



Republic of the Philippines
DEPARTMENT OF FINANCE

Roxas Boulevard Corner Pablo Ocampo, Sr. Street
Manila 1004

MEMORANDUM

FOR : ALL HEADS OF CONCERNED GOVERNMENT FINANCIAL INSTITUTIONS

FROM : CARLOS G. DOMINGUEZ
Secretary of Finance

SUBJECT : GUIDELINES ON THE PROVISION OF FINANCIAL RELIEF AND CREDIT PROGRAMS UNDER SECTION 4 OF REPUBLIC ACT NO. 11494, OR THE BAYANIHAN TO RECOVER AS ONE ACT

This is in reference to Section 4, paragraphs (x), (y), and (uuu) of Republic Act (RA) No. 11494, known as the "Bayanihan to Recover as One Act", which took effect last September 15, 2020.

Subsequently, the Executive Secretary issued a Memorandum dated October 23, 2020 (ES Memorandum) which authorizes the Secretary of Finance to promulgate rules and guidelines and to direct all government agencies and GOCCs, including the Land Bank of the Philippines (LBP), on the provision of financial relief and credit programs for the benefit of Micro, Small and Medium Enterprises (MSMEs), cooperatives, self-employed, institutions of learning, productive sectors, and other critically affected industries or sectors as provided under RA No. 11494. The ES Memorandum adopted the "Implementing Guidelines of Republic Act No. 11494, "An Act Providing for COVID-19 Response and Recovery Interventions and Providing for Mechanisms to Accelerate the Recovery and Bolster the Resiliency of the Philippine Economy, Providing Funds Therefor, and or Other Purposes"" (Implementing Guidelines).

The ES Memorandum also authorized the Secretary of Finance, in partnership with the Bangko Sentral ng Pilipinas (BSP), to ensure availability of credit to productive sectors of the economy especially in the countryside through measures such as, but not limited to, lowering the effective lending rates of interest and reserve requirements of lending institutions.

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Lastly, the ES Memorandum authorized the Secretary of Finance to direct government financial institutions (GFIs) to prioritize in their lending and credit line operations, hospitals and health care institutions with cashflow or liquidity issues during the state of national emergency.

In view of the foregoing, the following guidelines are hereby issued:

Section 1. Coverage

These guidelines shall cover all concerned government financial institutions (GFIs) which are mandated by RA No. 11494 to provide financial relief and credit programs for the benefit of Micro, Small and Medium Enterprises (MSMEs), cooperatives, self-employed, institutions of learning, productive sectors, and other critically affected industries or sectors.

Section 2. Definition of Terms

- a. **Government Financial Institutions (GFIs)** refer to financial institutions or corporations in which the government directly or indirectly owns majority of the capital stock and which are either: (1) registered with or directly supervised by the Bangko Sentral ng Pilipinas; or are (2) collecting or transacting funds or contributions from the public and thereafter, placing them in financial instruments or assets such as deposits, loans, bonds and equity.¹
- b. **Micro, Small, and Medium Enterprises (MSMEs)** refer to any business activity or enterprise engaged in industry, agribusiness and/or services, whether single proprietorship, cooperative, partnership or corporation whose total assets, inclusive of those arising from loans but exclusive of the land on which the particular business entity's office, plant and equipment are situated, must have value falling under the following categories²:

Micro	not more than Php3,000,000.00
Small	Php3,000,001.00 – Php15,000,000.00
Medium	Php15,000,001.00 – P100,000,000.00

¹ DOF Department Circular No. 001-2015 dated June 1, 2015

² Section 3 of Republic Act No. 9501 as amended



Section 3. All GFIs concerned are hereby directed to:

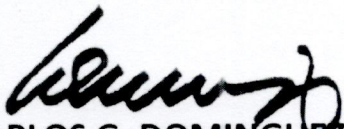
- a. Ensure availability of credit to the productive sectors of the economy especially in the countryside through measures such as, but not limited to, lowering the effective lending rates of interest and reserve requirements of lending institutions. *Provided,* That credit accommodation to the MSMEs and cooperatives, as well as those who are self-employed, shall be imposed a low interest, payable within three (3) years and shall not require any collateral if the loan does not exceed Three million pesos (Php3,000,000.00);
- b. Provide loan interest rate subsidies for institutions of learning that have been affected by the decrease in enrolment due to the community quarantine or to enable these institutions to adequately prepare to implement blended learning: *Provided,* That the terms of the loan shall be more reasonable than the prevailing market terms: *Provided, further,* That the availment of such loan shall be conditioned on the non-implementation of an increase in tuition and other fees for the next school or academic year: *Provided, finally,* That private schools, colleges and universities receiving grants will retain their personnel complement at the time of the receipt of aid, and will not engage in retrenchment of employees for a period of nine (9) months from receipt of grant; and
- c. Prioritize in their lending and credit line operations hospitals and health care institutions with cashflow or liquidity issues during the state of national emergency as declared by the President: *Provided,* That the GFIs shall adopt necessary mechanisms allowing hospitals and health care institutions to borrow against arrears due to them from PhilHealth: *Provided, further,* That as part of eligibility requirements, the availing hospitals and health care institutions shall be duly accredited by PhilHealth.

Section 4. Pursuant to Section 1 above, the GFIs may, through their respective governing boards, issue such resolution necessary for the full implementation of the above financial relief and credit programs embodied in RA No. 11494. Said resolution shall be submitted to the Department of Finance for notation.



Section 5. Finally, all GFIs concerned should ensure that any issuance made in the implementation of RA No. 11494 is consistent with the provisions of the Implementing Guidelines.

For strict compliance.

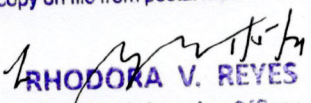

CARLOS G. DOMINGUEZ
Secretary of Finance

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