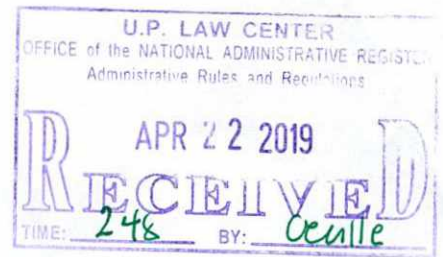




Republic of the Philippines  
Department of Transportation

**LAND TRANSPORTATION FRANCHISING & REGULATORY BOARD**  
East Avenue, Quezon City



**MEMORANDUM CIRCULAR**  
**NUMBER 2019- 018**

**DATE** : April 15, 2019

**SUBJECT** : **CLARIFYING THE PROVISION ON THE LONG-TERM LEASE CONTRACT DEFINED UNDER MEMORANDUM CIRCULAR NO. 2019-003**

**WHEREAS**, one of the powers and functions of Land Transportation Franchising and Regulatory Board under Executive Order No. 202 is to promulgate, administer, implement, and enforce rules and regulations on land transportation public utilities ..x x x ..;

**WHEREAS**, the Board, on 28 January 2019, issued **Memorandum Circular No. 2019-003** amending and modifying the conditions set forth in **Memorandum Circular No. 2011-008**, defining the long-term lease contract between the lessee and the car rental company/owner to be not less three (3) years to be considered as private vehicle exempt from securing a franchise from the Land Transportation Franchising and Regulatory Board (LTFRB);

**WHEREAS**, the Board, after the issuance of the said MC, has received a quite number of queries and clarifications from the public regarding on the effect or implication of the said Memorandum Circular especially on existing contracts;

**WHEREAS**, it was also raised in a meeting with the group of stakeholders that the period for long-term lease contract should conform to the 2-year lease contract enunciated under R.A. 8556;


**WHEREAS**, careful review of R.A. 8556 or the Financing Company Act of 1998, it appears that said law is not in any way connected to or relevant to the prevailing policy of the Board;

**NOW THEREFORE**, after due consideration and deliberation, this Board hereby resolves as it clarifies that the effect of the said Memorandum is prospective in nature and that contracts existing prior to the effectivity of the MC may still be respected and honored until its expiration. Moreover, the long-term lease contract as defined under MC 2019-003 **STANDS** and **REMAINS** to be not less than three (3) years.


This Memorandum Circular shall take effect immediately following its publication in a newspaper of general circulation and the filing of three (3) copies hereof with the UP Law Center pursuant to Presidential Memorandum Circular No. 11, dated 09 October 1992.

**SO ORDERED.**

Quezon City, 15 April 2019.

  
**ATTY. MARTIN B. DELGRA III**  
Chairman

  
**ENGR. RONALDO F. CORPUS**  
Board Member/OIC-Executive Director

  
**GEN. ANTONIO N. GARDIOLA, JR. (Ret.)**  
Board Member

**EFFECTIVITY**  
DATE: 18 APR 2019





Republic of the Philippines  
Department of Transportation

**LAND TRANSPORTATION FRANCHISING & REGULATORY BOARD**  
East Avenue, Quezon City

**MEMORANDUM CIRCULAR  
NUMBER 2019- 012**

**DATE** : April 15, 2019

**SUBJECT** : **CLARIFYING THE PROVISION ON THE LONG-TERM LEASE CONTRACT DEFINED UNDER MEMORANDUM CIRCULAR NO. 2019-003**

**WHEREAS**, one of the powers and functions of Land Transportation Franchising and Regulatory Board under Executive Order No. 202 is to promulgate, administer, implement, and enforce rules and regulations on land transportation public utilities ..x x x ..;

**WHEREAS**, the Board, on 28 January 2019, issued Memorandum Circular No. 2019-003 amending and modifying the conditions set forth in Memorandum Circular No. 2011-006, defining the long-term lease contract between the lessee and the car rental company/owner to be not less three (3) years to be considered as private vehicle exempt from securing a franchise from the Land Transportation Franchising and Regulatory Board (LTFRB);

**WHEREAS**, the Board, after the issuance of the said MC, has received a quite number of queries and clarifications from the public regarding on the effect or implication of the said Memorandum Circular especially on existing contracts;

**WHEREAS**, it was also raised in a meeting with the group of stakeholders that the period for long-term lease contract should conform to the 2-year lease contract enunciated under R.A. 8556;


**WHEREAS**, careful review of R.A. 8556 or the Financing Company Act of 1998, it appears that said law is not in any way connected to or relevant to the prevailing policy of the Board;

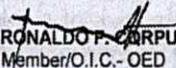
**NOW THEREFORE**, after due consideration and deliberation, this Board hereby resolves as it clarifies that the effect of the said Memorandum is prospective in nature and that contracts existing prior to the effectivity of the MC may still be respected and honored until its expiration. Moreover, the long-term lease contract as defined under MC 2019-003 **STANDS and REMAINS** to be not less than three (3) years.

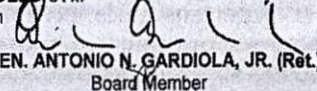
This Memorandum Circular shall take effect immediately following its publication in a newspaper of general circulation and the filing of three (3) copies hereof with the UP Law Center pursuant to Presidential Memorandum Circular No. 11, dated 09 October 1992.

**SO ORDERED.**

Quezon City, 15 April 2019.

  
ATTY. MARTIN B. DELERA III  
Chairman

  
ENGR. RONALDO P. CORPUS  
Board Member/O.I.C.- OED

  
GEN. ANTONIO N. GARDIOLA, JR. (Ret.)  
Board Member

P.S. April 18, 2019