

**REPUBLIC OF THE PHILIPPINES**  
**OFFICE OF THE PRESIDENT**  
**METROPOLITAN MANILA DEVELOPMENT AUTHORITY**  
**RULES AND REGULATIONS IMPLEMENTING R. A. 7924,**  
**THE LAW CREATING THE**  
**METROPOLITAN MANILA DEVELOPMENT AUTHORITY**

**WHEREAS**, the Congress of the Philippines enacted Republic Act No. 7924, declaring the Metropolitan Manila as a special development and administrative region comprising of cities and municipalities in the area under the direct supervision of the President of the Philippines, and creating the Metropolitan Manila Development Authority to replace the Metropolitan Manila Authority which was constituted under and by virtue of Executive Order No. 392, dated January 9, 1990;

**WHEREAS**, RA 7924 invests the Metropolitan Manila Development Authority with responsibilities for the effective delivery of metro-wide services in Metropolitan Manila; and

**WHEREAS**, there is a need not only to effect the orderly transfer of powers and functions, officials and employees, assets and liabilities, including changes in organizational structure, expanded jurisdiction, policy directions and programs, but also to clarify or explain said provisions in order to achieve harmony or congruity with other existing laws and rules and regulations.

**NOW THEREFORE**, be it resolved, as it is hereby resolved, pursuant to Section 6 of RA 7924, that the Metro Manila Council hereby adopts and endorses to the President of the Republic of the Philippines for approval the following rules and regulations:

**RULE I**

**GENERAL PROVISIONS**

Section 1. **Title** - These rules shall be known, cited and referred to as the **Rules and Regulations Implementing Republic Act No. 7924, Creating the Metropolitan Manila Development Authority.**

Sec. 2 **Purpose** - These rules and promulgated to prescribe the guidelines and procedures for the implementation of RA 7924 which took effect on March 23, 1995, in order to facilitate compliance therewith and achieve the herein State policy and objectives.

Sec. 3 **Declaration of Policy and Objective** - It is the policy of the State to treat Metropolitan Manila as a special development and administrative region, and to delineate and consider certain basic services affecting or involving Metro Manila as metro-wide services, the delivery of which the Authority shall plan, supervise, regulate, monitor, coordinate, or implement, where appropriate, in conformity with national government policies without prejudice to the autonomy of the local governments affected.

Sec. 4 **Scope of Application** - These Rules and Regulations shall apply to all local governments comprising the special development and administrative region of Metropolitan Manila and agencies of the national government operating in Metropolitan Manila.

**RULE II**

**METROPOLITAN MANILA DEVELOPMENT AUTHORITY**

Sec. 5 **Creation** - The Metropolitan Manila Development Authority, hereinafter referred to as the Authority, shall replace the Metropolitan Manila Authority constituted under Executive Order No. 392 dated January 9, 1990.

The Authority shall be attached to the Office of the President for policy and program coordination.

The affairs of Metropolitan Manila, which is composed of the cities of Caloocan, Makati, Mandaluyong, Manila, Muntinlupa, Pasay, Pasig, Quezon and the municipalities of Las Piñas, Malabon, Marikina, Navotas, Parañaque, Pateros, San Juan, Tagig, and Valenzuela, shall be administered by the Authority.

**Sec. 6 Scope of Services of the Authority** - The scope of services of the Authority shall cover those which have metro-wide impact and transcend local political boundaries or entail huge expenditures such that it would not be viable for said services to be provided by the individual local government units [LGUs] comprising Metropolitan Manila. These services shall include:

