

**EXECUTIVE ORDER  
NO. 218**

**REACTIVATING THE TASK FORCE ON FEES AND  
CHARGES, EXPANDING ITS MEMBERSHIP AND  
FUNCTIONS AND PROVIDING GUIDELINES FOR THE  
REVIEW OF THE PROPOSED RATE INCREASE OF FEES  
AND CHARGES BY NATIONAL GOVERNMENT  
AGENCIES AND GOVERNMENT-OWNED OR  
CONTROLLED CORPORATIONS UNDER EO 197,  
SERIES OF 2000**

**WHEREAS**, there is a need to improve revenue collection to achieve revenue targets and fund the government's socio-economic programs;

**WHEREAS**, fees and charges remain a significant source of revenue for the government;

**WHEREAS**, government fees and charges are user charges which are commensurate with the benefits received from services rendered, and persons receiving such services must share the burden of expenses incurred by the government instead of the full cost being borne by all taxpayers;

**WHEREAS**, since the cost of rendering government services or regulating certain activities has risen drastically and the Government does not have sufficient resources to sustain, improve or expand these services, it is necessary that the rates of fees and charges be upgraded commensurately with the increase in the cost of their administration;

**WHEREAS**, for social considerations, health, education and other social services are generally free or subsidized by the government;

**WHEREAS**, despite the issuance of Executive Order (EO) No. 159, series of 1994, directing all departments, bureaus, commissions, agencies and instrumentalities of the national government including government-owned or controlled corporations to adjust their fees and charges by just and reasonable rates sufficient to cover at least the full cost of services rendered, only very few agencies have complied;

**WHEREAS**, EO No. 197 series of 2000 has been issued to reiterate the importance of revising the rates of fees and charges and to direct all departments, bureaus, commissions, agencies, offices and instrumentalities of the National Government, including government-owned or controlled corporations, to increase their rates of fees and charges by not less than 20 percent;

**WHEREAS**, to prevent indiscriminate and inappropriate increases in the rates of fees and charges, it is important that the Task Force on Fees and Charges be reactivated to review where necessary proposals from the agencies concerned before approval of their Department Secretaries.

**NOW, THEREFORE, I, JOSEPH EJERCITO ESTRADA**, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

**Section 1. Guiding Principles.** In revising their fees and charges, all departments, bureaus, offices, units and agencies including government-owned or controlled corporations shall be guided by the universal concept of user charges, which is to recover at least the full cost of services rendered. Fees and charges have to be reviewed from time to time in accordance with such concept.

**Sec. 2. Reactivation of the Task Force on the Revision of Fees and Charges.** The Task Force on the Revision of Fees and Charges created under Administrative Order No. 255 issued on February 20, 1996 and composed of representatives of the Department of Finance (Chairman), Department of Budget and

Management (Co-Chairman), Bureau of the Treasury and the National Tax Research Center is hereby reactivated with the membership expanded to include a representative from the Commission on Audit.

**Sec. 3. Functions of the Task Force.** The Task Force shall, in addition to its present function of monitoring compliance on the revision of fees and charges and the synchronization of the accounting and reporting of collections from fees and charges from agencies concerned, be responsible for the following functions:

- a. Review and recommend on a selective basis, revisions of fees and charges under EO 197, before approval of the Department Secretary or Head of Agency concerned, which function it shall perform on a continuing basis as further revisions are proposed or deemed appropriate in the future;
- b. Pass upon any request for exemptions from EO 197;
- c. Render technical assistance on the determination of cost of services rendered upon request of agencies concerned; and
- d. Provide guidelines and criteria in the determination of just and reasonable rates sufficient to recover the full cost of services rendered.

**Sec. 4. Submission of Reports by Government Agencies.** Government departments, bureaus, offices, agencies and units concerned, including government-owned or controlled corporations receiving budgetary appropriations, shall submit to the Task Force a report on the revision of rates as approved by the Department Secretary concerned not later than thirty (30) days after their approval/effectivity and to the Department of Budget and Management, together with their proposed budget, a summary of expected revenues from fees and charges, during the budgetary hearings.

**Sec. 5. Monitoring.** The Bureau of the Treasury shall closely monitor the collections of fees and charges based on remittance advices of concerned government agencies, including

government-owned or controlled corporations to authorized collection agent banks.

**Sec. 6. Implementing Rules and Regulations.**

The Department of Finance and the Department of Budget and Management shall jointly promulgate the rules and regulations to implement this Executive Order and monitor compliance by agencies.

**Sec. 7. Repealing Clause.** All executive issuances or parts thereof, including those specially providing for rates of fees and charges of specific government agencies which are inconsistent with any of the provisions of this Executive Order are hereby repealed or modified accordingly.

**Sec. 8. Effectivity.** This Executive Order shall take effect immediately.

**Done** in the City of Manila, this 15<sup>th</sup> day of March in the Year of our Lord Two Thousand.

**(Sgd.) JOSEPH EJERCITO ESTRADA**

By the President:

**(Sgd.) RONALDO B. ZAMORA**

Executive Secretary