



Republic of the Philippines  
Department of Transportation  
**LAND TRANSPORTATION FRANCHISING AND REGULATORY BOARD**  
East Avenue, Quezon City

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**MEMORANDUM CIRCULAR**  
**NUMBER 2017- 632**

**SUBJECT: IMPLEMENTING GUIDELINES DURING THE TRANSITION PERIOD  
FOR THE LIFTING OF THE MORATORIUM ON THE ACCEPTANCE  
OF TNVS APPLICATIONS**

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WHEREAS, on 21 July 2016, the Land Transportation Franchising and Regulatory Board (LTFRB) issued Memorandum Circular No. 2016-008 (Re: *Suspension of Acceptance of TNVS Applications*) ordering the suspension of the acceptance of all Transportation Network Vehicle Service (TNVS) applications proposing to ply on the route within Metro Manila or entering Metro Manila and directing the Technical Division not to accept any TNVS application upon effectivity of the said Circular. Likewise, the Regional Franchising and Regulatory Offices (RFROs) were directed not to accept TNVS applications with proposed route entering or within Metro Manila pending review of the existing policies and other relevant and pressing issues regarding the issuance of franchise to TNVS;

WHEREAS, Memorandum Circular No. 2016-012 (Re: *Amendment to Memorandum Circular No. 2016-008*) was issued on 01 September 2016 amending and modifying Memorandum Circular No. 2016-008 expanding the coverage of the suspension of acceptance of TNVS applications from applications with proposed routes plying Metro Manila to the suspension of acceptance of TNVS applications nationwide;

WHEREAS, the Technical Working Group (TWG) conducted series of meetings and consultations with all concerned parties for them to ventilate all issues involving TNVS for proper consideration by the Board.

WHEREAS, after thorough and exhaustive deliberation and review by the Board of all existing policies and all the issues raised, the Board hereby promulgates the following implementing guidelines:

## I. COVERAGE

This Memorandum Circular shall apply to Transport Network Vehicle Service (TNVS) during the transition period pending the lifting of the moratorium on the acceptance of TNVS applications.

## II. TRANSITORY PROVISIONS

The following mechanism for transitioning existing and new franchises shall be adopted:

### A. FLEET MANAGEMENT

In order to be consistent with the original concept of ridesharing, fleet management or operators having four (4) authorized units and above shall no longer be allowed by the Board:

1. All existing TNVS operators shall be limited to a maximum of three (3) authorized units. All authorized units in excess of the maximum number of units shall be excluded.
2. All pending Applications for the Issuance of New CPC to operate TNVS Service shall be limited to a maximum of three (3) proposed units for each applicant.
3. Applicants who are spouses are entitled to a maximum of three (3) units jointly regardless if they are holders of separate franchises or CPC.

### B. TRANSITION FOR FLEET OPERATORS

In relation to Item A, all affected TNVS fleet operators with excluded units in excess of three (3) shall be given the option to apply the excluded units to other appropriate modes of transport service or denomination such as Tourist Transport Service, Shuttle Service and Air-conditioned Taxi Service but only for purposes of the transition pursuant to this Circular.

### C. DROPPING AND SUBSTITUTION

All existing TNVS operators or applicants with pending application for the issuance of new CPC to operate TNVS Service with non-compliant units shall be allowed to drop and substitute their authorized units with compliant units, within a period of ninety (90) days from the effectivity hereof, as prescribed under Department Order No. 2015-011 and MC No. 2015-004 (Re: *Supplement to*

*Memorandum Circular No. 2009-029 Re: Year Model Proposed as Substitute for Authorized Taxi Units Specifically the Provision on the Required Specification and Measurement of Taxi Units).*

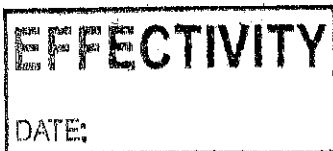
Hatchbacks and other four (4) door compact or smaller sedan with Piston Displacement not less than 1200 cc (rated) may be allowed as proposed unit or as substitute unit provided that the unit is compliant with the minimum dimension, safety and comfort features prescribed under MC No. 2015-004.

All other provisions under Department Order No. 2017-011 may apply accordingly.

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. November 29, 2017.**

Quezon City, Philippines,



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



  
**Engr. RONALDO E. CORPUZ**  
Board Member

  
**Atty. AILEEN LOURDES A. LIZADA**  
Board Member

Attested by:

  
**Atty. CARL SHA JEMIMAH F. MARBELLA**  
CIO-Executive Director