

## PRESIDENTIAL DECREE NO. 972

### PROMULGATING AN ACT TO PROMOTE AN ACCELERATED EXPLORATION, DEVELOPMENT, EXPLOITATION, PRODUCTION AND UTILIZATION OF COAL

*WHEREAS*, the increasing cost of imported crude oil imposes an unduly heavy demand on the country's international reserves thereby making it imperative for the government to pursue actively the exploration, development and exploitation of indigenous energy resources;

*WHEREAS*, while coal has been identified as a fossil fuel known to exist in mineable quantities in the country which could provide a viable energy source for some vital industries, large tracts of coalbearing lands have not been explored and mined in a manner and to an extent adequate to meet the needs of the economy;

*WHEREAS*, the proliferation of fragmented coal permits and leases has prevented, or deterred, the adequate and speedy exploration, development, exploitation and production of indigenous coal resources;

*WHEREAS*, to develop, achieve and implement a well-planned, systematic and meaningful exploration, development, exploitation and production of local coal resources, participation of the private sector with sufficient capital, technical and managerial resources must be encouraged and the technical and financial capabilities of the coal industry upgraded;

*WHEREAS*, hand in hand with an accelerated coal exploration, development, exploitation and production program, it is essential that the market for domestic coal production be developed by granting incentives to prospective coal users to convert their facilities for coal utilization;

*WHEREAS*, to realize the above, it is necessary to amend and/or supplement existing legislation relating to coal;

*WHEREAS*, Article XVII, Section 12 of the Constitution of the Philippines provides in part that when the national interest so requires, the incumbent President of the Philippines or the interim Prime Minister, may review all contracts, concessions, permits or other forms of privileges for the exploration, development, exploitation or utilization of natural resources entered into, granted, issued or acquired before the ratification of the Constitution;

*NOW, THEREFORE, I, FERDINAND E. MARCOS*, by virtue of the powers vested in me by the Constitution of the Philippines, do hereby decree and declare as part of the law of the land the following:

SECTION 1. *Short Title.* This Act shall be known and may be cited as "*The Coal Development Act of 1976.*"

SECTION 2. *Declaration of Policy.* It is hereby declared to be the policy of the state to immediately accelerate the exploration, development, exploitation production and utilization of the country's coal resources. A coal development program is therefore promulgated and established by this Decree.

SECTION 3. *Coal Development Program.* The country shall be divided into coal regions and exploration and exploitation programs shall be instituted and implemented pursuant to this Decree.

These programs shall be geared towards the promotion and development of the necessary technical and financial capability to undertake a work program to effectively explore exploit coal resources.

In recognition, however, of the social constraints that may be encountered in effecting the establishment of coal units in regions where there is high concentration of small coal miners, a special coal program shall be formulated and implemented in coordination with the appropriate government agency/agencies to meet the particular needs of such regions.chan robes virtual law library

SECTION 4. *Government to Undertake Coal Exploration Development and Production.* The Government, through the Energy Development Board, its successors or assigns, shall undertake by itself the active exploration, development and production of coal resources. It may also execute coal operating contracts as hereafter defined. The active exploration and exploitation of coal resources by the Government or through coal operating contracts may cover public lands, any unreserved or unappropriated coal bearing lands, claims located and recorded by private parties areas covered by valid and subsisting coal revocable permits, coal leases and other existing rights granted by the Government for the exploration and exploitation of coal lands, government mineral reservations, coal areas/mines whose leases or permits are presently owned or operated or held by government-owned or controlled corporations and coal mineable areas operated or held by government agencies.

SECTION 5. *Blocking System.* The Energy Development Board shall establish coal regions delimiting its extent and boundaries after taking into consideration the various coal bearing lands of the Philippines. Each coal region shall be divided into meridional blocks or quadrangles of two minutes (2') of latitude and one and one-half minutes (1-1/2) of longitude, each block containing an area of one thousand (1,000) hectares, more or less, the boundaries thereof to coincide with the full two minutes and one and one-half minutes of latitude and longitude, respectively, based on the Philippine Coast and Geodetic Survey Map, scale of 1:50,000.chan robes virtual law library

SECTION 6. *Coal Contract Area.* In conformity with the blocking system herein established, the Energy Development Board shall determine in each coal region what

areas, are available for coal operating contracts. In opening such contract areas, the Energy Development Board may resort to either of the following alternative procedures:

- a. By offering an area or areas for bids, specifying the minimum requirements and conditions in accordance with this Decree: or
- b. By negotiating with a qualified party for a coal operating contract under the terms and conditions provided in this Decree.

