



Funding the Republic

REPUBLIKA NG PILIPINAS  
KAGAWARAN NG PANANALAPI  
**KAWANIHAN NG INGATANG-YAMAN**  
(BUREAU OF THE TREASURY)  
Intramuros, Manila

TREASURY CIRCULAR NO. 4-2021  
29 November 2021

**TO :** ALL HEADS OF DEPARTMENTS, BUREAUS, AND OFFICES OF THE NATIONAL GOVERNMENT, AGENCIES, AND LOCAL GOVERNMENT UNITS, GOVERNMENT-OWNED OR CONTROLLED CORPORATIONS, STATE UNIVERSITIES AND COLLEGES, STATE AUDITORS, AND ALL OTHERS CONCERNED

**SUBJECT :** AMENDING TREASURY CIRCULAR NO. 02-2019 DATED APRIL 25, 2019

To efficiently and effectively implement the Public Bonding Law (Sections 313 – 335 Chapter 15, Revised Administrative Code of 1917), Treasury Circular No. 02-2019 dated April 25, 2019 is hereby further amended as follows:

**Section 1.** Section 7.1.6 of Treasury Circular No. 02-2019 is further amended to read as follows:

*7.1.6 Unsafe Risk - The concerned CTOO II or his/her representative shall evaluate the bond application to determine if the applicant is a safe and conservative risk in accordance with Sec. 320 of the PBL based on the certification of the Head of the Agency. When the CTOO II or his/her representative have basis to prove that the applicant is an unsafe risk owing to character, association, or habits, the following procedures shall be followed:*

*7.1.6.1 The CTOO or his/her representative shall submit the bond application to the RD with his/her recommendation for disapproval stating the basis thereof. When the recommendation of the CTOO II or his/her representative is affirmed by the RD, or the RD has reasons and basis to disapprove a favorable recommendation made by the CTOO II or his/her representative, the RD shall communicate the disapproval in writing to the Head of Agency of the applicant stating therein the factual and legal basis for such disapproval.*

*7.1.6.2 The disapproval/decision of the RD may be appealed by the concerned Head of Agency by filing a letter of appeal in accordance with this Circular.*



**Section 2.** Subsections 7.1.6.3 and 7.1.6.4 are amended and integrated into the new Section on Appeal.

**Section 3.** Section 8 of Treasury Circular No. 02-2019 is amended to read as follows:

**Section 8.0 – Appeal**

**8.1. Who may appeal; period to appeal.**

8.1.1 *The Head of Agency or his/her representative shall file a Letter of Appeal to the Office of the Treasurer of the Philippines (OToP), through the Public Bonding Appeals Committee (PBAC), on the disapproval of the application for Fidelity Bonding issued by the Regional Director (RD). The appellant Head of Agency shall furnish a copy of the Letter of Appeal to the concerned RD. The Letter of Appeal, which shall state clearly and distinctively the grounds and arguments of the appeal, shall be submitted to the TOP, through the PBAC, within ten (10) days from receipt of the decision of the RD on the disapproval of the Fidelity Bonding application. The Letter of Appeal shall be accompanied by proof of payment of the appeal fee in the amount of One Thousand Pesos (PHP1000.00), to be deposited/credited to the account of the Treasurer of the Philippines with an authorized government depository bank. Within five (5) days from receipt of the Letter of Appeal and proof of payment of appeal fee, the RD shall transmit all the records pertaining to the appeal to the OToP through the PBAC. The OToP, through the PBAC, shall have fifteen (15) days from receipt of complete documents to resolve the appeal.*

8.1.2 *In cases of contested application under Section 7.1.7 of this Circular, a party with interest to the Fidelity Bonding application may file a Letter of Appeal to the RD on the approval of Fidelity Bonding application issued by the CTOO II to a bondable/accountable public officer within thirty (30) days from approval and issuance of the Confirmation Letter (CL). For purposes of this Circular, a party with interest to the Fidelity Bonding application is understood to refer to a real party in interest who must clearly establish that he/she stands to be benefited or injured by the approval or disapproval of the Fidelity Bonding application of the bondable/accountable public officer. The Letter of Appeal, which shall state clearly and distinctively the grounds and arguments of the appeal, shall be accompanied by proof of payment of the appeal fee in the amount of One Thousand Pesos (PHP1000.00), to be deposited/credited to the account of the Treasurer of the Philippines with an authorized government depository bank. Within three (3) days from receipt of the Letter of Appeal from a real party in interest and proof of*

payment of appeal fee, the RD shall direct the CTOO II to elevate the entire records pertaining to the contested Fidelity Bonding application. The RD shall have fifteen (15) days from receipt of complete records from the CTOO II within which to resolve the appeal. The decision of the RD may be further appealed to the OToP through the PBAC in accordance with the procedure in Subsection 8.1.1.

## **8.2. Finality of Action**

8.1.2 The action to approve and/or disapprove the Fidelity Bonding application or to contest the same shall become final and executory after the lapse of the period to appeal or oppose the same in accordance with this Circular.

8.1.2. The decision issued by the OToP, through the PBAC shall be final and unappealable.

## **8.3. Public Bonding Appeals Committee (PBAC)**

8.3.1 The Public Bonding Appeals Committee (PBAC) created pursuant to this Circular shall have authority to rule on all appeals related to the approval and/or disapproval of Fidelity Bonding application of bonded/accountable public officers. The PBAC shall resolve the appeal taking into consideration the facts and applicable law and jurisprudence.

The PBAC shall be composed as follows:

Chairperson : Treasurer of the Philippines

Members : Deputy Treasurer of the Philippines  
supervising Regional Operations

Deputy Treasurer of the Philippines  
supervising Legal Affairs

Legal Service representative

Regional Office representative selected from the  
regional cluster

The Regional Office cluster representative shall be:

a) A member of the regional cluster where the appeal originated



*Cluster 1: NCR Regional Office, Regional Office No. I, Regional Office No. II, Regional Office No. III, Regional Office No. IV-A, Regional Office No. 4-B, Regional Office No. V*

*Cluster 2: Regional Office No. VI, Regional Office No. VII, Regional Office No. VIII*

*Cluster 3: Regional Office No. IX, Regional Office No. X, Regional Office No. XI, Regional Office No. XII, Regional Office No. XIII*

- b) A Regional Director/Officer-in-Charge not involved in the approval or disapproval of the Fidelity Bonding application being questioned; and*
- c) Identified by the Chairperson per appeal and on a rotational basis.*

*Appointment and/or designation as Legal Service representative and cluster representative shall be issued by the Treasurer of the Philippines through a Treasury Personnel Order.*

**Section 4.** Section 8, Section 9, Section 10, and Section 11 of Treasury Circular No. 02-2019 are accordingly renumbered as Section 9, 10, 11, and 12, respectively, with the following title: Section 9 - Adjudication and Payment of Claim Against the Fidelity Bond; Section 10 - Penal Clause; Section 11- Repealing Clause; and Section 12 – Effectivity.

All circulars, order, and/or memoranda inconsistent herewith are hereby repealed and/or modified accordingly.

This Circular shall take effect fifteen (15) days after publication in the Official Gazette or in a newspaper of general circulation.



**ROSALIA V. DE LEON**  
Treasurer of the Philippines