared unconstitutional, the same shall not affect the validity and effectivity of the other provisions hereof.

RULE 33. *Effectivity.* – These Rules shall take effect fifteen (15) days after its publication in at least two (2) national papers of general circulation and upon filing at the UP Law Center in accordance with Law.

NOW THEREFORE, the parties have herein below affixed their signatures to the Joint DOST-IPO Administrative Order No. 02-2010 this 18th day of August 2010.

(Sgd.) HON. MARIO G. MONTEJO

Secretary

Department of Science and Technology

(Sgd.) HON. RICARDO R. BLANCAFLOR

Director General

Intellectual Property Office of the Philippines

Risk Reduction and Preparedness Equipment Protection

REPUBLIC ACT NO. 10344

AN ACT PENALIZING THE UNAUTHORIZED TAKING, STEALING, KEEPING OR TAMPERING OF GOVERNMENT RISK REDUCTION AND PREPAREDNESS EQUIPMENT, ACCESSORIES AND SIMILAR FACILITIES

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

Section 1. *Short Title.* – This Act shall be known as the "Risk Reduction and Preparedness Equipment Protection Act".

Section 2. *Declaration of Policy.* – It is the policy of the State to protect the right of the people to a balanced and healthful ecology in accord with the rhythm and harmony of nature. The State shall continue the policy to create, develop, maintain and improve conditions under which man and nature can thrive in productive and enjoyable harmony with each other. Towards this end, all government agencies are mandated to institute measures to ensure the safety of its citizens and their properties through the installation of data and information gathering devices and the network of national and local authorities to disseminate risk reduction warning and advice.

Section 3. *List of Government Risk Reduction and Preparedness Equipment and Other Vital Facility Items.* – The Department of Science and Technology

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(DOST) shall, in coordination with the Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA), the Philippine Institute of Volcanology and Seismology (PHIVOLCS) and the National Disaster Risk Reduction and Management Council (NDRRMC), provide a list of all government risk reduction and preparedness equipment, accessories and other vital facility items such as, but not limited to, radars, weather forecasting equipment, flood monitoring instruments, seismographs, tsunami warning systems and automated weather systems.

The complete list of government risk reduction and preparedness equipment, accessories and other vital facility items shall be provided jointly by the DOST and the NDRRMC to government agencies engaged in disaster preparedness. The list shall be regularly updated.

For purposes of this Act, "government risk reduction and preparedness equipment, accessories and other vital facility items, or parts thereof refer to pieces of equipment or devices, or parts thereof that gather, store, archive or monitor meteorological and seismological data and information which are analyzed and used to warn the public about weather conditions, earthquake, volcanic or tsunami activities and similar natural calamities.

Section 4. *Prohibited Acts.* – The government risk reduction and preparedness equipment, accessories and other vital facility items, or parts thereof shall, at all times, be protected and it shall be unlawful for any person to commit any of the following acts:

- (a) Steal, or take, or possess any of the equipment, or any part thereof;
- (b) Sell or buy stolen equipment or any part thereof;
- (c) Tamper, dismantle, or disassemble equipment or any part thereof;
- (d) Attempt to commit any of the abovementioned prohibited acts; and
- (e) Benefit from the proceeds or fruits of any of the abovementioned prohibited acts knowing that the proceeds or fruits are derived from the commission of said prohibited acts.

Section 5. *Prima Facie Evidence.* – The possession or custody of any government risk reduction and preparedness equipment, accessories and other vital facility items, or any part thereof, as defined in Section 3 hereof, by any person, natural or juridical, without proper authority shall be *prima facie* evidence that such instrument, part or accessory, is the fruit of the offense defined in Section 4 hereof and therefore such equipment, instrument, accessory, or other vital facility items, or parts thereof may be immediately confiscated from the person in possession, control or custody thereof.