- a. Development planning which includes the preparation of medium and long-term development plans; the development, evaluation and packaging of projects; investments programming; and coordination and monitoring of plans, program and project implementation.
- b. Transport and traffic management which includes the formulation, coordination and monitoring of policies, standards, programs and projects to rationalize the existing transport operations, infrastructure requirements, the use of thoroughfares, and promotion of safe and convenient movement of persons and goods; provision for the mass transport system and the institution of a system to regulate road users; administration and implementation of all traffic enforcement operations, traffic engineering services and traffic education programs, including the institution of a single ticketing system in Metropolitan Manila.
- c. Solid waste disposal and management which include formulation, and implementation of policies, standards, programs and projects for proper and sanitary waste disposal. It shall likewise include the establishment and operation of sanitary landfill and related facilities and the implementation of other alternative programs intended to reduce, reuse and recycle solid waste.
- d. Flood control and sewerage management which include the formulation and implementation of policies, standards, programs and projects for an integrated flood control, drainage and sewerage system.
- e. Urban renewal, zoning and land use planning, and shelter services which include the formulation, adoption and implementation of policies, standards, rules and regulations, programs and projects to rationalize and optimize urban land use and provide direction to urban growth and expansion, the rehabilitation and development of slum and blighted areas, the development of shelter and housing facilities and the provision of necessary social services thereof.
- f. Health and sanitation, urban protection and pollution control which include the formulation and implementation of policies, rules and regulations, standards, programs and projects for the promotion and safeguarding of the health and sanitation of the region and for the enhancement of ecological balance and the prevention, control and abatement of environmental pollution.
- g. Public safety which includes the formulation and implementation of programs and policies and procedures to achieve public safety, especially preparedness for preventive or rescue operations during times of calamities and disasters such as conflagrations, earthquake, flood and tidal waves; and coordination and mobilization of resources and the implementation for rehabilitation and relief operations in coordination with national agencies concerned.

**Sec. 7 Powers and Functions** - The Authority shall perform planning, monitoring, coordinating and implementing functions where appropriate, and in the process, exercise regulatory and supervisory authority over the delivery of metro-wide services within Metro Manila area, and in conformity with the national government policies without diminution of the autonomy of the local government concerning purely local matters. Such powers and functions shall include the following:

- a. Formulate, coordinate and regulate the implementation of medium and long-term plans and programs for the delivery of metro-wide services, land use and physical development within Metropolitan Manila, consistent with national development objectives and priorities;
- b. Prepare, coordinate and regulate the implementation of medium term investment programs for metro-wide services which shall indicate sources and uses of funds for priority programs and projects, and which shall include the packaging of projects and presentation to funding institutions;

- c. Undertake and manage on its own metro-wide programs and projects for the delivery of specific services under its jurisdiction, subject to the approval of the Council. For this purpose, MMDA can create appropriate project management offices;
- d. Coordinate and monitor the implementation of such plans, programs and projects in Metro Manila; identify bottlenecks and adopt solutions to problems of implementations;
- e. Set the policies concerning traffic in Metro Manila, and coordinate and regulate the implementation of all programs and projects concerning traffic management, specifically pertaining to enforcement, engineering and education. Upon request, it shall be extended assistance and cooperation, including but not limited to, assignment of personnel, by all other government agencies and offices concerned;
- f. Install and administer a single ticketing system, fix, impose and collect fines and penalties for all kinds of violations of traffic rules and regulations, whether moving or non-moving in nature, and confiscate and suspend or revoke driver's licenses in the enforcement of such traffic laws and regulations, the provisions of RA 4136, and PD 1605 to the contrary notwithstanding.

For this purpose, the Authority shall enforce all traffic laws and regulations in Metro Manila, thru its traffic operation center, and may deputize members of the PNP, traffic enforcers of local government units, duly licensed security guards, or members of non-governmental organizations to whom may be delegated certain authority, subject to such conditions and requirements as the Authority may impose.

- g. Perform functions of a Regional Development Council [RDC] for the National Capital Region, inviting other agencies/offices/sectors as special non-voting participants, when necessary; and
- h. Perform other related functions required to achieve the objectives of the MMDA, including the undertaking of delivery of basic services to the local government units when deemed necessary, subject to prior coordination with and consent of the local government unit concerned.

### **RULE III**

#### **THE METRO MANILA COUNCIL**

The Metro Manila Council shall be the governing board and policy-making body of the Authority.

**Sec. 8 Composition** - The Council, which shall be headed by the Chairman, is composed of voting and non-voting members.

