



Bangko Sentral ng Pilipinas

OFFICE OF THE DEPUTY GOVERNOR SUPERVISION AND EXAMINATION SECTOR

CIRCULAR LETTER

To : ALL BANKS

**Subject : DOF DEPARTMENT ORDER NO. 27-05 DATED 9
DECEMBER 2005**

The Department of Finance (DOF) issued on 9 December 2005 the revised guidelines for the deposit and maintenance of government funds with banks under Department Order (DO) No. 27-05. Said DO revised the earlier guidelines issued by the DOF under DO No. 32-03.

Under the revised guidelines, Provincial, City and Municipal Treasurers, Commissioners of BIR and BOC, Heads of attached agencies of the DOF, and Heads of all Government-Owned and/or Controlled Corporations (GOCCs) are required to secure prior DOF approval if they are to deposit their funds or maintain depository accounts with banks other than the Land Bank of the Philippines and the Development Bank of the Philippines. Banks concerned are therefore reminded to take appropriate measures to ensure that government offices and/or agencies that maintain deposit accounts with them have complied with this recent DOF directive, otherwise, affected deposit accounts may have to be closed.

Attached, for information and guidance, is a copy each of DOF DO Nos. 27-05 and 32-03 dated 9 December 2005 and 10 November 2003, respectively.

For compliance.


NESTOR A. ESPENILLA JR.
Deputy Governor

14 March 2006

Atts: A/S

PANANALAPING MATATAG, BANSANG PANATAG



DEPARTMENT OF FINANCE

Roma Boulevard Corner Paldo Ocampo, Sr. Street
Manila 1004

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DEPARTMENT ORDER NO. 27 - 05
9 December 2005

TO : ALL THE PROVINCIAL, CITY AND MUNICIPAL
TREASURERS, THE COMMISSIONERS OF BUREAU OF
INTERNAL REVENUE (BIR) AND BUREAU OF CUSTOMS
(BOC), HEADS OF ALL ATTACHED AGENCIES OF THE
DEPARTMENT OF FINANCE, AND HEADS OF ALL
GOVERNMENT-OWNED AND/OR CONTROLLED
CORPORATIONS (GOCCs)

SUBJECT : AMENDMENT TO DEPARTMENT ORDER NO. 32-03

All Provincial, City and Municipal Treasurers, Commissioners of BIR and BOC, Heads of attached agencies of the DOF and Heads of all GOCCs shall deposit their funds and maintain depository accounts with:

- a. Land Bank of the Philippines; and
- b. Development Bank of the Philippines.

By way of exception, and subject to prior approval of DOF, Provincial, City and Municipal Treasurers, Commissioners of BIR and BOC, Heads of attached agencies of the DOF, and Heads of all GOCCs may likewise deposit their funds and maintain depository accounts with banks where government has shares of stocks or which are allowed by law to be government depository banks:

- a. **Philippine National Bank** - granted with the authority to accept government deposits from October 10, 2003 up to 03 May 2007 subject to gradual reduction of the ratio of government deposits to total deposit liabilities in accordance with the limitations prescribed by the Monetary Board;
- b. **Philippine Postal Savings Bank** - subsidiary of Philippine Postal Corporation; created under Republic Act No. 7354 ("Postal Service Act of 1992");
- c. **Thrift, Rural and Cooperative Banks** may act as official depository of government funds pursuant to Republic Act Nos. 7906 ("Thrift Banks Act of 1995"), 7353 ("Rural Banks Act of 1992") and 6938 ("Cooperative Code of the Philippines"), and in exceptional cases as

stated in DO No. 11-99 and subject to the prior approval and guidelines of the BSP;

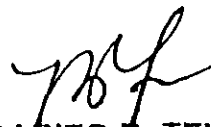
1. *Thrift Bank (authorized by Republic Act No. 7906) - a thrift bank may act as official depository of national agencies, and of municipal, city or provincial funds in the municipality, city or province where the thrift bank is located, subject to such guidelines as may be established by the Monetary Board;*
 2. *Rural Bank (authorized by Republic Act No. 7353) - a rural bank may act as official depository of municipal, city or provincial funds in the municipality, city or province where the rural bank is located, subject to such guidelines as may be established by the Monetary Board, and*
 3. *Cooperative Bank (authorized by Republic Act No. 6938) - a cooperative bank may act as a depository of government funds for all government departments, agencies and units of the national and local governments, including government-owned or controlled corporations.*
- d. **United Coconut Planters Bank** - authorized to continue accepting **National Government** funds until further notice from the BSP **subject to limitations prescribed by Monetary Board;**
- e. **Al-Amanah Islamic Investment Bank of the Philippines** - authorized by Republic Act No. 6848 (*Al-Amanah Islamic Bank Charter*) under Section 6 (B) to act as an official government depository, or its branches, subdivisions and instrumentalities and of GOCCs, particularly those doing business in the autonomous region.
- f. **Philippine Veterans Bank** - authorized by Section 6 of Republic Act No. 7169 which states that the Secretary of Finance, the National Treasurer and his authorized representatives, city and municipal treasurers, as well as custodians of public funds or those belonging to government-owned or controlled corporations, are hereby authorized **if they so desire** to make and actually maintain deposits of any government or corporate funds with the Veterans Bank, which is hereby declared to be a government depository.