Section 6. *Penalties.* – The following penalties are hereby imposed:

- (a) The penalty of imprisonment of not less than twelve (12) years but not more than fifteen (15) years or a fine of not less than One million pesos (₱1,000,000.00) but not more than Three million pesos (₱3,000,000.00), or both imprisonment and fine at the discretion of the court shall be imposed upon any person found guilty of stealing or unauthorized taking or possession without authority or selling or buying with intent to gain of any stolen

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- government risk reduction and preparedness equipment, accessories and other vital facility items, or parts thereof;
- (b) The penalty of imprisonment of not less than six (6) years but not more than ten (10) years or a fine of not less than Five hundred thousand pesos (₱500,000.00) but not more than One million pesos (₱1,000,000.00), or both imprisonment and fine at the discretion of the court shall be imposed upon any person found guilty of unauthorized tampering, dismantling or disassembling of government risk reduction and preparedness equipment, accessories and other vital facility items, or parts thereof;
 - (c) The penalty of imprisonment of not less than six (6) years but not more than eight (8) years or a fine of not less than Five hundred thousand pesos (₱500,000.00) but not more than One million pesos (₱1,000,000.00), or both imprisonment and fine at the discretion of the court shall be imposed upon any person who attempts to commit any of the prohibited acts provided in Section 4 of this Act; and
 - (d) The penalty of imprisonment of not less than two (2) years but not more than seven (7) years or a fine of not less than Two hundred thousand pesos (₱200,000.00) but not more than Five hundred thousand pesos (₱500,000.00), or both imprisonment and fine at the discretion of the court shall be imposed upon any person found guilty of unlawfully benefiting from the proceeds or fruits of any of the prohibited acts enumerated in Section 4 of this Act knowing that such proceeds or fruits are derived from the commission of said prohibited acts.

Payment of the full cost of repair or replacement of the government risk reduction and preparedness equipment, accessories and other vital facility items, or parts thereof, which is the object of the crime shall likewise be imposed upon any person who shall commit any of the prohibited acts described in Section 4 of this Act.

Section 7. *Penalty for Government Officers or Employees.* – Any government officer or employee who shall assist in the commission of any of the prohibited acts enumerated in Section 4 of this Act shall suffer the same penalty imposed upon the person who committed the prohibited act. In addition, after due notice and hearing, they shall be administratively dismissed from the service and all their benefits from the government, shall be forfeited. They shall likewise be perpetually disqualified from holding any public office.

The prosecution or conviction under this Act shall not bar the filing of any case for the violation of Republic Act No. 3019, as amended, otherwise known as the "Anti-Graft and Corrupt Practices Act"; Republic Act No. 6713, otherwise known as the "Code of Conduct and Ethical Standards for Public Officials and Employees"; Republic Act No. 7080, entitled "An Act Denning and Penalizing the Crime of Plunder"; and other laws.

Section 8. *Non-Applicability on the Provisions of Theft of the Revised Penal Code.* – The prosecution under this Act shall bar any prosecution arising from the same Act under Articles 308, 309, 310 and 311 of the Revised Penal Code.

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Section 9. *Public Education and Information.* – At least once a year, the DOST and the NDRRMC shall, in coordination with the local government units (LGUs) and nongovernment organizations (NGOs) or people’s organizations (POs), disseminate information and conduct continuing education on the provisions of this Act through the media and other lawful means available. The dissemination of information and continuing education on the provisions of this Act shall commence within sixty (60) days from the approval of its implementing rules and regulations.

Such information dissemination and continuing education shall:

- (a) Aim to develop public awareness of: (1) the ill effects of unlawful taking or stealing, tampering and buying and selling of stolen government risk reduction and preparedness equipment, accessories and other vital facility items, or parts thereof; and (2) the community-based solutions to prevent the occurrence of such offense; and
- (b) Encourage the public, NGOs and POs to safeguard and protect these government risk reduction and preparedness equipment, accessories and other vital facility items, or parts thereof, within their areas of jurisdiction.

Section 10. *Implementing Rules and Regulations.* – Within ninety (90) days from the effectivity of this Act, the Secretary of Science and Technology shall in coordination with the NDRRMC, issue the implementing rules and regulations for the effective implementation of this Act.

Section 11. *Separability Clause.* – If any part or provision of this Act shall be declared invalid or unconstitutional, the remaining provisions or parts not affected shall remain in full force and effect.

Section 12. *Repealing Clause.* – All other laws, presidential decrees, executive orders, rules and regulations or parts thereof which are inconsistent with any provision of this Act are hereby repealed, amended or modified accordingly.

Section 13. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in two (2) national newspapers of general circulation.

