



Republic of the Philippines
DEPARTMENT OF FINANCE
BUREAU OF LOCAL GOVERNMENT FINANCE

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MEMORANDUM CIRCULAR NO. 007.2020

23 March 2020

TO : All BLGF Central and Regional Officials and Employees; All Provincial, City and Municipal Treasurers; and Others Concerned

SUBJECT : Processing and Issuance of Certificate of Net Debt Service Ceiling and Borrowing Capacity for Local Government Units During the Nationwide State of Calamity Due to Coronavirus Disease 2019 (COVID-19)

In line with Proclamation No. 929 dated 16 March 2020, declaring a State of Calamity Throughout the Philippines Due to COVID-19, and Proclamation No. 922 dated 08 March 2020, declaring a State of Public Health Emergency Throughout the Philippines, both issued by President Rodrigo Roa Duterte, and in view of the Memorandum from the Executive Secretary on Community Quarantine Over the Entire Luzon and Further Guidelines for the Management of the COVID-19 Situation, dated 16 March 2020, **the processing and issuance of Certificate of Net Debt Service Ceiling and Borrowing Capacity (CNDSC/BC) of local government units (LGUs) by this Bureau shall be through electronic means.**

This Circular is issued to ensure that LGUs that will use credit financing as additional source of funds for the provision of goods and services, in response to COVID-19, will be assisted immediately by this Bureau, particularly in the processing and issuance of CNDSC/BC, pursuant to DOF Department Order (DO) No. 054.2016 dated 25 October 2016, and BLGF Memorandum Circular (MC) No. 005.2018 dated 22 January 2018.

As such, concerned LGUs shall electronically submit their applications and supporting documents in portable document format (PDF) to the corresponding email addresses below:

National Capital Region	ldmed@blgf.gov.ph
Cordillera Administrative Region	car@blgf.gov.ph
Region 1: Ilocos	r1@blgf.gov.ph
Region 2: Cagayan Valley	r2@blgf.gov.ph
Region 3: Central Luzon	r3@blgf.gov.ph
Region 4A: Calabarzon	r4a@blgf.gov.ph
Region 4B: Mimaropa	r4b@blgf.gov.ph
Region 5: Bicol	r5@blgf.gov.ph
Region 6: Western Visayas	r6@blgf.gov.ph
Region 7: Central Visayas	r7@blgf.gov.ph
Region 8: Eastern Visayas	r8@blgf.gov.ph
Region 9: Zamboanga Peninsula and BARMM	r9@blgf.gov.ph
Region 10: Northern Mindanao	r10@blgf.gov.ph
Region 11: Davao	r11@blgf.gov.ph
Region 12: Soccsksargen and BARMM	r12@blgf.gov.ph
Region 13: Caraga Administrative Region	caraga@blgf.gov.ph



Further, the official request of the LCE must also indicate the following contact information for verification by the BLGF Central and Regional Offices: (i) **name of official LGU representative, preferably the local treasurer, and the designated email address and mobile number**; and (ii) **name of official bank/lending institution (LI) representative, and the designated email address and mobile number**. The **scanned copy of government-issued IDs of the LGU and bank/LI representatives** shall likewise be submitted.

All BLGF ROs shall undertake due diligence and proper LGU verification, and shall: (i) check the completeness and orderliness of the documentary requirements submitted; (ii) evaluate if the reduced documentary requirements, pursuant to Section 4 of DO No. 054.2016, apply; (iii) prepare the preliminary computation of the NDSC/BC in accordance with Sections 5.1 and 5.2 of DO No. 054.2016; and (iv) email to the BLGF CO via **ldmed@blgf.gov.ph** the Indorsement signed by the BLGF Regional Director, and all electronic documents/references and preliminary computations.

In computing the annual regular income for CNDSC/BC, averaging shall not be applied, as the financial data of the immediately preceding year shall be referred to, and the FY 2020 Internal Revenue Allotment shall be used, per Section 5.2 of DO No. 054.2016.

All preliminary actions and issuances, such as (i) acknowledgement receipt of application; (ii) notice of deficiency in documents, if found incomplete and/or not in order; and (iii) endorsement of application of LGUs outside NCR submitted to the BLGF CO, shall be communicated via official BLGF email addresses. The final action and/or signed CNDSC/BC shall be released and transmitted to the LGU, LI and RO by the **BLGF Central Records** only, via **records@blgf.gov.ph**. Moreover, the original files of the final action on LGU applications shall be mailed upon resumption of normal office operations of the BLGF CO.

In line with the BLGF Quality Management System and pursuant to Item 4 of Bureau Order No. 026.2020, dated 15 March 2020, **all concerned BLGF officials and employees shall endeavor to process LGU requests expeditiously within the shortest possible time, after following the prescribed procedures**. The committed service standard for end-to-end processing of every LGU application shall in no case exceed fifteen (15) working days due to the present work-from-home and remote-based operations of the Bureau. It is reiterated that all precautions and directives of proper authorities on COVID-19 shall be strictly complied with to ensure the safety of all concerned.

Further, the Bangko Sentral ng Pilipinas (BSP), in an email notice, advised that borrowing entities, including LGUs, shall electronically submit the documentary requirements in securing the Monetary Board Opinion (MBO) from the BSP, through Ms Sunshine Banawe O. Ramel, via ramelso@bsp.gov.ph, and Ms Mikaela Jazz Cruz, via cruzmil@bsp.gov.ph.

All BLGF Regional Directors are hereby instructed to immediately and widely disseminate this Circular to all concerned. All Local Treasurers shall likewise inform their respective local chief executives of this Circular.

Please be guided accordingly.

NIÑO RAYMOND B. ALVINA
Executive Director