**8.1 Voting members** - The voting members are the Mayors or local chief executives of the cities of Caloocan, Makati, Mandaluyong, Manila, Muntinlupa, Pasay, Pasig, Quezon and the municipalities of Las Piñas, Malabon, Marikina, Navotas, Parañaque, Pateros, San Juan, Tagig, and Valenzuela, the President of the Metro Manila Vice Mayors League and the President of the Metro Manila Councilors League.

**8.2 Non-voting members** - The non-voting members of the Council are heads of the following agencies or their duly authorized representatives.

- a. Department of Budget and Management [DBM];
- b. Department of Tourism [DOT];
- c. Department of Transportation and Communications [DOTC];
- d. Department of Public Works and Highways [DPWH];
- e. Housing Urban and Development Coordinating Council (HUDCC);
- f. Philippine National Police [PNP].

Such duly authorized representatives shall attend the meetings of the Council or sit as non-voting members.

Sec. 9 **Powers and Functions** - As the policy making body of the Authority, the Council is empowered to undertake the following functions:

- a. Approve metro-wide plans, as well as metro significant plans, programs and projects and issue rules and regulations and resolutions deemed necessary to carry out the purposes of the Act.

For this purpose, metro-wide significant programs and projects are those which have direct or indirect physical, environmental and/or socio-economic effect or impact that goes beyond the physical or territorial boundaries of a single constituent local government unit, thus influencing directly or indirectly the growth and development of the metropolis;

- b. Approve the annual budget of the Authority for submission to the Department of Budget and Management;
- c. Increase the rates of allowances and per diems of the members of the Council to be effective during the term of the succeeding Council and fix the compensation of the officers and personnel of the Authority, in accordance with existing compensation laws, rules and regulations;
- d. Promulgate rules and regulations and set policies and standards for metro-wide application governing the delivery of basic services;
- e. Prescribe and collect service and regulatory fees, and impose and collect fines and penalties in the performance of metro-wide functions; and
- f. Exercise such other powers and functions which are incidental to or necessary in the pursuit of its purposes or objectives.

Sec. 10 **Proceedings** - The Council shall adopt internal rules of procedures which shall govern its proceedings. Until such rules shall have been adopted, the proceedings of the Council shall be as follows:

- 10.1 **Meetings** - The Council shall hold regular meetings once a month and such special meetings as may be needed upon the call of the Chairman or of one-third [1/3] of the voting members of the Council.
- 10.2 **Quorum** - In order to transact business, there shall be present in the meeting a quorum consisting of a majority of the regular members of the Council.
- 10.3 **Presiding Officer** - The Chairman shall preside over the regular or special meeting of the Council. In case of his absence or temporary disability, the voting members of the Council, constituting the majority of those present there being a quorum, shall elect a temporary presiding officer from among themselves to preside over the meeting.
- 10.4 **Standing Committees** - The Council may create Standing Committees which shall consider, investigate, hold public hearings or otherwise take action on matters or subjects within the scope of its functions and on other matters referred to it.
- 10.5 **Vote Requirement** - A majority vote on any matter, there being a quorum, shall be sufficient.
- 10.6 **Forms of Acts** - The judgment, opinion, sense or will of the Council on any subject matter being taken up may be expressed, either by resolution, order to vote. When it commands, it is by an order; but facts, principles, its own opinion or purposes, are most properly expressed in the form of a resolution; the term vote may be applied to the result of every question decided by the Council.

Where the will or act of the Council is made pursuant to or by virtue of the exercise of its regulatory power related solely to metro-wide services, such will or act may be denominated as MMDA Ordinance or Regulation. All MMDA Ordinances, Regulations and Resolutions shall be numbered consecutively throughout the calendar year and

continuously from year to year, using the last two [2] digits of the calendar year in which it is enacted, followed by its denominated number.

The Authority shall publish, circulate or pose notices of its proposed ordinances or regulations to afford interested parties the opportunities to submit their views thereon.

**10.7 Publication and Effectivity of MMDA Ordinances or Regulations** - Within ten [10] days after approval, certified true copies of MMDA Ordinances or Regulations shall be published in full in two [2] newspapers of general circulation.

The MMDA Ordinances or Regulations shall become effective fifteen [15] days from date of publication unless a different date fixed therein.

