



*Funding the Republic*

REPUBLIKA NG PILIPINAS  
KAGAWARAN NG PANANALAPI  
KAWANIHAN NG INGATANG-YAMAN  
(BUREAU OF THE TREASURY)  
INTRAMUROS, MAYNILA

**TREASURY CIRCULAR No. 01-2017**  
**December 28, 2016**

**TO :** Provincial Governors; City and Municipal Mayors; Punong Barangay; Sangguniang Panlalawigan/Panlungsod/Bayan/Barangay; Provincial/City/Municipal Treasurers; Regional Directors of the Bureau of the Treasury; and All Others Concerned

**SUBJECT :** **Guidelines on Change or Transfer of Depository Bank/Bank Branch/Current Account for Internal Revenue Allotment (IRA), Assistance to Local Government Units (ALGU) & All Other Funds Authorized for Local Government Units (LGUs) in the Appropriations Law**

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**1.0 PURPOSE**

- 1.1 To provide guidelines relative to the change or transfer of depository bank/bank branch of LGUs for IRA, ALGU and all other funds authorized for LGUs.
- 1.2 To implement Section 5.1.3.5 of DOF-DBM Joint Circular No. 2016-1 dated January 4, 2016 on the Guidelines for the Direct Release of Funds by the Bureau of the Treasury to Local Government Units in FY 2016 and thereafter.

**2.0 GUIDELINES**

- 2.1 Requests of LGUs for change or transfer of depository bank/bank branch/current account for IRA purposes shall be directly submitted to the Bureau of the Treasury – Province/District Office (BTr-PO/DO) concerned for processing and submission to the Regional Director for final action.
  - 2.1.1 Request for such change/transfer made by a bank branch or any other party in lieu of the LGU concerned, shall not be considered/entertained.
- 2.2 LGUs shall only be allowed such change/transfer under the following conditions:

- 2.2.1 the change/transfer is duly authorized by the local sangunian;
- 2.2.2 LGUs which have outstanding contractual obligations with their present depository banks, shall not request for transfer of their account to another bank unless the LGU concerned has secured prior clearance from its present depository bank;
- 2.2.3 the transfer of depository bank shall be limited to authorized government servicing banks (GSBs) under the Modified Disbursement Scheme (MDS) such as, the Land Bank of the Philippines (LBP), Development Bank of the Philippines (DBP) and Philippine Veterans Bank (PVB).
- 2.3 Requests for transfer of IRA depository accounts to the Philippine National Bank (PNB) shall no longer be considered. However, LGUs shall be allowed to transfer, on their own, local funds from LBP, DBP and PVB as the case may be to PNB to comply with the loan arrangements with the said bank, provided that the same is supported by a duly approved Sanggunian Resolution. As such, transfer of depository accounts to the PNB should have prior approval from the DOF pursuant to its Department Order No. 27-05 dated December 9, 2005.
- 2.4 Requests of LGUs for change or transfer of depository bank/bank branch/current account shall be supported with the following documents:
  - 2.4.1 A certified true copy of the Sanggunian Resolution authorizing the LGU to change or transfer its IRA depository bank/bank branch/current account;
  - 2.4.2 Name of new servicing banks, location and bank account number; and
  - 2.4.3 Clearance from present depository bank branch allowing the transfer, in case the LGU has an outstanding loan/contractual obligation with the said bank.
- 2.5 Change of depository bank shall be approved and implemented only at the beginning of each calendar year.
- 2.6 Transfer of IRA depository account from one bank branch to another branch of a particular GSB and change of current account within the same depository bank shall be approved on a quarterly basis.
- 2.7 To give BTr-PO/DO sufficient time for evaluation/processing and for effecting changes in their respective IRA database, the LGUs



are enjoined to observe the following deadlines in the submission of their requests to BTr ROs concerned:

Particulars	Deadline for submission by LGUs	Effectivity of Approval
For change or transfer of depository bank/bank branch in the ensuing calendar year	On or before December 7 of the calendar year	Beginning of following year.
For transfer to another bank branch of the same GSB/change of current account within the same bank branch for the ensuing quarter	On or before the 7 <sup>th</sup> day of the last month of the current quarter	

2.8 LGUs are advised not to close their existing current account until such time that the LGU concerned has received the approval of the BTr RO on the proposed transfer/change.

### **3.0 RESPONSIBILITY OF LOCAL CHIEF EXECUTIVES**

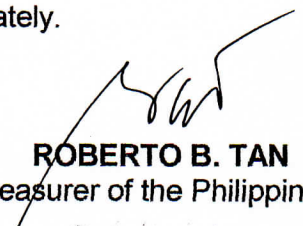
The Provincial Governors, City and Municipal Mayors and Punong Barangays concerned shall be held personally liable for any change or transfer of depository bank/bank branch/current accounts, which is not in accordance with this Circular.

### **4.0 REPEALING CLAUSE**

All provisions of existing issuances inconsistent with this Circular are hereby repealed and/or modified accordingly.

### **5.0 EFFECTIVITY**

This Circular shall take effect immediately.

  
**ROBERTO B. TAN**  
Treasurer of the Philippines

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