



REPUBLIC OF THE PHILIPPINES
BUREAU OF LOCAL GOVERNMENT FINANCE
DEPARTMENT OF FINANCE

8th Floor EDPC Building, Bangko Sentral ng Pilipinas Complex
Roxas Boulevard, Manila 1004 * Telefax Nos. 527-2780 / 527-2790
Email: blgf@blgf.gov.ph Official Website: www.blgf.gov.ph

BLGF MEMORANDUM CIRCULAR NO. 18-2016

August 10, 2016

TO : All Regional Directors of this Bureau; All Provincial, City and Municipal Treasurers; and All Others Concerned

SUBJECT: Department of Finance Circular (DC) No. 002.2016 Extending until June 30, 2017 the Period for Compliance with Section 5.2 of DC No. 001-2015, as amended by DC No. 003.2015, the "Revised Guidelines on Authorized Government Depository Banks"

This is to inform all concerned of the herein attached DC No. 002.2016, dated July 8, 2016, issued by the Secretary of Finance and published in the Manila Standard Today dated 21 July 2016, extending until June 30, 2017 the period for compliance with Section 5.2 of DC No. 001.2015, as amended by DC No. 003.2015, on the "Revised Guidelines on Authorized Government Depository Banks".

The amendments under DC No. 002.2016 read, as follows:

Section 1. Extension of the Compliance Period to June 30, 2017. The compliance period provided for in Section 6.1 of DC No. 01-2015, as amended, is hereby extended to June 30, 2017. Accordingly, all NGAs, GOCCs or LGUs maintaining accounts with banks not compliant with the requirements of Section 5.2 of DC No. 01-2015, as amended, except those allowed under Sections 5.3 and 5.4 thereof, shall have until June 30, 2017 to transfer all funds and cash balances to a bank compliant with the provisions of said Section 5.2.

Section 2. Maintenance of Existing Accounts. From the date of the effectivity of this Circular until June 30, 2017, NGAs, GOCCs and LGUs may maintain existing accounts with a non-compliant bank but may not increase deposit balances beyond what they were as of the effectivity of this Circular.

Section 3. Requests for Extension of Deadline. After June 30, 2017 and the bank is still unable to meet the requirements of Section 5.2 of DC No. 01-2015, NGAs, GOCCs, or LGUs may request the Department of Finance (DOF) to extend the deadline indicated in Section 1 hereof by one (1) year, subject to the submission of a transition plan, for DOF's evaluation and approval. The request for extension must be submitted at least ninety (90) days before the deadline. DOF has until the day before the deadline to evaluate, and approve or disapprove the request.

Section 4. Transfer of Funds After Compliance Period. If the NGAs, GOCCs or LGUs do not request for an extension, or if their request is disapproved by the DOF, the same must transfer all funds and cash balances to banks that meet the requirements of Section 5.2 of DC No. 01-2015.

Section 5. Repealing Clause. This Circular further amends DC No. 01-2015, as amended by DC No. 03-2015. All other orders, circulars, memoranda, issuances contrary to or inconsistent herewith are hereby revoked and/or modified, and all concerned shall be guided accordingly.

Please be guided that LGUs shall have until 30 June 2017 to maintain existing accounts with non-compliant banks; provided, that the deposit balances being maintained in their existing accounts may not be increased. Those LGUs availing the extended transitory period or beyond June 30, 2017 are required to submit a **transition plan** to the DOF, **ninety (90) days before the deadline**, which is on **31 March 2017**, for evaluation by this Bureau and approval of the Secretary of Finance.

Accordingly, all approvals issued by the DOF and this Bureau prior to this Circular are hereby deemed superseded. Further, all requests for extension made by LGUs prior to this Circular are hereby made of record.

The Regional Directors of this Bureau are hereby directed to immediately and widely disseminate this Circular to all Provincial, City and Municipal Treasurers within their respective regional jurisdictions, who in turn, are likewise hereby directed to provide a copy to their respective Provincial Governors, City and Municipal Mayors and others concerned.

For strict compliance.


NIÑO RAYMOND B. ALVINA
OIC Executive Director