

# MALACAÑANG

## MANILA

### EXECUTIVE ORDER NO. 245

#### IMPLEMENTING THE CONSOLIDATION OF ALL TOBACCO AGENCIES AND THE CREATION OF THE NATIONAL TOBACCO ADMINISTRATION, PRESCRIBING ITS CHARTER AND FOR OTHER PURPOSES

WHEREAS, under Executive Order No. 116, the various tobacco agencies have been consolidated with the creation of the National Tobacco Administration to promote efficiency, economy and effectiveness in government;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Republic of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order:

Section 1. Declaration of Policy. It is hereby declared to be the policy of the government to promote the development of the tobacco industry and to promote the quality of life of all those who depend upon the industry as a source of livelihood, especially the tobacco farmers.

Section 2. Purposes and Objectives. The National Tobacco Administration hereinafter referred to as NTA, shall have the following purposes and objectives:

- a. To improve the economic and living conditions and raise the quality of life of the tobacco farmers including those who depend upon the industry for their livelihood; and
- b. To promote the balanced and integrated growth and development of the tobacco industry to help make agriculture a solid basis for industrialization.

Section 3. Powers and Functions of the NTA.

- A. General Powers. The NTA shall have the following general powers:
  1. To administer and regulate the tobacco industry in the Philippines;
  2. To incur any obligation or enter into contract with any person, material or juridical, domestic or foreign, essential to the proper administration of its affairs and the accomplishment of its purposes and objectives;
  3. To own, purchase, lease, mortgage, encumber or otherwise dispose of real and personal property as the attainment of its purposes and objectives may reasonably permit.
- B. Specific Powers. The NTA shall have the following specific powers and functions:
  1. To promulgate and enforce rules and regulations on the production, standardization, classification, grading and trading of tobacco and tobacco products as may be necessary to attain its purposes and objectives and to pursue the policy of government on tobacco;
  2. To conduct agricultural and industrial research and to establish, operate and maintain experimental stations;

3. To accept and receive financial and other support from private and other sources for the development and promotion of the Philippine tobacco industry;
4. To provide incentives and other financial assistance to tobacco growers and association thereof, directly or in conjunction with accredited financial institutions;
5. Impose administrative sanctions for violation of the rules and regulations issued by the NTA

Section 4. Governing Body of the NTA. The NTA shall be governed by a Board of Directors composed of:

- a. The Secretary of Agriculture, as ex-officio Chairman;
- b. The NTA Administrator, who shall be the Vice-Chairman;
- c. A Senior Official of the Department of Agriculture, duly designated by the Secretary of Agriculture, as ex-officio member; and
- d. Six (6) other members who shall be appointed by the President of the Philippines upon recommendation of the Chairman; Provided, That, one (1) shall come from the tobacco manufacturing sector, one (1) from the tobacco traders/exporters sector, three (3) from the tobacco farmers sector and one (1) from the academic community.

Section 5. Term of Office of Members of the Board of Directors. Unless sooner removed for cause, the Members of the Board of Directors shall hold office for a period of two (2) years from the date of their respective appointments, without reappointment; Provided, that any member appointed to a vacancy shall serve only for the unexpired term of the member whom he succeeds.

Section 6. Powers and Functions of the Board. The Board of Directors shall act as the policy-making body of the NTA to formulate policies, promulgate regulations and prescribe rules in the exercise of its specific powers and those which are necessary, implied, incidental or conducive to the attainment of the agency's purposes and objectives.

Section 7. Meetings of the Board. The Board shall convene in a regular meeting once a month and shall hold special meetings as frequently as necessary. The presence of at least five (5) members of the Board shall constitute a quorum and the vote of a majority of those present shall be sufficient to transact business during any meeting; Provided, That the Chairman or the Administrator/Vice-Chairman, when acting as Chairman, shall not vote except in case of a tie.

The Chairman and members of the Board shall be entitled to per diems and other allowable emoluments as may be fixed by the Board for every meeting actually attended subject to existing laws, rules and regulations; Provided, That the Administrator shall receive only the remuneration and allowances which shall be provided by the Board for the Administrator, subject to existing compensation rules and regulations.