No person shall be entitled to more than fifteen (15) blocks of coal lands in any one coal region.

SECTION 7. *Existing Permittees/Leaseholders.* All valid and subsisting holders of coal revocable permits, coal leases and other existing rights granted by the government for the exploration and exploitation of coal lands or the operators thereof duly approved by the appropriate government agency, shall be given preference in the grant of coal operating contract over the area covered by their permits, leases or other rights subjects to their compliance with the following conditions and guidelines:

- (a) Those whose areas fall within a block as described in Section 5 hereof shall organize or consolidate themselves into a coal unit, singly or jointly with valid and subsisting holders of coal revocable permits, coal leases and other existing coal rights or the duly approved operator thereof, of contiguous blocks provided that a coal unit shall not be entitled to more than fifteen (15) blocks of coal lands in any coal region.
- (b) Consolidation of areas into coal unit which shall require approval by the Energy Development Board must be completed within a period of six (6) months from the effectivity of this Decree.
- (c) In order to qualify for consolidation into coal units, permittees, leaseholders or operators must have complied with the requirements of their existing permits, leases and/or rights as defined under existing laws, rules and regulations.
- (d) Members of the coal unit shall agree on the form, terms and extent of participation of its individual members. All holders of valid and subsisting coal revocable permits, coal leases and other existing rights granted by the government for the exploration, development and exploitation of coal lands shall be given percentage interest in the unit or payments out of production under such terms and conditions as may be agreed by the members of the unit and approved by the Energy Development Board.
- (e) A coal unit shall enter into a coal operating contract as hereafter provided within six (6) months from its formation.

Coal revocable permits, coal leases and other existing rights granted by the government for the exploration and exploitation of coal lands shall be deemed automatically canceled and the area covered thereby shall revert back to the State for failure of the holders or the qualified operators thereof for any cause whatsoever to consolidate their areas into coal units or secure a coal operating contract within the period specified in this section.

SECTION 8. *Coal Operating Contract.* Each coal operating contract herein authorized shall, subject to the approval of the President, be executed by the Energy Development Board.chan robes virtual law library

In a coal operating contract, service, technology and financing are furnished by the operator for which it shall be entitled to the stipulated fee and reimbursement of operating expenses. Accordingly, the operator must be technically competent and financially capable as determined by the Energy Development Board to undertake the coal operations as required in the contract.

SECTION 9. *Obligations of Operator in Coal Operating Contract.* The operator under a coal operating contract shall undertake, manage and execute the coal operations which shall include:

- (a) The examination and investigation of lands supposed to contain coal, by detailed surface geologic mapping, core drilling, trenching, test pitting and other appropriate means, for the purpose of probing the presence of coal deposits and the extent thereof;
- (b) Steps necessary to reach the coal deposits so that can be mined, including but not limited to shaft sinking and tunneling; and
- (c) The extraction and utilization of coal deposits.

The Government shall oversee the management of operation contemplated in the coal operating contract and in this connection, shall require the operator to:

- (a) Provide all the necessary service and technology;
- (b) Provide the requisite financing;
- (c) Perform the work obligations and program prescribed in the coal operating contract which shall be less than those prescribed in this Decree;
- (d) Operate the area on behalf of the Government in accordance with good coal mining practices using modern methods appropriate for the geological conditions of the area to enable maximum economic production of coal, avoiding hazards to life, health and property, avoiding pollution of air, land and waters, and pursuant to an efficient and economic program of operation;

- (e) Furnish the Energy Development Board promptly with all information, data and reports which it may require;chan robes virtual law library
- (f) Maintain detailed technical records and account of its expenditures;
- (f) Maintain detailed technical records and account of safety demarcation of agreement acreage and work areas, non-interference with the rights of the other petroleum, mineral and natural resources operators;
- (h) Maintain all necessary equipment in good order and allow access to these as well as to the exploration, development and production sites and operations to inspectors authorized by the Energy Development Board;
- (i) Allow representatives authorized by the Energy Development Board full access to their accounts, books and records for tax and other fiscal purposes;

On the other hand, the Energy Development Board shall:

- (a) On behalf of the Government, reimburse the operator for all operating expenses not exceeding seventy per cent (70%) of the gross proceeds from production in any year: *Provided*, that if in any year, the operating expenses exceed seventy per cent (70%) of the gross proceeds from production, then the unrecovered expenses shall be recovered from the operating of succeeding years. Operating expenses means the total expenditures for coal operating incurred by the operator as provided in a coal operating contract;
- (b) Pay the operator a fee, the net amount of which shall not exceed forty per cent (40%) of the balance of the gross income after deducting all operating expenses;
- (c) Reimburse operating expenses and pay the operator's fee in such form and manner as provided for in the coal operating contract.

