

[DOF Department Circular No. 001-2015, June 01, 2015]

REVISED GUIDELINES ON AUTHORIZED GOVERNMENT DEPOSITORY BANKS

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1. LEGAL BASIS

These guidelines are being issued in line with the mandate of the Department of Finance ("DOF") under the Administrative Code of 1987 and Executive Order No. 127, series of 1987 for the sound and efficient management of the financial resources of the Government, its subdivisions, agencies and instrumentalities.

2. COVERAGE

This Circular shall cover all National Government Agencies ("NGAs"), Government-Owned or -Controlled Corporations ("GOCCs")/Government Financial Institutions ("GFIs")/Government Instrumentalities with Corporate Powers ("GICPs")/Government Corporate Entities ("GCEs") and Local Government Units ("LGUs").

3. DEFINITION OF TERMS

- 3.1 **"Authorized Government Depository Bank"** refers to a bank where Government Agencies are allowed by law to deposit Government Funds and maintain depository accounts, or by way of exception, a bank allowed or designated by the DOF and the Monetary Board to hold government deposits subject to prescribed rules and regulations.
- 3.2 **"Government Financial Institutions ("GFIs")"** refer to financial institutions or corporations in which the government directly or indirectly owns majority of the capital stock and which are either: (1) registered with or directly supervised by the Bangko Sentral ng Pilipinas ("BSP"); or are (2) collecting or transacting funds or contributions from the public and thereafter, placing them in financial instruments or assets such as deposits, loans, bonds and equity including, but not limited to, the Government Service Insurance System and the Social Security System.
- 3.3 "Government Funds" include public moneys of every sort and other resources pertaining to any agency of the government.
- 3.4 **"Government Instrumentalities with Corporate Powers ("GICPs")/ Government Corporate Entities ("GCEs")"** refer to instrumentalities or agencies of the government which are neither corporations nor agencies integrated within the departmental framework, but vested by law with special functions or jurisdiction,

endowed with some if not all corporate powers, administering special funds, and enjoying operational autonomy usually through a charter including, but not limited to, the following: The Manila International Airport Authority, the Philippine Ports Authority, the Philippine Deposit Insurance Corporation, the Metropolitan Waterworks and Sewerage System, the Laguna Lake Development Authority, the Philippine Fisheries Development Authority, the Bases Conversion and Development Authority, the Cebu Port Authority, the Cagayan de Oro Port Authority, the San Fernando Port Authority, the Local Water Utilities Administration and the Asian Productivity Organization.

- 3.5 **"Government-Owned or -Controlled Corporations ("GOCCs")"** refer to any agency organized as a stock or non-stock corporation, vested with functions relating to public needs whether governmental or proprietary in nature, and owned by the Government of the Philippines directly or through its instrumentalities either wholly or, where applicable as in the case of stock corporations, to the extent of at least a majority of its outstanding capital stock. Provided, however, That for purposes of this Circular, the term "GOCC" shall include GICP/GCE and GFI as defined herein.

4. GENERAL PRINCIPLES

- 4.1 As the Government's steward of sound fiscal policy, the Department of Finance formulates, institutionalizes and administers policies to ensure that the government resources are managed and mobilized judiciously in a manner supportive of the development objectives of the government in promoting the welfare of the people and accelerating economic growth and stability.
- 4.2 The Bureau of Local Government Finance ("BLGF"), as the focal agency and authority in local finance, shall assist the Department of Finance in the formulation and implementation of policies on fund management.
- 4.3 Pursuant to Executive Order No. 55 (s. 2011), the government through the DOF and the Bureau of the Treasury ("BTr") implemented the Treasury Single Account ("TSA") system for better cash management and greater transparency in public financial management.

5. GENERAL GUIDELINES

- 5.1 Pursuant to Executive Order No. 55, all National Government Agencies shall adopt the TSA system for the collection of fees, charges and other revenues and remittance of the same to the National Treasury.
- 5.2 As part of the Government's effort to strengthen its overall fiscal position, all NGAs, GOCCs, and LGUs specifically allowed by law, rules and regulations to retain income and/or for operations and/or working balances shall deposit and maintain accounts with GFIs with a universal bank license and a CAMELS rating of at least "3".
- 5.3 In view of Executive Order No. 55, series 2011 removing revenue and expenditure floats, the NGA/GOCC/LGU may engage the payment and collection services of a bank other than as referred under Section 5.2, thru a transaction fee-based arrangement, without the need for prior approval from the DOF, in the case of GOCCs, or, from the BLGF, in the case of LGUs: provided, that in the case of NGAs the implementation of