Section 8. Administrator and Deputy Administrators. The Administrator who shall be appointed by the President of the Philippines upon recommendation of the Secretary of Agriculture, shall be the Chief Executive Officer of the NTA. He shall be assisted by at least two (2) Deputy Administrators who shall be appointed by the President upon the recommendation of the NTA Administrator.

The Administrator shall have the power to:

- a. Submit policy recommendations and proposed measures necessary to carry out the purposes, objectives and functions of the NTA for the consideration of the Board;
- b. Recommend to the Board, for approval, an organizational structure, staffing pattern, salary structure and plantilla of personnel of the NTA, in accordance with existing laws, rules and regulations;
- c. Execute, administer and implement policies and measures approved by the Board;

- d. Submit to the Board, in line with the national budget cycle, an annual budget and such supplemental budget as may be necessary for its consideration and approval;
- e. Represent the NTA in all its dealings with other persons, entities, agencies, and institutions whether public or private, domestic or foreign, subject to the limitations and conditions herein provided;
- f. Appoint, subject to the confirmation of the Board, and discipline or remove for cause in accordance with the Civil Service Law, rules and regulations, the officers and personnel of the NTA;
- g. Perform such other duties which are purely managerial or routinary in nature and those which may be assigned to him by the Board or by other competent authority;

The Deputy Administrator shall have the following powers and functions:

1. Assist the Administrator in assuming the responsibilities and in the exercise in his powers and functions;
2. Discharge such other responsibilities and functions as may be required by the Administrator or the Board.

Section 9. Funding Sources. The NTA shall be funded by combining the individually approved 1987 appropriations of the merged tobacco agencies. Thereafter, its budget shall be incorporated in the General Appropriations Act.

In addition, it is hereby ordered that the funds held by the Philippine Tobacco Board, the Philippine Virginia Tobacco Board, The Philippine Tobacco Administration, the Philippine Virginia Tobacco Administration, The Virginia Tobacco Fuelwood Corporation and the Philippine Tobacco Research and Training Center, including but not limited to return on investments, revenue from operations, and other sources, shall accrue and be turned over to the NTA to form part of its Funds.

Section 10. Applicability of Civil Service Laws, Rules and Regulations. The NTA shall be subject to the Civil Service Laws, rules and regulations on all matters regarding personnel administration and management.

Section 11. Audit of NTA. The NTA shall be under the auditing jurisdiction of the Commission on Audit (COA) and for this purpose, the Chairman of the COA may assign a Resident Auditor to the NTA and such other personnel as may be necessary to assist the said Auditor in the performance of his duties. The NTA shall include in its budget the cost of audit as provided by the provisions of applicable laws.

Section 12. Transitory Provisions.

- a. The incumbent officials and employees from the rank of department manager and below shall continue to exercise their respective functions, duties and responsibilities, with the corresponding benefits and privileges unless and until otherwise ordered by the Board.
- b. The Civil Service law, rules and regulations are hereby adopted in the selection and appointment of officials and personnel of the NTA; Provided, That personnel of the consolidated tobacco agencies shall enjoy preference, all things being equal, in appointment to appropriate positions in the NTA.
- c. The new position structures and staffing patterns of the Authority shall be approved and prescribed by the Board within ninety (90) days from the approval of this Executive Order and the authorized positions created thereunder shall be filled with regular appointments by the Board or by the President, as the case may be. Those incumbents whose positions are not included in the position structure and staffing pattern 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

salary of 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.

Section 13. Repealing Clause. The provisions of the respective charters of the consolidated tobacco agencies, other laws, decrees, executive orders, administrative orders, letters of instructions and rules and regulations inconsistent herewith are hereby repealed or modified accordingly.

Section 14. Effectivity. This Executive Order shall take effect immediately upon its approval.

Done in the City of Manila, Philippines, this 24<sup>th</sup> day of July, in the Year of Our Lord, Nineteen Hundred and Eighty–Seven.

By the President:

(Sgd.) **JOKER P. ARROYO**  
Executive Secretary