SECTION 10. *Additional Fee.* All valid and subsisting holders of coal revocable permits, coal leases and other existing rights granted by the government for the exploration and exploitation of coal lands or the duly qualified operators thereof who have organized their area into a coal unit may, subject to conditions imposed by the Energy Development Board, be granted in the coal operating contract, in addition to the face provided in Paragraph 2 of Section 9, a special allowance, the amount of which shall not exceed thirty per cent (30%) of the balance of the gross income after deducting all operating expenses.

Coal operating contracts entered into with Philippine citizens or corporations except those already covered under the preceding paragraph, shall be granted a special allowance, the amount of which shall not exceed twenty per cent (20%) of the balance of the gross income after deducting all operating expenses: *Provided*, that coal operating

contracts in which Philippine citizens or corporations have a minimum participating interest of fifteen per cent (15%) in the contract area, may subject to reasonable conditions imposed by the Energy Development Board, be granted a special allowance not exceeding ten per cent (10%) of the balance of the gross income after deducting all operating expenses. chan robles virtual law library

For the purpose of this section, a Philippine corporation means a corporation organized under Philippine laws at least sixty per cent (60%) of the capital of which, including the voting shares, is owned and held by citizens of the Philippines.

SECTION 11. *Minimum Terms and Conditions.* In addition to those elsewhere provided in this Decree, every coal operating contract executed in pursuance hereof shall contain the following minimum terms and conditions:

- (a) Every operator shall be obliged to spend in direct prosecution of exploration work not less than the amounts provided for in the coal operating contract and these amounts shall not be less than the total obtained by multiplying the number of coal blocks or fraction thereof covered by the contract by One Million Pesos (P1,000,000.00) per block annually: *Provided*, that if the area or a portion thereof is suitable for open pit mining as determined jointly by the operator and the Energy Development Board, the minimum expenditure requirement herein provided may be reduced up to Two Hundred Thousand Pesos (P200,000.00) per block annually. From the time coal reserves in commercial quantity have been determined jointly by the operator and the Energy Development Board, the operator shall undertake development and production of the contract area within the period agreed upon in the contract and shall be obliged to spend in the development and production of the contract area an amount which shall be determined by negotiation between the operator and the Energy Development Board taking into account factors such as measured reserves, quality of coal, mining method and location and accessibility to market: *Provided, further*, that if during any contract year the operator shall spend more than the amount of money required to be spent, the excess may be credited against the money required to be spent by the operator during the succeeding years, except excess expenditures for exploration cannot be credited against financial commitment for development and production: *Provided, further*, that should the operator fail to comply with the work obligations provided for in the coal operating contract, it shall pay to the Government the amount it should have spent but did not in direct prosecution of its work obligations: *Provided, finally*, that except in case of open pit mining, the operator shall drill at least thirty (30) holes per blocks and a minimum footage of exploratory holes before the end of the exploration period as may be specified in the coal operating contract.
- (b) The exploration period under every coal operating contract shall be for two (2) years. If the operator has complied with its exploration work obligations, the exploration period may be extended for another two (2) years. The coal

operating contract shall lapse unless coal of commercial quantity is measured during the exploration period or at the end thereof in any area covered by the coal operating contract. If coal of commercial quantity is measured, the coal operating contract shall remain in force for development and production during the balance of the exploration period and/or for an additional period ranging from ten (10) to twenty (20) years, thereafter renewable for a series of three (3)-year periods not exceeding twelve (12) years under such terms and conditions as may be agreed upon by the parties.

- (c) All materials, equipment, plants and other installations erected or placed on the exploration and/or production area of a movable nature by the operator shall become properties of the Energy Development Board if not removed therefrom within one (1) year after the termination of the coal operating contract.
- (d) The operator shall be subject to the provisions of laws of general application relating to labor, health, safety and ecology insofar as they are not in conflict with the provisions otherwise contained in this Decree.