In all other cases, the Provincial, City and Municipal Treasurers, Commissioners of BIR and BOC, Heads of attached agencies of the DOF, and Heads of all GOCCs shall secure the prior approval of DOF.

They are further reminded that deposits and maintenance of funds with the foregoing banks must be in accordance with the applicable provisions of DO No. 11-99, as amended, *BSP Circular No. 110 Series of 1996*, applicable Monetary Board Resolutions, and other pertinent rules and regulations.

This Order shall take effect immediately and accordingly amends DO No. 32-03 dated 10 November 2003.

Please be guided accordingly.



MARGARITO B. TEVES

Secretary

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DEPARTMENT OF FINANCE

Reinas Building and Corner Public Office, Sr. Street
Manila 1004

FILE COPY

DEPARTMENT ORDER NO. 32-03
10 November 2003

TO : ALL THE PROVINCIAL, CITY AND MUNICIPAL TREASURERS, THE COMMISSIONERS OF BUREAU OF INTERNAL REVENUE (BIR) AND BUREAU OF CUSTOMS (BOC), HEADS OF ALL ATTACHED AGENCIES OF THE DEPARTMENT OF FINANCE, AND HEADS OF ALL GOVERNMENT OWNED AND/OR CONTROLLED CORPORATIONS (GOCCs)

SUBJECT : AUTHORIZED GOVERNMENT DEPOSITORY BANKS

This is to advise the Provincial, City and Municipal Treasurers, Commissioners of BIR and BOC, Heads of attached agencies of the DOF and Heads of all GOCCs that pursuant to *Department Order (DO) No. 11-99 dated February 24, 1999* they may deposit their funds and maintain depository accounts preferably with:

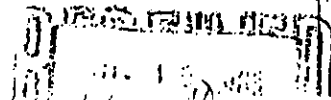
- a. Land Bank of the Philippines; and
- b. Development Bank of the Philippines.

By way of exception and update on the list of banks in *DO No. 11-99*, Provincial, City and Municipal Treasurers, Commissioners of BIR and BOC, Heads of attached agencies of the DOF, and Heads of all GOCCs may likewise deposit their funds and maintain depository accounts with the following banks where government has shares of stocks or which are allowed by law to be government depository banks:

- a. Philippine National Bank - granted with the authority to accept government deposits from October 10, 2003 up to 03 May 2007 subject to gradual reduction of the ratio of government deposits to total deposit liabilities in accordance with the limitations prescribed by the Monetary Board;
- b. Philippine Postal Savings Bank - subsidiary of Philippine Postal Corporation created under *Republic Act No. 7354 ("Postal Service Act of 1992")*;
- c. Thrift, Rural and Cooperative Banks - may act as official depository of government funds pursuant to *Republic Act Nos. 7906 ("Thrift Banks Act of 1995")*, *7353 ("Rural Banks Act of 1992")* and *6938 ("Cooperative Code of the Philippines")*, and in exceptional cases as stated in *DO No. 11-99* and subject to the prior approval and guidelines of the BSP;

1. Thrift Bank (authorized by *Republic Act No. 7906*) - a thrift bank may act as official depository of national agencies, and of

DEPARTMENT OF FINANCE



municipal, city or provincial funds in the municipality, city or province where the thrift bank is located, *subject to such guidelines as may be established by the Monetary Board;*

2. *Rural Bank (authorized by Republic Act No. 7353) – a rural bank may act as official depository of municipal, city or provincial funds in the municipality, city or province where the rural bank is located, subject to such guidelines as may be established by the Monetary Board; and*

3. *Cooperative Bank (authorized by Republic Act No. 6938) – a cooperative bank may act as a depository of government funds for all government departments, agencies and units of the national and local governments, including government-owned or controlled corporations.*

d. *United Coconut Planters Bank -- authorized to continue accepting National Government funds until further notice from the BSP subject to limitations prescribed by Monetary Board;*

e. *Al-Amanah Islamic Investment Bank of the Philippines – authorized by Republic Act No. 6848 (Al-Amanah Islamic Investment Bank Charter) under Section 6 (8) to act as an official government depository, or its branches, subdivisions and instrumentalities and of GOCCs, particularly those doing business in the autonomous region.*

f. *Philippine Veterans Bank -- authorized by Section 6 of Republic Act No. 7169 which states that the Secretary of Finance, the National Treasurer and his authorized representatives, city and municipal treasurers, as well as custodians of public funds or those belonging to government-owned or controlled corporations, are hereby authorized if they so desire to make and actually maintain deposits of any government or corporate funds with the Veterans Bank, which is hereby declared to be a government depository.*

With respect to the Securities and Exchange Commission (SEC), the SEC may likewise deposit and maintain its cash balances with the Union Bank of the Philippines but only with regard to its Integrated Collection Facility/Register System in accordance with the Department's letter to the SEC dated 13 September 2002.

Provincial, City and Municipal Treasurers, Commissioners of BIR and BOC, Heads of attached agencies of the DOF, and Heads of all GOCCs are hereby reminded that deposits and maintenance of funds with the foregoing banks must be in accordance with DO NO. 11-99 as herein amended, BSP Circular No. 110 Series

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of 1996, applicable Monetary Board Resolutions, and other pertinent rules and regulations.

This Order shall take effect immediately and accordingly amends DO No. 11-99 dated 24 February 1999.

Please be guided accordingly.



JOSE SIDRON N. CAMACHO
Secretary