



RESOLUTION NO. 14-2014

APPROVING CIRCULAR CLARIFYING GPPB RESOLUTION NO. 20-2013 DATED 30 JULY 2013 RELATIVE TO THE BASIS OF BIDDERS' CURRENT ASSETS AND CURRENT LIABILITIES FOR PURPOSES OF DETERMINING AND COMPUTING THEIR NET FINANCIAL CONTRACTING CAPACITY

WHEREAS, Republic Act (RA) No. 9184 entitled “An Act Providing for the Modernization, Standardization and Regulation of the Procurement Activities of the Government and For Other Purposes,” took effect on 26 January 2003, while its revised Implementing Rules and Regulations (IRR) took effect on 2 September 2009;

WHEREAS, Section 63.1(b) of RA 9184 and its IRR authorize the Government Procurement Policy Board (GPPB) to formulate public procurement policies, rules and regulations, and amend, whenever necessary, the IRR;

WHEREAS, on 23 May 2014, the Board approved GPPB Resolution No. 11-2014 clarifying GPPB Resolution No. 20-2013 dated 30 July 2013 relative to the basis of the bidders' current assets and current liabilities for purposes of determining and computing their Net Financial Contracting Capacity (NFCC) to wit:

[t]hat the phrase “the values of the bidder’s current assets and current liabilities shall be based on the data submitted to the BIR, through its Electronic Filing and Payment System (EFPS).”, which shall be the basis of a domestic bidder’s Current Assets and Current Liabilities, refers to the Annual Income Tax Return and the accompanying Audited Financial Statements filed through the EFPS;

WHEREAS, the Board likewise directed GPPB-Technical Support Office (GPPB-TSO) to issue a Policy Matter Opinion clarifying that for purposes of computing foreign bidders' NFCC, the value of the current assets and current liabilities shall be based on their Audited Financial Statements in accordance with International Financial Reporting Standards;

WHEREAS, during its 4th Regular Meeting held on 20 June 2014, GPPB-TSO sought the Board’s approval on the issuance of a Circular relative to GPPB Resolution Nos. 11-2014 dated 23 May 2014 and 20-2013 dated 30 July 2013.

WHEREAS, after due deliberation, the GPPB adopted the recommendations of the GPPB-TSO to issue a Circular on the matter.

NOW, THEREFORE, for and in consideration of the foregoing, **WE**, the Members of the **GOVERNMENT PROCUREMENT POLICY BOARD**, by virtue of the powers vested on **US** by

law, hereby **RESOLVE** to approve and adopt, as **WE** hereby confirm, adopt and approve the following:

ISSUE a **CIRCULAR** in relation to GPPB Resolution Nos. 11-2014 dated 23 May 2014 and 20-2013 dated 30 July 2013, thus:

1. The phrase “the values of the bidder’s current assets and current liabilities shall be based on the data submitted to the BIR, through its Electronic Filing and Payment System (EFPS)”, refers to the values of the current assets and current liabilities reflected in the Annual Income Tax Return and Audited Financial Statements filed through the EFPS;
2. For purposes of computing foreign bidders’ NFCC, the value of the current assets and current liabilities shall be based on their Audited Financial Statements prepared in accordance with International Financial Reporting Standards.

This Resolution shall take effect immediately.

APPROVED this 20 day of June 2014 at Pasig City, Philippines.

(Sgd.)

**DEPARTMENT OF BUDGET AND
MANAGEMENT**

**NATIONAL ECONOMIC AND
DEVELOPMENT AUTHORITY**

(Sgd.)

DEPARTMENT OF EDUCATION

(Sgd.)

DEPARTMENT OF ENERGY

DEPARTMENT OF FINANCE

DEPARTMENT OF HEALTH

(Sgd.)

**DEPARTMENT OF THE INTERIOR
AND LOCAL GOVERNMENT**

**DEPARTMENT OF NATIONAL
DEFENSE**

**DEPARTMENT OF PUBLIC WORKS
AND HIGHWAYS**

(Sgd.)

**DEPARTMENT OF SCIENCE AND
TECHNOLOGY**

**DEPARTMENT OF TRADE AND
INDUSTRY**

(Sgd.)

**DEPARTMENT OF TRANSPORTATION
AND COMMUNICATIONS**

(Sgd.)

PRIVATE SECTOR REPRESENTATIVE

Attested by:

(Sgd.)

DENNIS S. SANTIAGO
Board Secretary, GPPB
Executive Director, GPPB-TSO