SECTION 12. *Full Disclosure of Interest in Coal Operating Contract.* Interest held in the coal operating contract by domestic mining companies and/or the latter's stockholders may be allowed to any extent after full disclosure thereof and approved by the Energy Development Board.chan robles virtual law library

SECTION 13. *Arbitration.* The Energy Development Board may stipulate in a coal operating contract executed under this Decree that disputes in the implementation thereof between the Government and the operator may be settled by arbitration.

SECTION 14. *Performance Guarantee.* In order to guarantee compliance with the obligations of the operator executed under this Decree, the operator shall post a bond or other guarantee of sufficient amount in favor of the Government and with surety or sureties satisfactory to the Energy Development Board, conditioned upon the faithful performance by the operator of any or all of the obligations under and pursuant to said coal operating contracts.chan robles virtual law library

SECTION 15. *Transfer and Assignment.* The rights and obligations under a coal operating contract executed under this Decree shall not be transferred or assigned without the prior approval of the Energy Development Board: Provided, that such transfer or assignment may be made only to a qualified person possessing the resources and capability to continue the mining operation of the coal operating contract and that the operator has complied with all the obligations of the coal operating contract.

SECTION 16. *Incentives to Operators.* The provisions of any law to the contrary notwithstanding, a contract executed under this Decree may provide that the operator shall have the following incentives:

- (a) Exemption from all taxes except income tax;
- (b) Exemption from payment of tariff duties and compensating tax on importation of machinery and equipment and spare parts and materials required for the coal operations subject to the following conditions:
  - (1) that machinery, equipment, spare parts and materials of comparable price and quality are not manufactured in the Philippines;
  - (2) that the same are directly and actually needed and will be used exclusively by the operator in its operations or in operation for it by a contractor;
  - (3) that they are covered by shipping documents in the name of the operator to whom the shipment will be delivered directly by the customs authorities; and
  - (4) that prior approval of the Energy Development Board was obtained by the operator before the importation of such machinery, equipment, spare parts and materials, which approval shall not be unreasonably withheld: *Provided, however*, that the operator or its contractor may not sell, transfer, or dispose of the machinery, equipment, spare parts and materials without the prior approval of the Energy Development Board and payment of taxes and duties thereon: *Provided, further*, that should the operator or its contractor sell, transfer, or dispose of these machinery, equipment, spare parts or materials without the prior approval of the Energy Development Board, it shall pay twice the amount of the taxes and duties thereon: *Provided, finally*, that the Energy Development Board shall allow and approved the sale, transfer or disposition of the said items without tax if made:
    - (a) to another operator under a coal operating contract;
    - (b) for reasons of technical obsolescence; or
    - (c) for purposes of replacement to improve and/or expand the operation under the coal operating contract.
- (c) *Accelerated Depreciation.* At the option of the taxpayer and in accordance with the procedures established by the Bureau of Internal Revenue, fixed assets owned by the coal units in the performance of its coal operating contract may be:
  - (1) Depreciated to the extent of not more than twice as fast as normal rate of depreciation or depreciated at normal rate of depreciation if expected life is ten (10) years or less; or



- (2) Depreciated over any number of years between five (5) years and expected life if the latter is more than ten (10) years, and the depreciation thereon allowed as a deduction from taxable income: *Provided*, that the taxpayer notifies the Bureau of Internal Revenue at the beginning of the depreciation period which depreciation rate allowed by this section will be used by it.
- (d) *Foreign Loans and Contracts.* The right to remit at the prevailing exchange rate at the time of remittance of such sum as may be necessary to cover principal and interest of foreign loans and foreign obligations arising from technological assistance contracts relating to the performance of the coal operating contract, subject to Central Bank regulations. chan robles virtual law library.
- (e) *Preference in Grant of Government Loans.* Government financial institutions such as the Development Bank of the Philippines, the Philippine National Bank, the Government Service Insurance System, the Social Security System, the Land Bank of the Philippines and other government institutions as are now engaged or may hereafter engage in financing on investment operations shall, in accordance with and to the extent allowed by the enabling provisions of their respective charters or applicable laws, accord high priority to applications for financial assistance submitted by operators in the performance of coal operating contracts, whether such financial assistance be in the form of equity participation in preferred, common or preferred convertible shares of stock, or in loans and guarantee, and shall facilitate the processing thereof and the release of the funds therefor. However, financial assistance under this paragraph shall be extended only to operators which are Philippine nationals as the term is defined under Republic Act No. 5186, as amended.
- (f) Entry upon the sole approval of the Energy Development Board which shall not be unreasonably withheld of alien technical and specialized personnel (including the immediate members of their families) who may exercise their profession only for the operation of the operator as prescribed in its coal operating contract with the government under this Decree: *Provided*, that if the employment or connection of any such alien with the operator ceases, the applicable laws and regulations on immigration shall apply to him and his immediate family: *Provided, further*, that Filipinos shall be given preference to positions for which they have adequate training, and: *Provided, finally*, that the operator shall adopt and implement a training program for Filipinos along technical or specialized lines, which program shall be reported to the Energy Development Board.

