



Republic of the Philippines
DEPARTMENT OF FINANCE

Roxas Boulevard Corner Pablo Ocampo, Sr. Street
Manila 1004

Department Circular No. 004 . 2020

SUBJECT : Directing all institutions providing electric, water, telecommunications, and other similar utilities to implement a minimum of thirty (30)-day grace period for the payment of utilities falling due within the period of Enhanced Community Quarantine and Modified ECQ

1.0 RATIONALE. To mitigate the social, economic, and financial impacts of COVID-19 and to promote and protect the collective interests of all Filipinos in these challenging times, it is imperative to, among other things, a minimum of thirty (30)-day grace period for the payment of utilities falling due within the period of Enhanced Community Quarantine (ECQ) and Modified ECQ (MECQ), without incurring interests, penalties, and other charges.

2.0 LEGAL BASIS

- 2.1 Section 4(vv) of Republic Act (RA) No. 11494 dated September 15, 2020, known as the "Bayanihan to Recover as One Act", which took effect last 15 September 2020.
- 2.2 Memorandum from the Executive Secretary dated 23 October 2020 which authorizes the Secretary of Finance to implement the thirty (30)-day grace period for the payment of utilities falling due within the period of ECQ and MECQ and to issue rules and regulations for the implementation thereof.
- 2.3 Implementing Guidelines of RA No. 11494 adopted in the Memorandum from the Executive Secretary dated 23 October 2020.

3.0 COVERAGE. All persons, corporations, and institutions providing electric, water, telecommunications, and other similar utilities shall implement a minimum (30)-day grace period for the payment of utilities falling due within the period of ECQ and MECQ, without incurring interests, penalties, and other charges arising from said grace period. For this purpose, "Covered Institutions" shall refer to persons and corporations providing electric, water, telecommunications, and other similar utilities to individual households, micro, small and medium enterprises (MSMEs), cooperatives, and corporate clients, under the supervision and regulation

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of the National Water Resource Board, Metropolitan Waterworks and Sewerage System, Local Water Utilities Administration, concerned Local Government Units, the Energy Regulatory Commission, National Telecommunications Commissions, and other regulatory agency for such utilities.

4.0 GUIDELINES.

- 4.1 In the case of electric power sector, the minimum 30-day grace period and staggered payment without interests, penalties, and other charges shall apply to all payments due within the period of the ECQ and MECQ in the entire electric power value chain, which includes generation companies, transmission companies, and distribution companies.
- 4.2 Covered Institutions are prohibited from requiring their customers to waive the application of the 30-day grace period.
- 4.3 The grant of the grace period by the Covered Institutions shall not preclude the customers from paying their obligations voluntarily as they fall due during the period of ECQ or MECQ.
- 4.4 Unpaid residential, MSME, and cooperatives utility bills may be settled on a staggered basis, payable in not less than three (3) monthly installments after the grace period, subject to the procedural requirements of the concerned regulatory agencies in the imposition of such installment plan without incurring interests, penalties, and other charges.
- 4.5 Covered Institutions may offer less onerous payment terms, with the consent of their clients, subject to the approval of their respective regulators.

5.0 SUBMISSION OF IMPLEMENTING RULES BY REGULATORS. All regulators of electric, water, telecommunications, and other similar utilities identified under 3.0 hereof, are hereby enjoined to submit to the Department of Finance within fifteen (15) days from the effectivity of this Circular, specific rules for the implementation of the mandatory grace period provided in RA No. 11494.


6.0 APPLICABILITY. This Circular shall be in full force and effect for the duration of the effectivity of RA No. 11494.



7.0 SEPARABILITY. Should any provision herein be declared unconstitutional or contrary to law, the same shall not affect the validity of the other provisions of this Circular.

8.0 REPEALING CLAUSE. All rules, regulations, orders, and/or circular previously issued by the DOF that are contrary to or inconsistent herewith are repealed accordingly.

9.0 EFFECTIVITY. This Circular shall take effect immediately.


CARLOS G. DOMINGUEZ
Secretary
DEC 04 2020

