



Republic of the Philippines
CITY COUNCIL
Quezon City
15th City Council

PR2002-298

48th Regular Session

RESOLUTION NO. SP- 1862 S- 2002

A RESOLUTION AUTHORIZING THE HONORABLE MAYOR FELICIANO BELMONTE, JR. TO SIGN THE SUBSCRIPTION AGREEMENT TO THE INTERNAL REVENUE ALLOTMENT (IRA) MONETIZATION PROGRAM AND OTHER RELATED AGREEMENTS IN BEHALF OF THE LOCAL GOVERNMENT UNIT OF QUEZON CITY WITH RESPECT TO ITS SHARE IN THE PHP 6.712 BILLION UNRELEASED IRA FOR CY 2002.

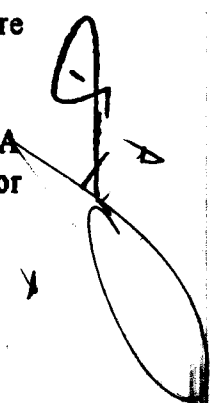
Introduced by Councilors JESUS MANUEL "BONG" C. SUNTAY, ELIZABETH DELARMENTE, VICTOR V. FERRER, JR., WILMA AMORANTO-SARINO, BERNADETTE HERRERA-DY, ROMMEL R. ABESAMIS, VOLTAIRE GODOFREDO L. LIBAN III, RAMON P. MEDALLA, ALLAN "BUTCH" T. FRANCISCO, ERIC Z. MEDINA, MARY ANN L. SUSANO, JORGE L. BANAL, JULIAN M.L. COSETENG, WENCEROM BENEDICT C. LAGUMBAY, DANTE M. DE GUZMAN, ALMA F. MONTILLA, ANTONIO E. INTON, JR., JANET M. MALAYA and RESTITUTO B. MALANGEN.

WHEREAS, pursuant to Section 284 of the Local Government Code, local government units (LGU) shall have a share in the national internal revenue taxes collected by the national government;

WHEREAS, Section 286 of the Local Government Code provides further, that local government units shall be entitled to the automatic release of their internal revenue allotments on a quarterly basis within five (5) days after the end of each quarter;

WHEREAS, the IRA of the local government unit which was due on CY2000 amounting to Php 6.712 Billion has not been released by the national government, thereby depriving the local government unit of their just share therefrom;

WHEREAS, the Quezon City government will avail of the IRA Monetization Program extension and the remaining balance of the subject IRA for monetization is Php 68,157,315.83;



WHEREAS, President Gloria Macapagal-Arroyo, recognizing the unreleased IRA as a National Government obligation, henceforth instructed the Department of Budget and Management to issue a Notice of Payment Schedule (NPS) to the LGUs, providing the release of the corresponding share of each LGU in the Php 6.712 Billion IRA in six (6) equal annual installment tranches;

WHEREAS, the IRA Monetization Program (IMP) was launched, through the cooperation of and among the Union of Local Authorities of the Philippines, Office of the President, Departments of Interior and Local Government, Budget and Management, and Finance, for the purpose of monetizing the unreleased IRA through the issuance of investment certificates;

WHEREAS, in furtherance of the IRA Monetization Program, a trust Agreement was executed by and between the Province of Davao del Norte and DBP on January 25, 2002;

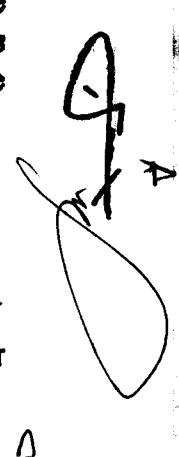
WHEREAS, pursuant to the Trust Agreement, as amended on March 7, 2002 and June 13, 2002, a Special Purpose Trust (SPT), with DBP-Trust Services as trustee, was formed and constituted to accept the NPS conveyed by the LGU, to secure the NPS by means of the issuance of the IMP Investment Certificates, to monetize the Certificates by selling them at a discount under the prevailing market prices, and to own and hold the NPS in trust and for the benefit of the holders of the Certificates until the same shall have been paid or redeemed;

WHEREAS, various LGUs have subscribed to the IRA Monetization Program and conveyed their NPS to the SPT, which have been secured by means of the issuance of IMP Investment Certificates and monetized by means of the sale of the Certificates, through the Development Bank of the Philippines and the Land Bank of the Philippines, as underwriters, at the auction held on March 22, 2002;

WHEREAS, the SPT is willing to accept the NPS of the LGUs, which were unable to subscribe to the IRA Monetization Program, by means of an extension, for the purpose of securing the remaining balance of five (5) installments if the NPS through the issuance of IMP Investment Certificates, which the underwriters have agreed to purchase under the same discount rates applicable to the Certificates sold during the March 22, 2002 auction.

NOW, THEREFORE,


BE IT RESOLVED BY THE QUEZON CITY COUNCIL IN SESSION ASSEMBLED to authorize, as it does hereby authorize, the Honorable Mayor

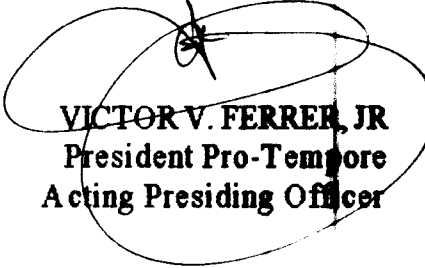


Feliciano Belmonte, Jr. to sign the subscription agreement to the IRA Monetization Program and other related agreements in behalf of the Quezon City government with respect to its share in the Php 6.712 Billion unreleased IRA for CY 2000, in the amount appearing in the notice of payment schedule.

ADOPTED: October 22, 2002.


ATTESTED:


EUGENIO V. JURILLA
City Council Secretary


VICTOR V. FERRER, JR.
President Pro-Tempore
Acting Presiding Officer

CERTIFICATION

This is to certify that this Resolution which was APPROVED on Second Reading on October 22, 2002, was CONFIRMED by the City Council on the same date.


EUGENIO V. JURILLA
City Council Secretary