## **RULE IV**

### **POWERS, FUNCTIONS, DUTIES AND RESPONSIBILITIES OF MMDA OFFICIALS**

Sec. 11 **The Chairman** - The Chairman is the Chief Executive Officer of the Authority and the Presiding Officer of the Council.

#### **11.1 Appointment and Rank**

The Chairman shall be appointed by and hold office at the pleasure of the President of the Philippines. He shall have the rank and enjoy the privileges, and be subject to the disqualifications and prohibitions of a member of the Cabinet.

#### **11.2 Powers, Duties and Functions**

The Chairman or Chief Executive Officer of the Authority shall perform the following functions:

- a. Appoint, subject to civil service laws, rules and regulations, all subordinate officers and employees, who shall enjoy security of tenure and may be removed only for cause in accordance with law. The Chairman is hereby authorized to engage the services of experts/consultants either on full time or part-time basis, as may be required in the performance of his functions and duties as may be determined by him;
- b. Execute the policies and measures approved by the Metro Manila Council and be responsible for the efficient and effective day-to-day management of the operations of the MMDA;
- c. Prepare the annual budget for the operations of the MMDA for submission to the Council;
- d. Submit for consideration of the Council such other policies and measures as may be deemed necessary to carry out the purposes and provisions of this Act;
- e. Subject to the guidelines and policies set by the Council, prepare the staffing pattern and fix the number of subordinate officials and employees of the Authority for approval by the Department of Budget and Management;
- f. Discipline subordinate officials and employees under the provisions of laws;
- g. Submit development plans and investment programs of NEDA for integration into the Medium-Term Philippine Development Plan [MTPDP] and public investment program;
- h. Enter into contracts, memoranda of agreement and other cooperative arrangements with local governments and executive departments and agencies of the national government, POs, NGOs and the private sector for delivery of required services within Metropolitan Manila;

- i. In coordination with NEDA and the Department of Finance, interfere with the foreign assistance agencies for purposes of obtaining financing support, grants and donations in support of its programs and projects;
- j. Prepare an annual report on the accomplishments of the MMDA at the close of each calendar year for submission to the council and to the President of the Philippines; and
- k. Perform such other duties as may be assigned to him by the President or by the Council.

Sec. 12 **The Managers** - The Chairman shall be assisted in the discharge of his powers, duties and functions by a General Manager, an Assistant General Manager for Planning, an Assistant General Manager for Operations, and an Assistant General Manager for Finance and Administration. All of them shall be appointed by the President of the Philippines in accordance with law.

The Assistant General Manager for Planning must have not less than five (5) years of extensive experience in development and planning or must hold a master's degree in urban planning or similar discipline.

### 12.1 **General Manager**

The General Manager shall assist the Chairman in the:

- a. Administration of the MMDA and supervision of subordinate personnel;
- b. Supervision of the operation of various operating units of the Authority; and
- c. Review of plans and programs for Metro Manila and preparation of the annual report of the activities and accomplishments of the Authority.

He shall perform such other duties and functions as are incidental or related to the above functions of as maybe lawfully delegated to him by the Chairman from time to time.

### 12.2 **Assistant General Manager for Finance and Administration**

The Assistant General Manager for Finance and Administration shall perform the following functions:

- a. Determine financial and administrative requirements of the Authority for the metro-wide services including sourcing and allocation of funds;
- b. Conduct a continuing financial and management analysis of the integration of metro-wide services; and
- c. Plan and provide services relative to supply, general services, legal, human resource management and development, accounting, fiscal planning, treasury and budget and such other related services.

He shall perform such other duties as are incidental or related to the above functions of as maybe assigned from time to time.

### 12.3 **Assistant General Manager for Planning**

- a. Formulate development plans, and land use and zoning plans geared toward the organized socio-economic and physical development of the Metropolitan Manila;
- b. Monitor the implementation and financing of development plans, programs and projects in Metropolitan Manila;
- c. Plan and program metro-wide projects and activities included in the Metropolitan Development Plan, and formulate appropriate performance indicators to assess attainment of development targets; and

- d. Conduct researches, surveys and other studies in support of policy and program formulation.

He shall perform such other duties as are incidental or related to the above functions or as may be assigned from time to time.

