

**[ SAGSD MEMORANDUM CIRCULAR NO. 001-09,  
March 03, 2009 ]**

**POLICY GUIDELINES AND PROCEDURES FOR THE CONVERSION  
OF THE CURRENT TWO-YEAR LICENSE TO OPERATE (LTO)  
RENEWAL CYCLE TO FIVE-YEAR CYCLE WITH OPTIONS**

**1. REFERENCES:**

- a. 2003 Revised Rules and Regulations Implementing RA 5487, as amended;
- b. SOP No. 05-03, dated 12 March 2003; and
- c. RA 6975, as amended.

**2. AUTHORITY:**

Pronouncement of Director General AVELINO I. RAZON, JR. former Chief, PNP, on August 28, 2008 during the 4th PADPAO Convention and Golden Anniversary in Cebu City, in accordance with Section 17, RA 5487, as amended.

**3. PURPOSE:**

This Memorandum Circular prescribes the policy guidelines and procedures in implementing the conversion of the current Two-Year LTO Renewal Cycle to Five-Year Renewal Cycle with Options, thru which the regular LTO applicants may choose from based on their capability to manage, conduct and operate a PSA/PDA, and encompassing the following major goals:

- a. To allow owners/managers/authorized officers or licensees to choose what options are suitable, feasible and acceptable to their styles of management and financial capabilities in order to meet the regulatory requirements for the renewal of regular license and the continued operations of their security services;
- b. To identify regulatory measures, ways and means to regulate the operations of PSAs/PDAs based on the options chosen; and
- c. To foster PNP-PADPAO continuing coordination/consultation on matters pertaining to the well-being of the private security industry.

**4. SCOPE/APPLICATION:**

The Five-Year LTO Renewal Cycle has to be applied to all PSAs/PDAs with regular

LTOs, particularly in the selection of renewal options. These policy guidelines and procedures serve as basis for identifying regulatory measures that will review the business operations of PSAs/PDAs for purposes of issuance of regular license, records keeping and other regulatory requirements.

## **5. RATIONALE:**

As a regulatory body, the Philippine National Police (PNP), thru the Civil Security Group-Security Agencies and Guards Supervision Division (CSG-SAGSD) and in consultation with PADPAO, introduces the applicants for renewal of regular LTOs to available Options in which they can pursue, in better management, conduct and operations and with focus, one particular renewal cycle suited to their ability to manage existing and potential internal/external liabilities. It thus encourages all PSAs/PDAs to strive towards a more competitive and healthy environment for the private security industry.

## **6. POLICY GUIDELINES FOR THE 5-YEAR CYCLE WITH OPTIONS:**

- a. License to Operate has a regulatory dimension and reflects a set of rights and obligations.
- b. All owners/managers/authorized officers/authorized representatives or licensees of PSAs/PDAs with regular LTOs shall be allowed to choose among the options available: two-year cycle; three-year cycle; four-year cycle; or five-year cycle. These options become available to them only upon expiration of their regular LTOs.
- c. Once an option is chosen and applied for, and the corresponding license is approved/issued, the license cannot be changed during the years it is in effect.
- d. Annual, interim and final reports on the management, conduct and operations of PSAs/PDAs shall be required.
- e. The current annual rate of national license and registration fees and penalties shall apply and the licensee will be charged such fees equivalent to the number of years the license is in effect.
- f. New or Temporary LTO, unless earlier revoked/cancelled/suspended, remains to have a life of or valid for two (2) years.

## **7. PROCEDURES FOR RENEWAL OF REGULAR LTO:**

Subject to the relevant provisions of the 2003 Revised Rules and Regulations Implementing RA 5487, as amended, particularly Sec. 8a & c, Sec. 9, Sec 10b, and Sec. 11 of Rule IV (License to Operate), the following must comply with the following procedures:

- a. The PSA/PDA at the time of filing of application: