



Republic of the Philippines  
Department of Transportation  
**LAND TRANSPORTATION FRANCHISING & REGULATORY BOARD**  
East Avenue, Quezon City

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**MEMORANDUM CIRCULAR**  
**NUMBER 2020 - 039**

**SUBJECT : INTERIM GUIDELINES EXEMPTING LEASED VEHICLES FROM SECURING CPC FOR THE DURATION OF GCQ & MGCQ (in relation to MC 2019-003)**

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**WHEREAS**, on 28 January 2019, the Board issued Memorandum Circular No. 2019-003 which exempted certain vehicles from securing franchises, i.e., the vehicle must be covered by a long-term lease contract of not less than three (3) years, and that the vehicle must be exclusively used and driver by the lessee or his duly authorized representative;

**WHEREAS**, in December 2019, the World Health Organization was alerted of several respiratory cases which were later on attributed to what is now known as the "Corona Virus Disease (Covid-19)";

**WHEREAS**, President Rodrigo Roa Duterte signed Proclamation No. 922 entitled "*Declaring a State of Public Health Emergency Throughout the Philippines*" on 08 March 2020;

**WHEREAS**, in view of the national health emergency, areas in the country were placed in community quarantine to avoid further spread of COVID-19 and in all classifications of Community Quarantine, movement of persons and goods have been limited to accessing essential goods and service, for work in the offices or industries permitted to operate;

**WHEREAS**, in view of the policy of the Department of Transportation (DOTr) for a calculated and gradual resumption of public land transportation, the Board has received reports that company owners have been securing transport service for their workers temporarily during the period of General Community Quarantine;

**WHEREAS**, in relation to the aforementioned and pursuant to the guidelines set forth by the DOTr, the Board, in the exercise of its power and functions to "promulgate rules and regulations governing proceedings before the Board and the Regional Franchising and Regulatory Offices" as provided under Section 5(i) of Executive Order No. 202, deems it appropriate to set certain guidelines to be observed in the operation of Public Transportation responsive to the present State of National Health Emergency;

**NOW THEREFORE**, for and in consideration of the foregoing, the Board hereby **EXEMPTS** vehicles used to transport employees/workers from securing franchise, under the following conditions:

1. Vehicles must be secured by a Contract of Lease for a period of at least three (3) months but not exceeding December 31, 2020, and said contract must at all times be readily available for presentation during on-road operations or as the Board deems necessary;
2. Vehicles must be used and driven by the lessee or his/her authorized representatives;
3. Vehicles must be currently registered and covered by a comprehensive passenger insurance policy;
4. Vehicles subject of the lease contract shall bear the proper marking of the company that it is servicing for identification.

In case the vehicle owner/driver shall collect individual fare from the passengers ("*ulo-ulo*" system), the act shall be construed as a violation of this Circular and shall be considered as *colorum* operation. Appropriate penalties and impoundment of vehicle shall be implemented.

CERTIFIED TRUE PHOTOCOPY  
MARK WINSTON N. DIA  
Administrative Officer III  
(Records Officer II)

**This Interim Guidelines setting forth the exemption from securing franchise shall only be until 31 December 2020. No renewal or extension shall be allowed.** Should the vehicle owner intend to continue to operate beyond the foregoing period, said operator shall file the necessary application with the LTFRB Central Office or Regional Franchising and Regulatory Office (RFRO) having jurisdiction over the area/s of operation subject to existing policies of the Department of Transportation (DOTr) and Board for shuttle service operations (such as vehicle specification, valid contract with a company, and the like).

All issuances inconsistent herewith are hereby superseded and amended accordingly.


This Memorandum Circular shall take effect immediately following its publication in at least one (1) newspaper of general circulation. Let three (3) copies hereof be filed with the UP Law Center – Office of National Administrative Registrar (ONAR).

**SO ORDERED.**      AUG 17 2020

**ADOPTED AND APPROVED THROUGH A TELECONFERENCE ON 14 AUGUST 2020, Quezon City, Philippines.**

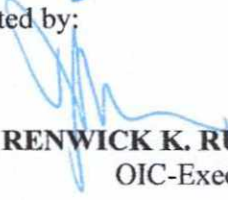
  
**ATTY. MARTIN B. DELGRA III**  
Chairman



  
**ENGR. RONALDO F. CORPUS**  
Board Member

  
**P/COL. JOEL C. PERNITO (Ret.)**  
Board Member

Attested by:

  
**Col. RENWICK K. RUTAQUIO (Ret.)**  
OIC-Executive Director

**CERTIFIED TRUE PHOTOCOPY**

  
**MARK WINSTON N. DIA**  
Administrative Officer III  
(Records Officer II)