Approved: DEC 04 2012

(Sgd.) BENIGNO S. AQUINO III
President of the Philippines

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Republic of the Philippines
DEPARTMENT OF SCIENCE AND TECHNOLOGY
DOST ADMINISTRATIVE ORDER NO. 006 SERIES OF 2013

THE IMPLEMENTING RULES AND REGULATIONS OF REPUBLIC ACT
NO. 10344, OTHERWISE KNOWN AS “THE RISK REDUCTION AND
PREPAREDNESS EQUIPMENT PROTECTION ACT”

Pursuant to Section 10 of Republic Act No. 10344, an Act Penalizing the Unauthorized Taking, Stealing, Keeping or Tampering of Government Risk Reduction and Preparedness Equipment, Accessories and Similar Facilities, the Department of Science and Technology (DOST), in coordination with the National Disaster Risk Reduction and Management Council (NDRRMC), hereby adopts and promulgates the following Rules and Regulations to implement the aforesaid law.

RULE I

GENERAL PROVISIONS

SECTION 1. Title – these Rules and Regulations shall be known and cited as The Implementing Rules and Regulations of Republic Act No.10344, otherwise known as the “Risk Reduction and Preparedness Equipment Protection Act.”

SECTION 2. Purpose – these Rules and Regulations are hereby promulgated to prescribe the procedures and guidelines for the implementation of the “Risk Reduction and Preparedness Equipment Protection Act” in order to facilitate the compliance therewith and to achieve the objectives thereof.

SECTION 3. Construction – these Rules shall be strictly construed to attain the efficient and effective implementation of R.A. 10344.

SECTION 4. Declaration Policy – it is policy of the State to protect the right of the people to a balanced and healthful ecology in accord with the rhythm and harmony of nature. The State shall continue the policy to create, develop, maintain and improve conditions under which man and nature can thrive in productive and enjoyable harmony with each other. Towards this end, all government agencies are mandated to institute measures to ensure the safety of its citizens and their properties through the installation of data and information gathering devices and the network of national and local authorities to disseminate risk reduction warning and advice.

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RULE II DEFINITION OF TERMS

SECTION 1. Definition of Terms. – As used in these Rules and Regulations, the following terms shall mean:

- A. “ACT” shall refer to Republic Act No. 10344, otherwise known as The Risk Reduction and Preparedness Equipment Protection Act.
- B. “DOST” shall mean the Department of Science and Technology.
- C. “NDRRMC” shall mean the National Disaster Risk Reduction and Management Council and shall include other member agencies and organizations of the Council.
- D. “PAGASA” shall mean the Philippine Atmospheric, Geophysical and Astronomical Services Administration.
- E. “PHIVOLCS” shall mean the Philippine Institute of Volcanology and Seismology.
- F. “Government Risk Reduction and Preparedness Equipment, Accessories and Other Vital Facility Items or Parts” refer to pieces of equipment or devices or parts thereof that gather, transmit, store, archive, process and analyze meteorological, hydrological, oceanographic, geodetic, geological, volcanological and seismological data, and disseminate information, which are used for preparing and warning the public about weather, hydrological and oceanographic conditions, earthquake, volcanic or tsunami activities and similar natural phenomena.

RULE III LIST OF GOVERNMENT RISK REDUCTION AND PREPAREDNESS EQUIPMENT, ACCESSORIES AND OTHER VITAL FACILITY ITEMS OR PARTS

SECTION 1. List of Government Risk Reduction and Preparedness Equipment and Other Vital Facility Items – The list of government risk reduction and preparedness equipment and other vital facility items as included in the official list provided by the DOST, which shall be regularly updated.

- i. The list shall include, but not limited to, the following:
- ii. Weather Radar Surveillance System
- iii. Weather Monitoring System
- iv. Flood Monitoring Systems
- v. Oceanographic Monitoring System
- vi. Earthquake Monitoring System
- vii. Volcano Monitoring System

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- viii. Tsunami Monitoring and Warning Systems
- ix. Landslide Monitoring System
- x. Radionuclide Monitoring Equipment
- xi. Hazards and Risk Assessment Equipment
- xii. Information, Education and Communication Equipment

The detailed List of Risk Reduction Instruments and Equipment of PAGASA and PHIVOLCS and NDRRMC are provided in Appendix A and in Appendix B, respectively, and shall form an integral part of this IRR.

SECTION 2. Dissemination of the Complete List of Government Risk Reduction and Preparedness Equipment and Other Vital Facility Items – the DOST and the NDRRMC shall jointly provide the complete list of government risk reduction and preparedness and risk reduction equipment and other vital facilities to all government agencies engaged in disaster preparedness.

