

Office of the President
of the Philippines
Malacañang

MEMORANDUM ORDER NO. 87

DIRECTING THE ABOLITION OF THE PHILIPPINE VETERANS ASSISTANCE COMMISSION AND THE PHILIPPINE VETERANS INVESTMENT DEVELOPMENT CORPORATION, AND FOR OTHER PURPOSES

WHEREAS, Presidential Decree (PD) No. 244 (s. 1973), as amended, created the Philippine Veterans Assistance Commission (PVAC) and gave it the mandate to draw, absorb, invest, and manage private financial contributions for the employment, medical care, education, and other related services to veterans and their dependents;

WHEREAS, PD 243 (s. 1973), as amended, created the Philippine Veterans Investment Development Corporation (PHIVIDEC) with the mandate to formulate, execute, or operate policies, programs, projects or other activities for the full and continued employment of the productive capabilities and investments of the Armed Forces of the Philippines (AFP) veterans and retirees;

WHEREAS, the unabated and irreversible losses sustained by PVAC and PHIVIDEC make them no longer financially viable;

WHEREAS, provisions for the immediate and adequate care, benefits and assistance to veterans and retirees, in line with national development plans, may be efficiently carried out by fewer agencies maximizing their capabilities and assets;

WHEREAS, the commercial functions and provision of services to veterans by PVAC and PHIVIDEC have since been performed by the PHIVIDEC Industrial Authority (PIA) and the Philippine Veterans Assistance Office-Proper (PVAO);

WHEREAS, Section 5(a) of Republic Act (RA) No. 10149, otherwise known as the "*GOCC Governance Act of 2011*," empowers the GCG, in consultation with the department or agency to which a GOCC is attached, to determine whether a GOCC should be reorganized, merged, streamlined, abolished or privatized;

WHEREAS, the GCG, in line with Sections 6(d) and 8(e) of Executive Order (EO) No. 43 (s. 2011) and the Philippine Development Plan 2011-2016, finds the abolition of PVAC and PHIVIDEC to be in the best interest of the State in order to improve national productivity and reduce ineffective and inefficient spending of public funds; and

WHEREAS, pursuant to Section 5(a)(6)(ii) of RA No. 10149, the GCG recommended the abolition of PVAC and PHIVIDEC, and upon approval of the President, GCG will implement such abolition unless another agency is otherwise designated.

NOW THEREFORE, the following are hereby ordered:

SECTION 1. Abolition of PVAC and PHIVIDEC. The abolition of PVAC and PHIVIDEC shall be undertaken by the GCG, in coordination with the Department of National Defense (DND).

SECTION 2. Transfer of Functions. The PVAC functions of providing services to veterans shall be absorbed by PVAO, while the commercial functions of PHIVIDEC and PVAC shall be assumed by PIA.

SECTION 3. Disposition of Assets. DND/PVAO and the Privatization and Management Office (PMO) shall undertake the disposition of PHIVIDEC assets.

SECTION 4. Assumption of Liabilities and Payment of Separation Pay. The Department of Finance (DOF) shall pay the outstanding financial obligations of PVAC and PHIVIDEC, if any, out of the proceeds from the disposition of the assets of said GOCCs, subject to the applicable budgeting, accounting, and auditing rules and regulations.

SECTION 5. Creation of a Technical Working Group. To implement the provisions of this Order, the GCG shall be assisted by a Technical Working Group composed of the following agencies:

- a. **DND/PVAO** – shall undertake the function of PVAC to establish, maintain and make available for veterans and their dependents all such services necessary to provide them assistance for employment, medical care, education and other related services;
- b. **PIA** – shall assume the functions of PHIVIDEC as enumerated under Section 2 of PD No. 243, as amended by PD No. 353;
- c. **DOF/Bureau of the Treasury** – shall be responsible for the payment of liabilities out of the proceeds from the sale of PVAC and PHIVIDEC assets and further assume its remaining liabilities, subject to the applicable budgeting, accounting, and auditing rules and regulations; and
- d. **PMO** – shall be responsible for the disposition of the assets of PVAC and PHIVIDEC, to the extent necessary to satisfy its outstanding liabilities.

SECTION 6. Separability. Should any provision of this Order be declared unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

SECTION 7. Repeal. All other orders, rules, regulations, and issuances or parts thereof which are inconsistent with this Order are hereby repealed or modified accordingly.

SECTION 8. Effectivity. This Order shall take effect immediately.

DONE, in the City of Manila, this 11th day of February in the year of Our Lord, Two Thousand and Sixteen.

By Authority of the President:

RACQUITO M. OCHOA, JR.

Executive Secretary

MARIANITO M. DIMAANDAL
DIRECTOR IV
MALACANANG RECORDS OFFICE

2-17-2016