#### **12.4 Assistant General Manager for Operations**

The Assistant General Manager for Operations shall perform the following functions:

- a. Establish a mechanism for coordinating and operationalizing the delivery of metro-wide basic services;
- b. Maintain a monitoring system for the effective evaluation of the implementation of approved policies, plans and programs for the development of Metropolitan Manila;
- c. Mobilize the participation of local government units, executive departments or agencies of the national government, and the private sector in the delivery of metro-wide services; and
- d. Operate a central radio communication system.

He shall perform such other duties as are incidental or related to the above functions or as may be assigned from time to time.

### **RULE V**

#### **INSTITUTIONAL LINKAGES OF THE AUTHORITY**

Sec. 13 Policy Guidelines - The Authority shall, in the implementation and delivery of basic metro-wide services in Metropolitan Manila, consult, coordinate and work closely with the local government units, the national government agencies, accredited people's organizations [POs], non-governmental organizations [NGOs] and the private sector operating in Metropolitan Manila. The parties involved may thereafter enter into the desired memorandum of agreement.

Where the cities or municipalities in Metropolitan Manila, by virtue of the provisions of the Local Government Code [Republic Act No. 7160] or individual city charters, are invested with and are exercising or discharging similar or identical powers or functions, the Authority, shall in observance of the policy of local autonomy, consult with local chief executives concerned in order to identify the areas for the delivery of metro-wide services.

Thereafter, the Authority shall conclude, upon prior authorization or concurrence of the Sanggunian concerned, the appropriate agreements, and when necessary and proper, the LGUs shall amend or repeal existing local ordinances on the matter.

The linkages or relationship between and among the Authority, the NGAs and LGUs herein indicated may be amended as conditions warrant, through the mutual agreement of parties concerned.

Sec. 14 **Linkages with LGUs and NEDA on Development Planning** - The Authority shall primarily support the development efforts of the LGUs in Metro Manila. It shall develop a master plan and the medium or long-term development plans for the Metro Manila area. These shall serve as the framework for component LGUs in developing their respective medium and long-term plans, public investment programs as well as local investment incentives and in appraising and prioritizing their socio-economic development programs and projects. The city/municipal plans and priorities shall be submitted to the Authority for integration with the sectoral and regional plans.

The Authority shall submit its master plan or development plan and investment programs to NEDA for integration into the Medium Term Philippine Development Plan [MTPDP] and Public Investment Program [PI]. The Authority shall provide LGUs with technical assistance and guidance in the preparation of their plans.

Component LGUs shall undertake plans, programs and projects that are within their territories and basic services mandated under the Local Government Code in conformity with the Metro Manila

Regional Development Plan, taking into consideration the adequacy of their facilities, resources and capabilities.

**Sec. 15 Linkage with HUDCC, HLURB, NHA, LGUs and Other National Government Agencies Concerned on Urban Renewal, Zoning and Land Use Planning and Shelter Services** - Within the context of the National Housing and Urban Development Framework, and pursuant to the national standards, guidelines and regulations formulated by the Housing and Land Use Regulatory Board [HLURB] on land use planning and zoning, the Authority shall prepare a metropolitan physical framework plan and regulations which shall complement and translate the socio-economic development plan for Metro Manila into physical or spatial terms, and provide the basis for the preparation, review, integration and implementation of local land use plans and zoning ordinances of cities and municipalities in the area.

Said framework plan and regulations shall contain, among others, planning and zoning policies and procedures that shall be observed by local government units in the preparation of their plans and ordinances pursuant to Sections 447 and 458 of RA 7160, as well as the identification of sites and projects that are considered to be of national or metropolitan significance.

Cities and municipalities shall prepare their respective land use plans and zoning ordinances and submit the same for review and integration by the Authority and indorsement to HLURB in accordance with Executive Order No. 72 and other pertinent laws.

In the preparation of a Metropolitan Manila physical framework plan and regulations, the Authority shall coordinate with the Housing and Urban Development Coordinating Council, HLURB, the National Housing Authority, Intramuros Administration, and all other agencies of the national government which are concerned with land use and zoning, urban renewal and shelter services.

