



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
GENERAL SOLANO STREET, SAN MIGUEL, MANILA



CIRCULAR LETTER

No. 2024-7

Date: February 27, 2024

TO : Heads of Departments, Bureaus, Offices, and Agencies of the National Government, Including Constitutional Offices Enjoying Fiscal Autonomy; State Universities and Colleges (SUCs); Government-Owned or Controlled Corporations (GOCCs), Chief Executives of Local Government Units (LGUs); and All Others Concerned

SUBJECT : GUIDELINES ON THE USE OF DIGITAL AND ELECTRONIC SIGNATURE FOR THE NOTICE OF STEP INCREMENT (NOSI) AND NOTICE OF SALARY ADJUSTMENT (NOSA)

1.0 RATIONALE/BACKGROUND

1.1 Republic Act (RA) No. 8792 or the "*Electronic Commerce Act of 2000*" provides the **legal recognition of electronic signatures** on electronic documents, which shall be equivalent to the signature of a person on a written document if that signature is proved by showing that a prescribed procedure, not alterable by the parties interested in the electronic document, existed under strict conditions.

The law further mandates any department of the government, organ of state or statutory corporation to accept or issue any document in the form of electronic data messages or electronic documents upon the adoption, promulgation, and publication of the appropriate rules, regulations or guidelines.

1.2 Corollary, **Civil Service Commission (CSC) and Department of Budget and Management (DBM) Joint Circular (JC) No. 1, s. 2012¹** establishes the rules and regulations for granting Step Increment/s due to Meritorious Performance and/or Length of Service.

Said CSC-DBM JC requires agencies to prepare the **NOSI** in the prescribed formats and issue the same to the personnel concerned.

¹ Rules and Regulations on the Grant of Step Increment/s Due to Meritorious Performance and Step Increment Due to Length of Service

- 1.3 As part of the implementation of the Fourth Tranche Salary Adjustment under RA No. 11466 (*Salary Standardization Law V*), National Budget Circular (NBC) No. 591 stipulates that a **NOSA**, in the prescribed format, be issued to the personnel concerned.

This requirement is similar to the implementation of the salary increases under NBC Nos. 579, 584, and 588 for the implementation of the First, Second, and Third Tranches of adjustments under RA No. 11466, respectively.

- 1.4 The DBM acknowledges that the use of digital and electronic signatures for the NOSI and NOSA would streamline business processes and facilitate the transaction of documentary requirements, resulting in greater service efficiency.

2.0 PURPOSE

This Circular is issued to provide departments, agencies, SUCs, GOCCs, and LGUs with guidelines for using digital/electronic signatures in issuing the NOSIs/NOSAs to their respective personnel.

3.0 CONCEPT AND DEFINITION OF TERMS

- 3.1 **Digital Signature** - a type of electronic signature backed by a digital certificate for providing proof of identity. A specialized technology is required to create digital signatures².
- 3.2 **Electronic Signature** - refers to any distinctive mark, characteristic and/or sound in electronic form, representing the identity of a person, or any methodology or procedures employed or adopted by a person and executed or adopted by such person, with the intention of authenticating or approving an electronic data message or electronic document³.
- 3.3 **NOSI** - issued to those entitled to Step Increment Due to Length of Service and/or Meritorious Performance in accordance with CSC-DBM JC No. 01, s. 2012.

If the employee is a member of the Government Service Insurance System (GSIS), a copy of the NOSI is provided to the GSIS.

- 3.4 **NOSA** - issued whenever there are legislated salary adjustments such as the series of adjustments under RA No. 11466, as prescribed under NBC Nos. 579, 584, 588, and 591.

² Under the Department of Information and Communications Technology-Philippine National Public Key Infrastructure, there is a system that uses paired keys to provide security and authentication for electronic information transfers.

³ Republic Act No. 8792

A NOSA may also be issued as a result of promotion, demotion or reclassification resulting in an adjustment in the salary of the incumbent.

A copy of the NOSA, like the NOSI, is provided to the GSIS if the employee is a member.

- 3.5 **Philippine National Public Key Infrastructure (PNPKI)** - is a system that uses paired keys to provide security and authentication for electronic information transfers.
- 3.6 **Public Key Infrastructure (PKI)** - is essentially a set of hardware, software, policies, personnel and procedures needed to create, manage, distribute, use, store and revoke digital certificates. It is encapsulated in the Department of Information and Communications Technology's (DICT) PNPKI services such as Certificate Authority & Registration Authority, Validation Authority, and Timestamping services.
- 3.7 **Wet Ink Signature** - refers to the traditional pen-and-ink signature affixed by the signatory.

4.0 GUIDELINES AND PROCEDURES

- 4.1 The departments, agencies, SUCs, GOCCs, and LGUs are hereby **authorized** to use digital/electronic signature for the NOSI/NOSA that they will issue for their respective personnel, in accordance with the relevant existing issuances, laws, rules, and regulations.
- 4.2 The digitally or electronically signed NOSI/NOSA form is recognized in place of the traditional NOSI/NOSA with the wet ink signature, subject to the following conditions:
 - 4.2.1 The NOSA shall follow the prescribed format under **Annex "B-1"** (*for regular positions*) or **Annex "B-2"** (*for casual/contractual positions*) of NBC No. 591, or any subsequent DBM issuance requiring the issuance of the NOSA.
 - 4.2.2 The NOSI shall follow the prescribed format under **Annex "A"** (*for meritorious performance*) and **Annex "B"** (*for length of service*) of DBM-CSC JC No. 1, s. 2012.
 - 4.2.3 The use of digital/electronic signature shall be subject to the DICT's policy on the use of the same, following the format in employing PKI under the DICT's PNPKI and other applicable policies and guidelines. Accordingly, the identified signatories of the NOSI/NOSA should have a valid digital signature.
 - 4.2.4 The digitally/electronically signed NOSI or NOSA must be **kept in its original form** and submitted electronically to ensure its verifiability.

Accordingly, all NOSI and NOSA printouts must be considered **duplicates and/or secondary copies**, and properly labeled as such.

Hence, each NOSI/NOSA printout should bear the notation "*The original of this NOSI/NOSA is in digital format*" or other similar language.

- 4.2.5 The Human Resource Management Officer/Administrative Officer the respective agencies shall ensure that the digital copies of the NOSI/NOSA forms are properly documented, stored, and managed to ensure security and authenticity of the records, both in digital and printed forms.

The digitally signed NOSI/NOSA should have a file storage that can comply with the Electronic Records Management Policy of the National Archives of the Philippines, as stipulated under its Memorandum Circular No. 210401 dated April 21, 2021.

- 4.3 All government entities electing to use digital/electronic signature for the NOSI/NOSA pursuant to this CL shall issue internal rules and controls on using the same, subject to the existing laws, rules and regulations such as RA No. 8792, s. 2000, Commission on Audit Circular No. 2021-006⁴, and the relevant rules and regulations of the DICT.

5.0 RESPONSIBILITIES OF AGENCIES

It shall be the responsibility of the Head of the Agencies to strictly implement the provisions of this CL. Non-compliance thereof shall be subject to sanctions provided for under applicable laws.

6.0 SEPARABILITY

If any provision of this CL is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

7.0 EFFECTIVITY

This CL shall take effect immediately upon publication in the Official Gazette or in a newspaper of general circulation.


AMENAH F. PANGANDAMAN
Secretary



⁴ Guidelines on the use of Electronic Documents, Electronic Signatures, and Digital Signatures in Government Transactions