



Republic of the Philippines  
**DEPARTMENT OF AGRICULTURE**  
Office of the Secretary  
Elliptical Road, Diliman,  
Quezon City, 1101 Philippines  
Tax Identification Number: 000-845-895

September 21, 2011

**SPECIAL ORDER NO. 605**  
Series of 2011

**SUBJECT: Designation of the Agricultural Credit Policy Council (ACPC) as the Department of Agriculture's duly Authorized Agency to Implement Relevant Provisions of Republic Act No. 10000 otherwise known as the Agri-Agra Reform Credit Act of 2009**

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Pursuant to Republic Act No. 10000 otherwise known as the Agri-Agra Reform Credit Act of 2009, and its Implementing Rules and Regulations (IRR) published on August 24, 2011, the Agricultural Credit Policy Council (ACPC), an attached agency of the Department of Agriculture (DA), is hereby authorized to implement the relevant provisions in the IRR as follows:

*Section 7. Modes of Alternative Compliance. The following eligible securities (gross of allowance for probable losses but net of unamortized premium or discount) that are issued after 20 April 2010 shall be allowed as alternative modes of compliance to the 25% mandatory agriculture and agrarian reform credit:*

- (i) investment in bonds that are issued by the Development Bank of the Philippines and the Land Bank of the Philippines that have been expressly declared as eligible by the Department of Agriculture (DA), or by an agency duly-authorized by the DA, the proceeds of which shall be used exclusively for on-lending to the agriculture and agrarian reform sector. In the case of 10% agrarian reform credit, eligibility declared by DA or its authorized agency shall be upon due consultation and timely coordination with the Department of Agrarian Reform (Sec. 7(2)(a)(i)), and*
- (ii) investment in other debt securities that have been declared as eligible by the DA, or by an agency duly-authorized by the DA, the proceeds of which shall be used to finance activities under Section 23 of RA 8435. In the case of 10% agrarian reform credit, eligibility declared by DA or its authorized agency shall be upon due consultation and timely coordination with the Department of Agrarian Reform (Sec. 7(2)(a)(ii)).*

*Loans and other credits (gross of allowance for probable losses) that are granted after 20 April 2010 are also alternative modes of compliance. One of which is wholesale lending granted to accredited rural financial institutions for the exclusive purpose of on-lending to the agriculture and agrarian reform sector. Also found in Sec. 7(2)(b)(ii) of the IRR.*



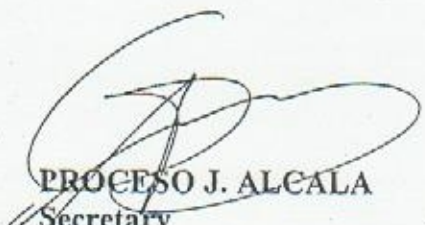

To implement the above cited provisions of the law/IRR, the ACPC is tasked to undertake the following functions:

1. Formulation of eligibility criteria and accreditation procedures for non-bank rural financial institutions (non-bank RFIs) and debt securities (Sec. 9 of the IRR);
2. Accreditation of non-bank RFIs in which banks can invest or lend;
3. Determination of eligibility of the following securities: (i) bonds issued by the DBP and LBP, the proceeds of which shall be used for on-lending to the agriculture and agrarian reform sector, and (ii) other debt securities, the proceeds of which shall be used to finance activities identified under Section 23 of RA No. 8435;
4. Certification of accredited non-bank RFIs and eligible debt securities;
5. Reporting and transmission of list of specific eligible debt securities and list of accredited non-bank RFIs to the *Bangko Sentral ng Pilipinas* (Sec. 10 of IRR) at the start of every quarter, or as often as necessary; and
6. Performance of other related tasks pursuant to the implementation of the provisions of RA 10000 and its IRR.

In line with the accomplishment of the above tasks, the ACPC shall be provided with manpower complement and budget subject to existing government accounting and auditing rules and regulations.

This Order shall take effect immediately and remain effective unless revoked by the Secretary of Agriculture.

September 21, 2011

  
**PROCESO J. ALCALA**  
Secretary  
Department of Agriculture 

DEPARTMENT OF AGRICULTURE  
  
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