RULE IV PROHIBITED ACTS

SECTION 1. Prohibited Acts – The government risk reduction and preparedness equipment, accessories and other vital facility items, or parts thereof shall, at all times, be protected. It shall be unlawful for any person, natural or juridical, private or public to:

- (a) Steal, or take, or possess any of the equipment or any part thereof, as enumerated in Section 1 of the immediately foregoing Rule;
- (b) Sell or buy stolen equipment or any part thereof;
- (c) Tamper, dismantle, or disassemble the equipment or any part thereof;
- (d) Attempt to commit any of the above-mentioned prohibited acts; and
- (e) Benefit from the proceeds or fruits of any of the above-mentioned prohibited acts knowing that the proceeds or fruit are derived from the commission of said prohibited acts.

RULE V PRIMA FACIE EVIDENCE

SECTION 1. Prima facie evidence – The possession, control or custody by any person, natural or juridical, of any government risk reduction and preparedness equipment, accessories and other vital facility items, or any part thereof, as enumerated in Section 1, Rule III hereof, without proper authority or consent of the concerned agency shall constitute prima facie evidence that such instrument, part or accessory, is the fruit of the offense, enumerated in Section 1 of the immediately foregoing Rule, by the person benefited thereby.

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In order to constitute prima facie evidence, the discovery and confiscation of the equipment must be in accordance with the Rules of Court, and personally witnessed and attested to by the agency concerned or its duly authorized representative or any officer of the law, as the case may be.

The burden of proof rests upon the party to present evidence on the fact in issue necessary to establish his defense that the confiscated equipment is not a government property.

An authorized representative is one who is an employee of the agency concerned or designated by the agency to represent it.

An officer of the law is any person who, by direct provision of law or by election or by appointment by competent authority, is charged with the maintenance of public order and the protection and security of life and property, such as, but not limited to the barangay chairman, barangay councilman, officer or member of Barangay Community Brigades, barangay policeman, PNP policeman, municipal councilor, and municipal mayor.

SECTION 2. A prima facie evidence of possession, control or custody of any government risk reduction and preparedness equipment, accessories and other vital facility items, or parts thereof without the consent of the concerned agency shall be the basis for:

immediate confiscation from the person in possession, control or custody, thereof, and the holding of inquest proceedings or preliminary investigation, as the case may be, by the prosecutor and the subsequent filing in court of the pertinent information.

SECTION 3. Discovery of Prima Facie Evidence — The concerned agency or its duly authorized representative, upon discovery of any of the equipment and circumstances mentioned in Rule III and Rule IV hereof, shall immediately report the incident to the nearest Barangay or Police Station.

In case of confiscation, the stolen, tampered, dismantled, or disassembled government risk reduction and preparedness equipment, accessories and other vital facility items subject of the offense must be placed in a suitable storage, properly identified, sealed and secured and shall be subject to disposition in accordance with the Rules of Court.

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RULE VI PENALTIES

SECTION 1. Penalties - The following penalties are hereby imposed:

- (a) The penalty of imprisonment of not less than twelve (12) years but not more than fifteen (15) years or a fine of not less than One million pesos (P1,000,000.00) but not more than Three million pesos (P3,000,000.00), or both imprisonment and fine at the discretion of the court shall be imposed upon any person found guilty of stealing or unauthorized taking or possession without authority or selling or buying with intent to gain of any stolen government risk reduction and preparedness equipment, accessories and other vital facility items, or parts thereof;
- (b) The penalty of imprisonment of not less than six (6) years but not more than ten (10) years or a fine of not less than Five hundred thousand pesos (P500,000.00) but not more than One million pesos (P1,000,000.00), or both imprisonment and fine at the discretion of the court shall be imposed upon any person found guilty of unauthorized tampering, dismantling or disassembling of government risk reduction and preparedness equipment, accessories and other vital facility items, or parts thereof;
- (c) The penalty of imprisonment of not less than six (6) years but not more than eight (8) years or a fine of not less than Five hundred thousand pesos (P500,000.00) but not more than One million pesos (P1,000,000.00), or both imprisonment and fine at the discretion of the court shall be imposed upon any person who attempts to commit any of the prohibited acts provided in Section 4 of this Act; and
- (d) The penalty of imprisonment of not less than two (2) years but not more than seven (7) years or a fine of not less than Two hundred thousand pesos (PP00,000.00) but not more than Five hundred thousand pesos (P500,000.00), or both imprisonment and fine at the discretion of the Court shall be imposed upon any person found guilty of unlawfully benefiting from the proceeds or fruits of any of the prohibited acts enumerated in Section 4 of this Act knowing that such proceeds or fruits are derived from the commission of said prohibited acts.

