



Department of Budget and Management
GOVERNMENT PROCUREMENT POLICY BOARD
TECHNICAL SUPPORT OFFICE

NPM No. 03-2013

10 March 2014

HON. GAMALIEL A. CORDOBA

Commissioner

NATIONAL TELECOMMUNICATIONS COMMISSION (NTC)

BIR Road, East Triangle, Diliman, Quezon City

Re: Guidelines on Disposal of Confiscated Properties

Dear Commissioner Cordoba:

This refers to the letter of the Honorable Commissioner requesting for guidelines in the disposition of confiscated properties. The request was made in connection with the observation of NTC's Resident Auditor that "confiscated items amounting to P61,250.00 remained in the possession of the Property Custodian for more than five years due to lack of policy in the disposition of confiscated goods, thus, increasing the accountability of the Property Custodian and posing risks to the health of the employees from the toxic elements of the devices."

Republic Act No. 9184 does not cover disposal of government properties. Thus, the issuance of rules or guidelines therefor is outside the mandate of the Government Procurement Policy Board. Nonetheless, for guidance, we wish to refer the Honorable Commissioner to the Manual on the Disposal of Government Property (Manual) issued by the Department of Budget and Management (DBM) through National Budget Circular No. 425 dated 28 January 1992 pursuant to Executive Order No. 285 dated 25 July 1987.

Part D, Section 1.0 of the Manual states that it covers the disposal of government property which are unserviceable, obsolete, forfeited, abandoned, excess or surplus to the needs of the government, or junk or scrap materials. While it does not categorically include confiscated properties, it defines "forfeited property" as that which is acquired by summary process or by order of the court pursuant to any law in the Philippines.¹

In light of the foregoing, we respectfully refer NTC to the Systems and Productivity Improvement Bureau of the DBM, as the office responsible for drafting the Manual, for appropriate and more authoritative clarification on the applicability of the Manual to disposition of confiscated properties.

We hope this opinion issued by the GPPB-TSO provided sufficient guidance on the matter. Note that this opinion is being issued on the basis of facts and particular situations

¹ Part E, Section 7.0 of the Manual.



REPUBLIC OF THE PHILIPPINES
NATIONAL TELECOMMUNICATIONS COMMISSION
BIR Rd., East Triangle, Diliman, Quezon City

03 December 2013

ATTY. DENNIS SANTIAGO
Executive Director
GPPB - Technical Support Office
Unit 2506 Raffles Corporate Center
Ortigas Center, Pasig City

Sir:

Based on our Consolidated Annual Audit Report for the year 2012, one of the observations made by our Resident Auditor is that:

Confiscated items amounting to P61,250.00 remained in the possession of the Property Custodian for more than five years due to lack of policy in the disposition of confiscated goods, thus, increasing the accountability of the Property Custodian and posing risks to the health of the employees from the toxic elements of the devices.

In view thereof, we anticipate drafting and adopting our own set of rules. But in order to ensure compliance with laws and the general policies on the matter, may we request from your good office for guidelines in the disposition of confiscated properties.

Your prompt response will be greatly appreciated.

Sincerely yours,

GAMALIEL A. CORDOBA
Commissioner

Copy furnished:

Ms. Nelda R. Monterde
Resident Auditor
National Telecommunications Commission

*DLN: The confiscated properties
forfeited in favor of GOA. so
rule on disposal will apply.
The relevant rules under the
CIT Code these application
provisions in the joint circular.
Please prepare opinion.*

"Improving the Life of Every Filipino through ICT Services and Consumer Protection"

Legal Department

NTC Building BIR Rd. East Triangle Diliman, Quezon City