

July 28, 2006

**MEMORANDUM OF UNDERSTANDING BETWEEN THE
GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES AND THE
GOVERNMENT OF THE ITALIAN REPUBLIC ON THE AUTOMATIC
EXCHANGE OF DRIVER'S LICENSES**

The Government of the Republic of the Philippines and the Government of the Italian Republic hereinafter referred to as the "Contracting Parties";

In order to improve safety of road transport and facilitate road traffic in the territory of the Contracting Parties;

Have agreed as follows:

**ARTICLE I
DEFINITION OF TERMS**

For the purposes of interpreting the articles of this Agreement, the following terms shall be defined:

- a. The term "Restrictions", on the Philippine side, refers to the specification in the driver's license as to what type of motor vehicle a driver is allowed to operate.
- b. The term "Residence" refers to the definition of residence in, and governed by, the current domestic legislation of the Contracting Parties.
- c. The term "Exchange" refers to the process of substituting a driver's license issued by the competent authorities of a Contracting Party with an equivalent driver's license issued by the other Contracting Party.
- d. The term "Competent Authorities" refer to:
 - i. In Italy - Ministero dei Trasporti - Dipartimento Trasporti Terrestri
 - ii. In the Philippines - Department of Transportation and Communication, Land Transportation Office

**ARTICLE 2
DRIVER'S LICENSES COVERED**

The Contracting Parties mutually recognize, for the purposes of their exchange, the currently valid non-provisional driver's licenses issued by the competent authorities of the other Contracting Party, in accordance with its domestic legislation, to holders of driver's licenses taking up residence within their territories.

**ARTICLE 3
VALIDITY FOR DRIVING PURPOSES BEFORE BEING EXCHANGED**

Driver's licenses issued by the Philippine authorities shall cease to be valid for the purpose of driving in the Italian territory one year from the date on which the license holder takes up residence in the Italian territory.

Drivers licenses issued by the Italian authorities shall cease to be valid for the purpose of driving in the Philippine territory ninety (90) days from the date of last arrival in the Philippines.

ARTICLE 4

LICENSE EXCHANGE

If the holder of a valid driver's license issued by the authorities of one of the Contracting Parties takes up residence in the territory of the other Contracting Party, that license holder may exchange his/her driver's license without being required to take written or practical exams, save in particular circumstances relating to drivers with disabilities.

This article does not exempt license holders from the obligation to submit a drug-test-result and/or medical certificate attesting to their psychological and physical fitness to drive vehicles for the classes being exchanged, if the Competent Authority so requests.

Any restrictions to driving and sanctions that may exist with reference to the issuance date of the driver's license under the domestic legislation of either Contracting Party shall be applied with reference to the date the original driver's license being exchanged was issued.

ARTICLE 5

PERIOD OF EXCHANGE

The provisions of the first paragraph of Article 4 only apply to a driver's license issued before taking up residence in the territory of the other Contracting Party. In case of provisional driver's licenses, the provisions mentioned above only apply to driver's licenses that have become permanently valid prior to taking residence there.

The aforementioned Article 4 shall not apply to driver's licenses which have been obtained in substitution for a document issued by a third state that cannot be exchanged in the territory of the Contracting Party which has been requested to carry out the exchange.

ARTICLE 6

CONDITIONS FOR LICENSE EXCHANGE

When a driver's license is exchanged, the equivalence of license categories will be established on the basis of the technical equivalence tables annexed to this Agreement and forming an integral part hereof. These tables, together with the list of sample driver's licenses, constitute the technical annex which may be modified by the Contracting Parties by an Exchange of Notes.

For the purposes of this Agreement, only Categories A, B and "B speciale" of the Italian driver's license and Restrictions 1 non professional, 2 non professional and 4 non professional of the Philippine driver's license will be issued upon exchange.

ARTICLE 7

SUBMISSION AND RETURN

During the license exchange procedure, the competent authorities of the Contracting Parties shall withdraw the licenses to be exchanged and return them to the