



Republic of the Philippines  
**DEPARTMENT OF FINANCE**

Roxas Boulevard Corner Pablo Ocampo, Sr. Street  
Manila 1004

**DEPARTMENT ORDER NO. 071-2018**  
**13 December 2018**

**FURTHER AMENDING DEPARTMENT OF FINANCE ORDER NO. 141-95, AS AMENDED, ENTITLED "REVISED RULES AND REGULATIONS FOR THE ISSUANCE, PLACEMENT, SALE, SERVICE AND REDEMPTION OF TREASURY BILLS AND BONDS UNDER REPUBLIC ACT NO. 245, AS AMENDED"**

**Section 1.** Chapter III (Method of Origination), Part B (Over-the-Counter), Section 15 of DO 141-95 is hereby amended to read as follows:

**"Section 15. Definition.** - A manner of sale or offering of Government Securities to Government-owned or Controlled Corporations (GOCCs), Tax-Exempt Institutions (TEIs) and Local Government Units (LGUs) other than through auction."

**Section 2.** Chapter III (Method of Origination), Part B (Over-the-Counter), Section 17 of DO 141-95 is hereby amended to read as follows:

**"Section 17. Scope.** - Idle funds in excess of normal operating requirements, as hereinafter defined, of GOCCs and LGUs may be invested in government securities in coordination with the Bureau of the Treasury. The phrase "idle funds in excess of normal operating requirements" shall generally mean the level of funds which an entity can freely invest in government securities after considering provisions for coverage of such (1) regular and recurring operating expenses such as salaries and wages, repairs and maintenance, inventories and supplies, debt servicing, etc. within the context of the entity's cash operating cycle; and (2) local counterpart commitments for capital expenditures within the current fiscal year. In case of LGUs, unremitted national collections and funds set aside for payments of obligations to government corporations/cooperatives shall not form part of their idle funds."

**Section 3.** Chapter III (Method of Origination), Part B (Over-the-Counter), Section 18 of DO 141-95 is hereby amended to read as follows:

**"Section 18. OTC Investment.** – GOCCs, TEIs and LGUs placements shall be made in the manner prescribed by the Bureau of the Treasury."

A handwritten signature in black ink, consisting of a stylized 'J' or 'G' shape.

**Section 4.** Chapter III (Method of Origination), Part B (Over-the-Counter), Section 19 of DO 141-95 is hereby amended to read as follows:

**“Section 19. GOCCs Placement. –**

- (a) The term Government-Owned and -Controlled Corporation shall refer to a corporation which is created by special law or organized under the Corporation Code in which the Government, directly or indirectly, has ownership of the majority of the capital or has voting control.
- (b) The applicable yield rates for Treasury Bills and Treasury Bonds and other terms and conditions of placement shall be prescribed by the Bureau of the Treasury.”

**Section 5.** Chapter III (Method of Origination), Part B (Over-the-Counter), Section 20 of DO 141-95 is hereby amended to read as follows:

**“Section 20. TEIs Placement. –**

- a) Prior to the actual over-the-counter purchase of government securities, the TEI or its duly authorized Government Securities Eligible Dealer shall:
  - 1. Submit to the Bureau of the Treasury a (i) Certified copy of current ruling (not more than a year) from the Bureau of Internal Revenue regarding its status as a tax-exempt institution; (ii) Copy of the Board Resolution duly certified by the Corporate Secretary authorizing the placement (directly for managed funds or indirectly through designated trustee bank/financial institution in the case of managed trust funds) in government securities; and (iii) Copy of the covering trust agreement as may applicable; and
  - 2. Perform all acts and undertaking connected therewith including the designation of person(s) authorized to exercise such functions.
- b) The applicable yield rates for Treasury Bills and Treasury Bonds and other terms and conditions of placement shall be prescribed by the Bureau of the Treasury.”

**Section 6.** Chapter III (Method of Origination), Part B (Over-the-Counter), Section 21 of DO 141-95 is hereby amended to read as follows:



**“Section 21. *LGUs Placement.*** – The applicable yield rates for Treasury Bills and Treasury Bonds and other terms and conditions of placement shall be prescribed by the Bureau of the Treasury.”

**Section 7.** Chapter III (Method of Origination), Part B (Over-the-Counter), Section 22 of DO 141-95 is hereby amended to read as follows:


**“Section 22. *LGUs Placement.*** – Settlement of GOCCs, TEIs and LGUs OTC placement shall be on the date prescribed by the Bureau of the Treasury.”

**Section 8.** Chapter III (Method of Origination), Part B (Over-the-Counter), Section 23 of DO 141-95 is hereby amended to read as follows:

**“Section 23. *Evidence of Ownership.*** – Successful placement under the OTC Facility shall be communicated by the Bureau of the Treasury to concerned GOCCs, TEIs and LGUs. Ownership of Treasury Bills and Treasury Bonds shall be evidenced by an entry in the Registry of Scripless Securities maintained by the Bureau of the Treasury.”

**Section 9.** All Circulars, Memoranda or Orders inconsistent herewith are hereby revoked or modified accordingly.

**Section 10.** This Order shall take effect immediately.

  
CARLOS G. DOMINGUEZ  
Secretary  
DEC 13 2018