SECTION 17. *Incentives to Coal Users.* The following incentives shall be granted to enterprises/industries which will convert their existing oil fired plants facilities to make the same adaptable for coal burning:

(a) *Tax Exemption on Imported Capital Equipment.* Within seven (7) years from the date of approval of the plan for conversion of existing oil fired plants and facilities to make the same adaptable for coal burning, the importation of machinery and equipment, and spare parts shipped with such machinery and equipment necessary to implement their program of conversion shall not be subject to tariff and customs duties and compensating tax: Provided, that said machinery, equipment and spare parts are:

- (1) Not manufactured in the Philippines in reasonable quantity and quality at reasonable prices;
- (2) Directly and actually needed and will be used exclusively in the implementation of the conversion of existing plants to coal burning;
- (3) Covered by shipping documents in the name of the enterprise to whom the shipment will be delivered directly by customs authorities;
- (4) Prior approval, before importation of such machinery, equipment and spare parts was obtained. If imported machinery, equipment and spare parts are sold, transferred or otherwise disposed of without the required prior approval, the importer shall pay twice the amount of the tax and duty thereon. However, the sale, transfer or disposition of the said items shall be allowed and approved without tax and duty if made to another company for use in:
  - (a) Converting its existing plants to coal burning subject to the same conditions and limitations as herein provided;
  - (b) For reasons of technical obsolescence; or
  - (c) For replacement of equipment to improve and/or expand the operations of the enterprise.

For replacement of modernization of existing facilities of subject enterprises/industries which will be utilized partly or entirely in the conversion of coal burning, in lieu of an exemption from payment of tariff duties and taxes, it shall be granted deferment in the payment of such taxes and duties for a period of not exceeding ten (10) years after posting the appropriate bond as may be required by the Secretary of Finance.

(b) *Tax Credit on Domestic Capital Equipment.* Within seven (7) years from the date of approval of the plan for conversion of existing oil fired plants, and facilities to make the same adaptable for coal burning, a tax credit equivalent to one hundred per cent (100%) of the value of the compensating tax and customs duties that would have been paid on machinery, equipment and spare parts necessary to implement the program of conversion had these items been

imported, shall be given to the industry with a program of conversion to coal burning that purchases said machinery, equipment and spare parts from a domestic manufacturer: *Provided*,

- (1) That said machinery, equipment and spare parts are directly and actually needed and will be used exclusively in the implementation of the conversion of its existing plants to coal burning;
- (2) That the prior approval was obtained for the purchase of the machinery, equipment and spare parts. If the machinery, equipment and spare parts are sold, transferred or otherwise disposed of without the required prior government approval, the purchaser shall pay twice the amount of the tax credit given to it. However, the sale, transfer or disposition of the said items shall be allowed and approved without tax if made:
  - (a) To another company for use in its approved program of conversion to coal burning subject to the same conditions and limitations as herein provided;
  - (b) For reasons of technical obsolescence; or
  - (c) For purposes of replacement to improve and/or expand the operation of the enterprise.

(c) *Net Operating Lose Carryover*. A net operating loss incurred in any of the first ten (10) years after the start of the implementation of the coal conversion program may be carried over as a deduction from taxable income for the six (6) years immediately following the year of such loss. The entire amount of the loss shall be carried over to the first of the (6) taxable years following the loss, and any portion of such loss which exceeds the taxable income of such first year shall be deducted in like manner from the taxable income of the next remaining five (5) years. The net operating loss shall be computed in accordance with the provision of the National Internal Revenue Code, any provision of this Decree to the contrary notwithstanding, except that income not taxable either in whole or in part under this or other laws shall be included in the gross income.

