

[DOF-DBM JOINT CIRCULAR NO. 2000-2, April 04, 2000]

IMPLEMENTING RULES AND REGULATIONS FOR EXECUTIVE ORDER NOS. 197 AND 218

1.0 PURPOSE

This Circular is issued to promulgate the rules and regulations implementing Executive Order No. 197, dated January 13, 2000, directing all departments, bureaus, commissions, agencies, offices and instrumentalities of the National Government, including government-owned or controlled corporations, to increase their rates of fees and charges by not less than twenty (20%) percent and Executive Order No. 218, dated March 15, 2000, reactivating the Task Force on Fees and Charges and providing guidelines for the review of the proposed rate increases of fees and charges under EO 197.

2.0 SCOPE

This Circular shall apply to all national government departments, bureaus, commissions, agencies, offices and instrumentalities of the National Government, including government-owned or controlled corporations rendering services to the public for a fee or charge.

It shall not, however, apply to the following:

2.1 Fees and charges imposed by the Department of Foreign Affairs for the processing of passports of Overseas Filipino workers;

2.2 Fees and charges related to constitutionally mandated free or subsidized services charged by departments, bureaus, offices, units, and agencies, including government-owned and controlled corporations, such as in education, (government colleges and universities) and in health services to paupers; and

2.3 Services exempted by international agreements.

3.0 DEFINITION OF FEES AND CHARGES

3.1 Fees and charges refer to levies imposed on direct recipients of public goods and services by agencies and GOCCs in the exercise of their mandated regulatory and service delivery functions.

4.0 DETERMINATION OF RATES

4.1 The rates of fees and charges shall be revised at just and reasonable rates sufficient to recover the full costs of services rendered. The upgrading of rates shall in no case be less than twenty (20%) percent except as may be determined by the Task Force on Fees and Charges.

4.2 In determining the rates of fees and charges to be recommended for adoption when to recover the full cost of the services rendered, the increase is beyond 20%, the following factors shall be taken into consideration:

- a. the direct cost of rendering the service based on current appropriation which shall include the cost of supplies and materials; salaries and wages of personnel directly involved in the service; the corresponding proportionate share in the overhead costs of the agency or department including the depreciation costs of equipment used;
- b. the length of time the fee or charge has not been revised;
- c. the fees and charges imposed by other national government bureaus, agencies, offices or government-owned or controlled corporations for similar or comparable services.

4.3 The revised rates, shall, whenever practicable, be uniform for similar or comparable services and functions offered by other government entities. They shall also approximate the cost of comparable services being offered by private sector entities. Some of the criteria that can be considered to determine comparability are the value of manpower resources used; the technology adopted; and the equipment required in rendering the service.

4.4 The proposed revised rates shall, if required by the government entity's charter or where appropriate, such as when the proposed revisions are expected to have a significant social impact, be subjected to a public hearing before approval. In cases where the conduct of a public hearing is not mandated by law, this shall be upon the discretion of the Department Secretary or head of the entity concerned.

5.0 APPROVAL AND EFFECTIVITY OF THE REVISED RATES

5.1 The revised rates shall be subject to the approval of the Department Secretary concerned or his equivalent. In the case of national government agencies that are not attached to a specific department or equivalent agency, the revised rates shall be approved by the highest ranking official. In the case of GOCCs, the revised rates shall be approved by their governing boards: Provided, however, that in cases where the proposed revisions are reviewed by the Task Force on Fees and Charges as provided for in item 7.4 below, the Task Force recommendations shall be taken into consideration before the revisions are approved;

5.2 The revised rates shall become effective 15 days following the completion of the public information and publication requirement under item 6.1 below.

6.0 PUBLIC INFORMATION, PUBLICATION AND IMPLEMENTATION

6.1 Upon approval of the revised rates, the national government agency or GOCC shall inform the public of such revised rates by publishing them in a newspaper of general circulation in the Philippines or