**Sec. 16 Linkage with DENR and LGUs on Solid Waste Management** - General planning and policy formulation for solid waste management is the responsibility of the Department of Environmental and Natural Resources.

The Authority shall plan and implement its own Solid Waste Management Program in accordance with DENR policy objectives. It shall ensure the proper disposal of domestic, commercial and hospital wastes through the development of waste disposal program and operation of disposal sites and transfer stations the design and construction of transfer stations and disposal sites, and related infrastructure activities that may be undertaken pursuant to BOT law and other pertinent laws.

The LGUs are responsible for the collection and transport of garbage, pursuant to RA 7160.

**Sec. 17 Linkage with DPWH and MWSS on Flood Control and Sewerage Management** - The planning, construction, operation and maintenance of flood control and drainage facilities in Metropolitan Manila is the responsibility of the Department of Public Works and Highways.

The Metropolitan Waterworks and Sewerage System is responsible for the planning, design, construction, operation and maintenance of water supply and sewerage disposal system.

The Authority shall integrate the plans prepared by the LGUs, DPWH/MWSS in its master plan and programs for Metropolitan Manila and coordinate and monitor their implementation.

The DPWH and MWSS will effect the gradual turn-over to the Authority of the planning, construction, and operation and maintenance of flood control and drainage facilities, as well as water supply and sewerage system, as may be mutually agreed upon by the parties concerned.

**Sec. 18 Linkage with DENR and Other National Government Agencies Concerned on Pollution Control** - The Department of Environmental and Natural Resources is responsible for environmental protection and management. It formulates and enforces laws, rules and regulations and standards on pollution control.

The Authority shall formulate and implement plans and programs in conformity with DENR policies and standards on pollution control; coordinate with the Environmental Management Bureau of the DENR in the implementation of PD 1586; conduct preliminary review of all applications for environmental compliance certificates to ensure conformity with the Metro Manila environmental land use and development plans and programs; coordinate with the DENR, Laguna Lake Development Authority and LGUs concerned on the enforcement of cease and desist orders issued by the Pollution Adjudication Board of the DENR; and undertake environmental enhancement programs and projects



such as cleaning, greening, river rehabilitation, maintenance and propagation of nurseries, urban forestation and coastal resources management.

**Sec. 19 Linkage with DOH and LGUs on Health and Sanitation** - The Department of Health is responsible for formulating policies and standards and enforcing rules and regulations on the promotion and safeguarding of health and sanitation. It maintains health service facilities and continues to implement national health programs in Metropolitan Manila.

The Authority shall formulate and integrate health programs for Metropolitan Manila in accordance with the national policies of the government and monitor the implementation of these programs. For this purpose, it shall coordinate with the LGUs thru the local health boards and the DOH for stricter implementation of health and sanitation standards in Metropolitan Manila.

The LGUs shall continue to operate clinics, health centers and other health facilities under their respective jurisdiction necessary to carry out health services.

**Sec. 20 Linkage with DOTC and DPWH on Transport and Traffic** - The Authority shall undertake transport and traffic management and enforcement operation in Metropolitan Manila in coordination with the Department of Transportation and Communication. It shall formulate a uniform set of rules and regulation for traffic in Metropolitan Manila and establish and regulation thereof, in coordination with DOTC and DPWH and in consultation with all other agencies concerned.

It shall deputize LGU traffic enforcers, duly licensed security guards, members of the Philippines National Police and non-governmental organizations and personnel of national agencies concerned to implement a single ticketing system.

The Authority shall likewise formulate standards for route capacity and volume of motor vehicles for main thoroughfares.

The Land Transportation Franchising and Regulatory Board of the DOTC shall evaluate, approve and issued franchise applications using the standards on route measured capacity, and prescribe and regulate transportation routes and areas of operation of public land transportation of public land transportation services, pursuant to the Metro Manila transport plan.

The Land Transportation Office of the DOTC shall be responsible for the registration of motor vehicles and licensing of drivers, conductors and dealers.

The DPWH may effect the gradual transfer of the operation, maintenance and improvement of the Traffic Engineering Center facilities to the Authority, subject to mutual agreement of the parties concerned.