(d) *Capital Gains Tax Exemption*. Exemption from income tax on the proceeds of the gains realized from the sale, disposition or transfer of capital assets which are sold or disposed of as a result of the conversion of facilities to a coal burning plant: *Provided*, that such sale, disposition or transfer are registered with the Bureau of Internal Revenue: *Provided, however*, that the gains realized from the subject sale, disposition or transfer of capital assets are invested in new issues of capital stock of an enterprise registered under the Investment Incentives Act, as amended, and other allied incentives laws:

*Provided, further*, that the shares of stock representing the investment are not disposed of, transferred, assigned, or conveyed for a period of seven (7) years from the date the investment was made: and, *Provided, finally*, that if such shares of stock are disposed of within the said period of seven (7) years, all taxes due on the gains realized from the original transfer, sale, or disposition of the capital assets shall become immediately due and payable. chan robes virtual law library

- (e) *Accelerated Depreciation.* At the option of the taxpayer and in accordance with the procedure established by the Bureau of Internal Revenue, fixed assets used by the industry in carrying out the program of conversion to coal burning may be:
- (1) Depreciated to the extent of not more than twice as fast as normal rate of depreciation or depreciated at normal rate of depreciation if expected life is ten (10) years or less; or
  - (2) Depreciated over any number of years between five (5) years and expected life if the latter is more than ten (10) years, and the depreciation thereon allowed as a deduction from taxable income: Provided, that the taxpayer notifies the Bureau of Internal Revenue at the beginning of the depreciation period which depreciation rate allowed by this section will be used by it.
- (f) *Foreign Loans and Contracts.* The right to remit at the prevailing exchange rate at the time of remittance such sum as may be necessary to cover interest and principal of foreign loan and foreign obligations arising from technological assistance contracts relating to the implementation of the program of conversion to coal burning subject to Central Bank regulation.
- (g) *Preference in Grant of Government Loans.* Government financial institutions such as the Development Bank of the Philippines, the Philippine National Bank, the Government Service Insurance System, the Social Security System, the Land Bank of the Philippines and such other government institutions as are now engaged or may hereafter engage in financing of investment operations shall, in accordance with and to the extent allowed by the enabling provisions of their respective charters or applicable laws, accord high priority to application for financial assistance submitted by enterprises/industries requiring funding to implement the program of conversion to coal burning, whether such financial assistance be in the form of equity participation in preferred, common or preferred convertible shares of stock, or in loans and guarantee, and shall facilitate the processing thereof and the release of the funds therefore; However, financial assistance shall be extended only under this paragraph to industry converting to coal burning which is a Philippine national as this term is defined under Republic Act No. 5186, as amended.

The foregoing incentives to enterprises/industries which will convert their existing oil fired plants and facilities to make the same adaptable for coal burning shall be administered and implemented by the Board of Investments created under Republic Act No. 5186, also known as the Investment Incentives Act, as amended. The Board of Investments shall have the power to process and approved, under such terms and conditions as it may deem necessary, plans for conversion to coal burning and applications for availment of the foregoing incentives. It shall promulgate such rules and regulations as may be necessary to implement the intent and provisions of this section.

SECTION 18. *Implementing Agency.* Except as otherwise provided in Section 17 hereof, the Energy Development Board, created pursuant to Presidential Decree No. 910, in addition to the powers, duties and functions under existing laws, shall be charged with carrying out the provisions of this Decree and shall be vested with the authority to promulgate rules and regulations implementing thereof.

SECTION 19. *Separability Clause.* Should any provision of this Decree be held unconstitutional, no other provision hereof shall be affected thereby.

SECTION 20. *Repealing Clause.* The provisions of Presidential Decree No. 463, otherwise known as the "*Mineral Resources Development Decree of 1974*" and other laws insofar as they deal, relate or affect the exploration, exploitation and administration of coal lands are hereby repealed. Furthermore, all laws, decrees, executive orders, administrative orders, rules, and regulations, or parts thereof in conflict or inconsistent with any provision of this Decree are hereby repealed, revoked, modified or amended accordingly.

SECTION 21. *Effectivity.* This Decree shall take effect immediately upon approval.

Done in the City of Manila, this 28th day of July, in the year of Our Lord, nineteen hundred and seventy-six.

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