

## **PRIVATIZATION AND MANAGEMENT OFFICE**

### **CITIZEN'S CHARTER (ANTI-RED TAPE ACT 2007 IN ACCORDANCE WITH R.A. NO. 9485 AND PURSUANT TO CSC-MC 12-2008)**

#### **OVERVIEW**

- The Privatization and Management Office (PMO) is an attached agency of the Department of Finance. The PMO serves as the marketing arm of the Government with respect to Transferred Assets, Government Corporations and other properties assigned to it by the Privatization Council for disposition.
- The Privatization Council (PrC) is the policy making body mandated to oversee the Philippine Government's privatization program. As such, it approves all proposed privatization plans prepared by PMO, and provides the final approval for the proposed price and buyer for the assets. The PrC is a cabinet-level body composed of the Secretary of Finance as Chairman, with the Secretaries of Budget and Management, Trade and Industry, National Economic and Development Authority and Justice as Members. The National Treasurer and the Chairman of the Presidential Commission on Good Government sit in the PrC as non-voting members.
- Both the PMO and PrC were organized effective January 1, 2001 by virtue of Executive Order No. 323 (2000). The PMO is the successor agency of the former Asset Privatization Trust (APT) whose life ended on December 31, 2000 pursuant to Republic Act No.8758 (RA 8758). RA 8758 mandated that upon the expiration of APT's corporate life, all its powers, functions, duties and responsibilities, all properties, real or personal assets, equipment and records, as well as its obligations and liabilities shall devolve upon the National Government.
- As provided in Executive Order No. 323, all receipts from the sale of assets of PMO, except portions thereof for reimbursable custodianship and/or operational expenses, are remitted to the National Treasury. The National Treasury then apportions the remittances made by PMO wherein sixty percent (60%) goes to the special account of the Agrarian Reform Fund and forty percent (40%) to the General Fund.

#### **VISION**

- Promote an orderly, coordinated and efficient privatization of remaining government assets.
- Broaden economic base by turning state-owned enterprises and under-utilized assets over to the private sector.
- Provide more investment and employment opportunities to help attain economic growth and development.

#### **MISSION**

Take title to and possession of, conserve, provisionally manage, and dispose of assets previously identified for privatization; and, in the process, reduce the Government's maintenance expense on non-performing assets, generating maximum cash recovery for the National Government.

#### **MANDATE**

- Implement the marketing/disposition program for government corporations, assets and other properties (Executive Order No. 323-2000).
- Dispose assets and/or rights, mandated under Executive Order No. 372, transferred to the National Government and held in trust by the PMO (Executive Order No. 471-2005).

## PRIVATIZATION FLOW

Stages	Activities	Days Needed	Person/s Responsible	Required Documents from Investor/Buyer	
1	Determination and selection of asset for privatization.	7	Market Specialists Deputy Privatization Officer (DPO) - Marketing		
2	Review and evaluation of Legal issues that may affect the disposition of asset.	15	Attorney/Legal Counsel DPO-Legal		
3	Procurement of appraisal services for the valuation of asset.	45	Market Specialists Property Appraiser		
4	Preparation and submission of privatization plan to the Chief Privatization Officer (CPO).	10	Market Specialists DPO-Marketing		
5	Consultation with other agencies of the plan to dispose particular asset to clear up other issues (e.g. DOF,DAR,DENR,MGB,PMDC,BIR,PDIC,NDC,MMDA, DPWH, GCG, GOCC, OP).	14	Market Specialists DPO-Marketing/CPO		
6	Endorsement of privatization plan to Privatization Council (PrC).	5-10	CPO		
7	Approval of privatization plan and price.	7-14	Privatization Council (PrC) as endorse by the PrC Technical Committee; or GCG (if asset for sale represent share in GOCC)		
8	Special Audit by Commission on Audit of asset for disposition (if necessary).	(30-60)	Market Specialists DPO-Marketing		
	Notification to Commission on Audit of the sale/ disposition.	20 (prior to publication)			
9	Publication of Invitation to Bid/Offer for Sale.	3	Market Specialists DPO-Marketing/CPO  Or BAC on the asset for sale		• Cash/Manager's Check
10	Issuance/Release of Bid Documents.	15-120**			• Cash/Manager's Check
	Due diligence period	30-120***			• Official Receipt (OR) for payment of Bid Documents
	Pre-bid Conference	1			• Letter of Clarification
	Request for Clarification/Supplemental Bid Bulletin	7			• Eligibility, Technical and Financial Documents • Authorization of Representative, Secretary Certificate or Special Power of Attorney (SPA) • Valid Identification Cards
11	Public Bidding/Offer for Sale (Eligibility Check, Submission and Opening of Bids)	1			• None
	Evaluation of Bids/Post Qualification	3			
12	Endorsement of Winning Bid to PrC Approval/Acceptance of Offer	1		CPO PrC (as endorsed by the PrC Technical Committee); or GCG	• None
		3			
13	Issuance of Notice of Award	1		CPO	• Authorization Letter • Valid Identification Cards
14	Acceptance of payment of Bid Price	1	Market Specialists Concerned Division Chiefs DPO-Marketing Cashier	• Cash/Manager's Check	
15	Execution/signing of sale/transaction documents	15-30	DPOs Marketing and Legal CPO	• Special Power of Attorney (SPA) • Valid Identification Cards	
16	Turn-over of asset to buyer/winning bidder	1	Market Specialists Chief Administrative Officer- Custodianship DPO-Asset Management	• Sale Transaction Documents (e.g. Deed of Absolute Sale, Deed of Conditional Sale, Share Purchase Agreement, Memorandum of Agreement (MOA), Lease Contract)	
<i>End</i>					

\*Standard procedure but the whole privatization process may take longer depending on the nature and complexity of the asset involved.

\*\*Depending on the asset, Issuance or release of Bid Documents could start from publication until a day before the bid submission deadline.

\*\*\*Due Diligence Period normally coincides with the period for the issuance or release of Bid Documents. The period allotted for due diligence largely depends on the nature and complexity of the asset bid out.

### FEEDBACKS/COMMENTS

The Privatization and Management Office welcomes feedback/comment/suggestion on its privatization flow. Please address your communication to the Chief Privatization Officer at 3<sup>rd</sup> Floor PMO Building, 104 Gamboa St., Legaspi Village, Makati City.