

MALACAÑANG
MANILA

MEMORANDUM CIRCULAR NO. 188

**DIRECTING THE CABINET OFFICERS FOR REGIONAL DEVELOPMENT AND
PRESIDENTIAL ASSISTANTS TO INSPECT, MONITOR AND EVALUATE THE
NATIONAL GOVERNMENT ASSISTANCE TO TOBACCO-PRODUCING LGUS**

WHEREAS, Section 8 of Republic Act (RA) No. 8240, as amended by RA Nos. 8424 and 9337, provides that 15% of the incremental revenue collected from the excise tax on tobacco products shall be allocated and divided among the provinces producing burley and native tobacco in accordance with the volume of tobacco leaf production;

WHEREAS, RA 7171, as amended, extends financial support from the proceeds of 15% of the excise taxes on locally manufactured Virginia-type of cigarettes, to be divided among the beneficiary provinces *pro-rata* according to the volume of Virginia tobacco production;

WHEREAS, Executive Order (EO) No. 843 (s. 2009) authorized the release of the 15% share of beneficiary LGUs consisting of provinces, cities and municipalities producing burley and native tobacco in the total incremental revenue collected from the excise tax on tobacco products accumulated from 1997 to 2007;

WHEREAS, EO 846 (s. 2009) authorized the monetization of the unappropriated and unreleased share of LGU-producing Virginia Tobacco from the 15% excise tax collection on locally manufactured Virginia-type cigarettes for the calendar years 2002 to 2009;

WHEREAS, Presidential Memorandum Circular (MC) No. 61 (s. 1993), as amended by MC Nos. 61-A (s. 1993) and 41 (s. 1999), was issued to establish the guidelines for the effective implementation of RA 7171, as amended;

WHEREAS, the Department of Budget and Management (DBM), the Bureau of Internal Revenue (BIR) and the National Tobacco Administration (NTA) have issued Joint Circular No. 2009-1 and 2001-1A providing for guidelines and procedures on the release of the share of LGU-producing burley and native tobacco products from 15% of the incremental revenue collected from the excise tax on tobacco products; and

WHEREAS, there is a need to establish an inspection, monitoring and evaluation mechanism within the Executive Branch to ensure the proper utilization of the financial assistance granted to LGU-beneficiaries producing burley and native tobacco and or Virginia-type tobacco, in accordance with the objectives set forth by law.

NOW, THEREFORE, I, EXECUTIVE SECRETARY EDUARDO R. ERMITA, BY AUTHORITY OF HER EXCELLENCY, GLORIA MACAPAGAL-ARROYO, President of the Republic of the Philippines, do hereby order:

SECTION 1. *Additional mandate.* – The Cabinet Officers for Regional Development (CORD) established under Administrative Order No. 234 (s. 2008) and the Presidential Assistants (PAs) are hereby directed to inspect, monitor and evaluate the utilization of the financial assistance granted by the National Government to tobacco-producing LGUs in their respective jurisdictions, to ensure that the same is utilized in accordance with the provisions of existing laws, rules and regulations.


SECTION 2. *Reportorial requirements.* – The CORD and/or PAs are directed to submit monthly compliance/progress reports on the matter to the Executive Secretary, through the Presidential Management Staff.

SECTION 3. *Inter-Agency Support.* — All departments, agencies and bureaus, offices, instrumentalities, and Government-owned and/or Controlled Corporations (GOCC), especially Landbank of the Philippines, are enjoined to extend full assistance and cooperation, and provide necessary, relevant and timely information to the CORD and PAs in the performance of the abovementioned additional mandate.

SECTION 4. *Separability Clause.* – All orders, rules and regulations, and issuances or parts thereof which are inconsistent with this Order are hereby repealed, amended or modified accordingly.

SECTION 5. *Effectivity.* – This Order shall take effect immediately.

DONE in the City of Manila, this 26th day of February, in the year of Our Lord, Two Thousand and Ten.



EDUARDO R. ERMITA
Executive Secretary