

## PRESS RELEASE

### “STREAMLINED GUIDELINES ON THE ISSUANCE OF CERTIFICATE OF NET DEBT SERVICE CEILING AND BORROWING CAPACITY OF LOCAL GOVERNMENT UNITS”

MANILA – During President Rodrigo Roa Duterte’s inaugural address, he underscored the need “to reduce requirements and the processing time of all applications from the submission to the release”. This was restated during the first DOF flag-raising ceremony by the incoming Secretary of Finance Carlos G. Dominguez, “to improve work quality, accelerate processing and receive zero customer complaints” and “to cultivate sound customer relationship inside and outside of the DOF”. Taking cue from this challenge and to improve BLGF efficiency and service delivery, the Bureau of Local Government Finance (BLGF) of the Department of Finance took the initiative to reduce the documentary requirements for Local Government Units (LGUs) in securing Certificate of Net Debt Service Ceiling and Borrowing Capacity (NDSC/BC). On 25 October 2016 the Department Order (DO) No. 054.2016, “Streamlining the Certification of Net Debt Service Ceiling and Borrowing Capacity of LGUs” was signed by Finance Secretary Dominguez reducing the existing twelve (12) documentary requirements down to four (4); clarifying its computational parameters; and improving the reportorial requirements for loans involving local and foreign-assisted projects.

The Order prescribes the updated and streamlined guidelines by removing irrelevant requirements without prejudice to the accuracy of the certificate. The salient features of the DO include the following:

- The four (4) documentary requirements for LGUs securing the certificate of NDSC and BC;
- The two (2) documentary requirements for LGUs hit by natural calamities and/or man-made disasters, and have been declared under the state of calamity either by national or local authorities which should be filed within, a period of one (1) year from the declaration of state of calamity;
- The validity of the certificates; i.e. two (2) years for disaster-stricken LGUs after issuance, unless otherwise revoked sooner, and one (1) year for regular certificates;
- The computational parameters of the NDCS and BC for transparency purposes; and
- The reports required in monitoring the loans of the LGUs for policy-purposes.

The signed DO aims to facilitate and expedite the processing of loan applications of the LGUs to support capital investment and priority development projects.