SECTION 2. Penalty for Juridical Persons - if any of the prohibited acts provided in Section 1, Rule IV hereof is committed by a partnership, firm, corporation, association, or any legal entity, the penalty shall be imposed on the president, manager and each of the officers thereof who shall have knowingly permitted, failed to prevent or was otherwise responsible for the commission of the offense.

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SECTION 3. Penalty for Government Officers and Employees - if any of the prohibited acts described in Section 1, Rule IV hereof is committed by, or in connivance with, or through the assistance of any government officer or employee, such officer or employee shall, upon conviction, suffer the same penalty imposed upon the person who committed the prohibited act.

Without prejudice to the imposition of applicable criminal sanctions, the officer or employee, after due notice and hearing, shall be administratively dismissed from the service under the Revised Rules on Administrative Cases in the Civil Service (RRACCS) and his/her benefits from the government shall be forfeited. He/she shall likewise be perpetually disqualified from holding any public office.

SECTION 4. Payment for the cost of repair and replacement of Government Risk Reduction and Preparedness Equipment and Other Vital Facility items - Payment of the full cost of repair or replacement of the government risk reduction and preparedness equipment, accessories and other vital facility items, or part thereof, which is the object of the Crime shall likewise be imposed upon any person, natural or juridical, who shall be found guilty of commission of the prohibited acts described in Section 1, Rule IV hereof.

SECTION 5. The prosecution or conviction under the Act shall not bar the filing of any case for the violation of Republic Act No. 3019, as amended, otherwise known as the "Anti-graft and Corrupt Practices Act"; Republic Act No. 6713, otherwise known as the "Code of Conduct and Ethical Standards for Public Officials and Employees, Republic Act No. 7080, entitled "An Act Defining and Penalizing the Crime of Plunder; and Other laws.

RULE VII

PUBLIC EDUCATION AND INFORMATION

SECTION 1. Public Education and Information - At least once a year, the DOST and the NDRRMC shall, in coordination with the Philippine information Agency (PIA), the local government units (LGUs) and nongovernment organizations (NGOs) or people's organizations (POs), disseminate information and conduct continuing education on the provisions of the Republic Act No. 10344 through the media and other lawful means available.

The dissemination of information and continuing education shall commence within sixty (60) days from the approval of this implementing Rules and Regulations. Such information dissemination and continuing education shall:

- (a) Aim to develop public awareness of:

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- i. the ill effects of unlawful taking or stealing, tampering and buying and selling of stolen government risk reduction and preparedness equipment, accessories and other vital facility items, or parts thereof, and
- ii. the community-based solutions to prevent the occurrence of such offense.
 - (b) Encourage and involve the public, NGOs, and POs to safeguard and protect these government risk reduction and preparedness equipment, accessories and other vital facility items, or parts thereof, within their areas of jurisdiction. For this purpose, the DOST may provide awards, recognitions and technology trainings or assistance under existing DOST programs.

All government information agencies and media facilities, in coordination with private media agencies, shall be tapped to assist in the dissemination of government risk reduction instruments, parts and accessories covered or protected under this Act.

RULE VIII

NON-APPLICABILITY ON THE PROVISIONS OF THEFT OF THE REVISED PENAL CODE

SECTION 1. Non-applicability on the Provisions of Theft of the Revised Penal Code - The prosecution under the Republic Act No. 10344 shall bar any prosecution arising from the same act under Articles 308, 309, 310 and 311 of the Revised Penal Code.

RULE IX

REPEAL AND SEPARABILITY

SECTION 1. Repeal and Separability - All circulars, memoranda, executive orders, rules and regulations or parts thereof which are inconsistent with any provisions of these Rules are hereby repealed, amended or modified accordingly. If any part or provision of these Rules or declared invalid or unconstitutional, the remaining provisions or parts not affected shall remain in full force and effect.

RULE X

EFFECTIVITY

SECTION 1. Effectivity - These Rules shall take effect fifteen (15) days after its publication in the Official Gazette or two newspapers of general circulation in the Country.

CHAPTER VI

Taguig City, Philippines, JUN 25 2013.

(SGD) MARIO G. MONTEJO

Secretary

Department of Science and Technology

ANNEX A: DLLO IN ACTION (PHOTO)



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