**Sec. 21 Linkage with the Metropolitan Manila Disaster Coordinating Council on Public Safety** - The Authority shall formulate disaster preparedness programs in accordance with the policies of the Metropolitan Manila Disaster Coordinating Council.

The Institutional framework and responsibilities of agencies concerned shall be in accordance with PD 1566.

**Sec. 22 Linkage with NGAs and GOCCs** - The Chairman or his authorized representative from among the council members shall be ex-officio members of the boards of government-owned or controlled corporations and committees of the departments and offices of government whose activities are relevant to the objectives and responsibilities of the Authority, which shall include but not limited to MWSS, DOTC, DPWH, HUDCC and DILG.

**Sec. 23 Linkage with Accredited POs, NGOs and the Private Sector** - The Authority shall consult and work closely with people's organizations [POs] and non-governmental organizations [NGOs] and the private sector for the purpose of rationalizing development plans and ensuring wider participation in the implementation of its plans and projects.

**Sec. 24 Linkage with NEDA, DBM, DOF and Other Agencies.** The Authority shall coordinate with NEDA, DBM, DOF and other agencies and interface with foreign assistance institutions for purposes of obtaining financing assistance, grants and donations in support of its programs and projects.

## RULE VI

### FINANCE

Sec. 25 Funds. The MMDA shall open and maintain accounts for the following funds where appropriate:

- a. General Fund - for cash and other resources, including grants and transfers from national and lower levels of government as well as from private institutions and individuals, which are available for any public purpose and which are not by law or contractual agreement intended for a specific purpose.
- b. Special Accounts in the General Fund - for proceeds of specific revenue measures earmarked by law for specific projects or purposes.
- c. Fiduciary Trust Funds - for public or private money which has come officially into the possession of the Authority as trustee, agency or administrator, or which has been received as a guarantee for the fulfillment of some obligation.

Sec. 26 **Books and Depository Accounts** - Separate books and depository accounts for each funds shall be maintained pursuant to established auditing rules and regulations. The depository accounts of the Authority shall be maintained with banks duly designated as government depositories by the Bangko Sentral ng Pilipinas. The earnings of the deposited sums shall accrue to the proper fund.

Sec. 27 **Sources of Financing** - The funds which may be needed for the operation of the Authority shall come from the following sources:

- a. National Government Subsidy in the form of regular appropriations, grants and other contributions as provided in the General Appropriations Act [GAA]. For the initial operations, the amount of one billion pesos [P1,000,000,000] shall be appropriated by the National Government for the Authority. Thereafter, annual expenditures including capital outlays of the Authority shall be provided in the GAA;
- b. Internal Revenue Allotment, currently allocated to the defunct Metro Manila Authority which shall continue to be allocated to the Authority in accordance with the formula stipulated under Section 6 of this Rule;
- c. Fines, imposed as penalty in the exercise of regulatory and supervisory authority over the delivery of metro-wide services enumerated under Section 6 of this Rule;
- d. Fees and charges, collected for services rendered;
- e. Proceeds from sale, lease or rental of real property and assets owned by the Authority;
- f. Mandatory contributions from component LGUs, equivalent to 5% of the total annual gross revenue of the preceding year, net of the internal revenue allotment. Total gross annual revenue shall refer to LGU collections derived from taxes, including surcharges and penalties accruing to the LGUs for each calendar year after deducting the share of the barangay from the real property and other local taxes;
- g. Grants and Donations, from national and lower levels of government, foreign or domestic institutions and private individuals, and
- h. Loan proceeds, credits and other forms of indebtedness.

Sec. 28 **Remittance of LGU Contributions** - The five [5%] percent monthly contributions, based on the gross revenues of the preceding year, shall be remitted to the Authority on or before the twentieth [20<sup>th</sup>] day of each month.

For CY 1995, such five percent contribution shall start on April 1, 1995, the first [1<sup>st</sup>] day of the quarter next following the effectivity of Republic Act No. 7924.

For purposes of DBM computation of agency income, the LGUs shall submit on February 28 of each year a statement of the certified LGU Gross Revenue of the immediately preceding year as well as a statement of Certified LGU Gross Revenue estimate of the current year.

