



Republic of the Philippines
DEPARTMENT OF FINANCE
BUREAU OF LOCAL GOVERNMENT FINANCE
8th Floor EDPC Building, BSP Complex, Roxas Boulevard, 1004 Manila
www.blgf.gov.ph | central@blgf.gov.ph | +63 2 527 2780 / 527 2790

14 AUG 2020

ATTY. FLODELIZA C. VARGAS-TRINIDAD

Director

Office of the National Administrative Register (ONAR)

Rm. 106, Bocobo Hall, UP Law Center

Diliman, Quezon City

via onar_law.upd@up.edu.ph, onar.claw@up.edu.ph,

and uplawcenter.onar@gmail.com

Subject : BLGF Memorandum Circular No. 013.2020
*Updated Annual CPI Factors for Computation and Certification
of LGU Income Pursuant to DO No. 031.2018*

Dear Director **VARGAS-TRINIDAD**:

Pursuant to Department Order (DO) No. 031.2018¹ dated 04 May 2018, issued by the Secretary of Finance, in line with the requirements of Republic Act (RA) No. 7160, or the Local Government Code (LGC) of 1991, as amended by RA No. 9009, this Bureau issued a Memorandum Circular (MC) on the Updated Annual Consumer Price Index (CPI) Factors, duly approved by the Undersecretary of Revenue Operations Group, Department of Finance (DOF), to be used in the computation and certification of the annual regular income (ARI) and the average annual income (AAI) of local government units (LGUs) for the purpose of creation, conversion, merger or abolition of LGUs.

In this regard, we are pleased to furnish your good office three (3) certified copies of MC No. 013.2020, pursuant to the requirements of the law.

To inform us of the action taken hereon, or if you have further clarifications and other concerns, please email oed@blgf.gov.ph, copy furnished records@blgf.gov.ph.

Thank you.

Very truly yours,


NIÑO RAYMOND B. ALVINA
Executive Director



¹ Guidelines on the Computation and Certification of Income for Creation, Conversion, Merger or Abolition of a Local Government Unit





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MEMORANDUM CIRCULAR NO. 013 - 2020

10 AUG 2020

**TO : All BLGF Central and Regional Directors;
All Provincial and City Treasurers; and Others Concerned**

**SUBJECT : Updated Annual CPI Factors for Computation and Certification
of LGU Income Pursuant to DO No. 031.2018**

This Memorandum Circular is issued to inform all concerned of the herein attached **Updated Annual Consumer Price Index (CPI) Factors**, duly approved by the Undersecretary of Revenue Operations Group, Department of Finance (DOF), to be used in the computation and certification of the annual regular income (ARI) and the average annual income (AAI) of local government units (LGUs) for the purpose of creation, conversion, merger or abolition of LGUs, pursuant to Department Order (DO) No. 031.2018¹ dated 04 May 2018, issued by the Secretary of Finance, in line with the requirements of Republic Act (RA) No. 7160, or the Local Government Code (LGC) of 1991, as amended by RA No. 9009, as follows:

1. The 1991 CPI factors shall be used in computing and certifying: (i) the AAI for the creation of a municipality; (ii) the latest annual income for the conversion of a component city into a highly urbanized city; (iii) the resulting AAI of the original LGU to determine if the creation or conversion of the LGU would result to AAI less than the minimum requirements prescribed in the LGC; and
2. The 2000 CPI factors shall be used in computing the AAI of a municipality proposed to be converted into a city. Further, the CPI factors for 2004, 2005, 2006 and 2007 shall be used in computing the resulting average ARI of the original LGU as basis in determining the resulting income classification of the original LGU, and to check whether it will not fall below its current income classification, as required under Section 8 of the LGC, and pursuant to DOF Order No. 23-08² dated 29 July 2008, issued by the Secretary of Finance.

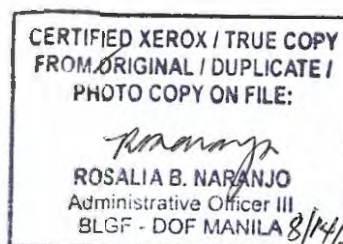
All BLGF Central and Regional Directors are hereby instructed to disseminate this Memorandum Circular to all provincial and city treasurers under their respective jurisdictions, and all concerned shall be guided accordingly.




NIÑO RAYMOND B. ALVINA
Executive Director

¹ Guidelines on the Computation and Certification of Income for Creation, Conversion, Merger or Abolition of a Local Government Unit

² Prescribing the New Income Brackets for the Re-classification of Provinces, Cities and Municipalities and Amending for the Purpose Department of Finance Order No. 20-05 dated July 29, 2005.





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**Updated Annual Consumer Price Index (CPI) Factors
Pursuant to Department Order No. 031.2018**

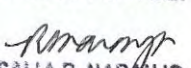
In accordance with Department Order No. 031.2018, the following Annual CPI Factors shall be used by the Bureau of Local Government Finance (BLGF) and local treasurers in computing and certifying the annual regular income (ARI) and the average annual income (AAI) for the purpose of creation, conversion, merger or abolition of local government units.

Year	For LGU Creation/Conversion		For ARI Computation			
	1991	2000	2004	2005	2006	2007
2015	-	-	1.593	-	-	-
2016	-	-	1.621	1.506	-	-
2017	3.849	2.018	-	1.554	1.486	-
2018	4.049	2.123	-	-	1.563	1.519
2019	4.149	2.175	-	-	-	1.557

Issued on 17 JUL 2020, Department of Finance, Manila.


ANTONETTE C. TIONKO
Undersecretary



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PHOTO COPY ON FILE:

ROSALIA B. NARANJO
Administrative Officer III
BLGF - DOF MANILA 8/14/20



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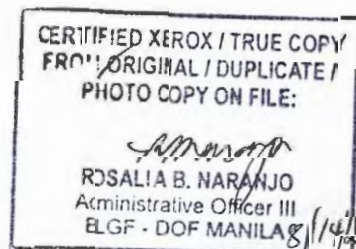
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Raymond B. Alvina
NIÑO RAYMOND B. ALVINA
Executive Director

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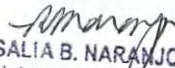
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Undersecretary



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ROSALIA B. NARANJO
Administrative Officer III
BLGF - DOF MANILA 8/19/20



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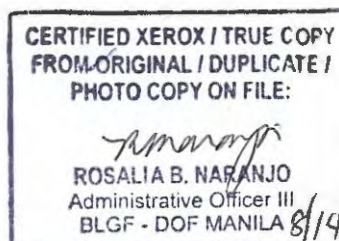
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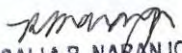
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