



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
MALACAÑANG, MANILA

CIRCULAR LETTER

No. 2014- 3 _____
March 27, 2014

TO : Heads of Departments, Bureaus, Offices and Agencies of the National Government, Heads of Finance Units; Budget Officers; Chief Accountants and All Others Concerned

SUBJECT : Expansion of Coverage for the Issuance of Multi-Year Obligational Authority (MYOA) under CL No. 2004-12

- 1.0 Under Circular Letter No. 2004-12 dated October 27, 2004, i.e., Prescribing the Guidelines and Procedures in the Issuance of Multi-Year Obligational Authority, specifically, Section 2 thereof, the Armed Forces of the Philippines Modernization Program (AFPMP) under RA No. 7898 was excluded from the coverage of MYOA issuance.
- 2.0 With the passage of the Revised AFPMP under RA No. 10349 on December 11, 2012 amending RA No. 7898, particularly Section 5 of RA No. 10349 which amends Section 9 of RA No. 7898, multi-year contracts and other contractual arrangements have been authorized as follows:
 - 2.1 For the Secretary of National Defense to enter into multi-year contracts, lease and lease-purchase agreements subject to prior issuance of MYOA by DBM.
 - 2.2 For Congress to make the corresponding appropriation for the ensuing fiscal years upon issuance of said multi-year obligational authority by DBM.
- 3.0 Consistent with the provisions of RA 10349, Section 2.0 of Circular Letter No. 2004-12 is hereby amended to include the

programs/projects/activities under the Revised AFPMP, funding for which shall be appropriated in the annual GAA.

- 4.0 Likewise, the following specific documentary requirements applicable only to the Revised AFPMP are to be complied with prior to the issuance of a MYOA for the AFPMP projects:
- 4.1 Approval of the projects/activities by the President in the event that the Revised AFPMP has not yet been endorsed to Congress pursuant to Section 3 of RA 10349;
 - 4.2 Approval by the President issued to the DND Secretary to enter into MYC for a specific acquisition/project; and
 - 4.3 Funding Strategy, i.e., proposed funding source, financing arrangements to which the acquisition is to be covered.
- 5.0 This Circular shall take effect immediately.

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FLORENCIO B. ABAD
Secretary