In case of failure to remit said fixed contributions, the DBM, upon request of the Chairman, shall cause its disbursement to the Authority, chargeable against the IRA share of the City or Municipality concerned, the provisions of Section 286 of RA 7160 to the contrary notwithstanding.

**Sec. 29 Disposition of Receipts and Income** - All receipts and income of the Authority shall accrue to its General Fund and deposited with its authorized depository bank. Such receipts and income shall be utilized upon the approval of the MMDA budget by the DBM, subject to pertinent laws, rules and regulations.

**Sec. 30 Budget Process** - The policies, procedures, forms and schedules to be observed in the preparation, submission, implementation and accounting of the annual budget of the Authority shall be prescribed by DBM.

**Sec. 31 Release of Funds** - Such amounts as may be appropriated by Congress under the annual General Appropriations Acts as grants, subsidy or financial assistance shall be released by DBM directly to the Authority following the procedures prescribed under Memorandum Order No. 97 dated March 01, 1993, issued to further rationalize the application of the Modified Disbursement System.

**Sec. 32 Keeping of Accounts** - The Authority shall record its financial transactions and operations in conformity with generally accepted accounting principles and in accordance with pertinent laws and regulations as provided in COA Circular 91-368.

Accounts of the Authority shall be kept in such detail as is necessary to meet the needs of the agency and at the same time be adequate to furnish the information needed by fiscal control agencies of the government.

Financial information shall to the fullest extent be useful to the various levels of internal management for purposes of planning, evaluation and control and decision making within the organization, and assuring the appropriate use and accountability for its resources. As such, an effective accounting system for information reporting shall be evolved where operating centers and services are treated as cost and/or revenue centers.

## **RULE VIII**

### **TRANSITORY PROVISIONS**

The law repealed Executive Order No. 392, constituting the MMA which is deemed abolished, and creates the MMDA. Necessarily, enforcement of the law would require the orderly transfer of power and functions, officials and employees, assets and liabilities, including changes in organizational structure, expanded jurisdiction, policy directions and programs.

In order to commence enforcement of the law and thereby carry out its purpose or purposes, it is hereby directed that:

**Sec. 33 Incumbent MMA Officials and Employees** - The Chairman, General Manager, and Deputy General Managers of the MMA shall perform functions of the MMDA Chairman, the MMDA General Manager, and the MMDA Assistant General Managers, respectively, on a hold-over capacity such time when a new Chairman, a new General Manager and new Assistant General Managers shall have been appointed by the President.

All subordinates officers and employees of the defunct MMA shall continue to discharge the duties and functions of their respective positions in their respective places of assignment and receive the salaries, allowances and other privileges and benefits attached thereto or to which they may be entitled under the law until they shall have been given notice of change in duties and functions or transfer to another office or position which shall be without any diminution or reduction in basic salary.

For purposes of implementing the new staffing pattern of the Authority, the pertinent provisions of RA 6656 and other rules as embodied in CSC Memorandum Circulars shall apply.

Sec. 34 **Separation and Retirement Benefits** - All officials and employees, including casuals and temporary employees who have been separated pursuant to the approved reorganization and Civil Service Laws and rules under any of the valid causes, except those as a result of final disciplinary action, shall, if entitled thereto, be paid the appropriate separation, retirement and other benefits under existing laws immediately. The payment of personnel shall not exceed ninety [90] days from the date of the effectivity of their separation or from the date of the receipt of the resolution of their appeals as the case may be: Provided, that application for clearance has been filed and no action thereon has been made by proper authority.

Officials and employees who have been separated from the service as a result of the implementation of RA 7924 shall be paid separation gratuity in the amount equivalent of one and one fourth [1-1/4] month's salary for every year of service: Provided, that, if qualified for retirement under existing retirement laws, said employees may opt to receive the benefits thereunder.

Such separation pay and retirement benefits accruing to displaced or separated employees shall be provided by the national government, as may be necessary.

Sec. 35 **Transfer of Assets and Properties** - All assets and properties presently in use or under the accountability of the interim MMA and all its obligations indebtedness or liabilities shall be transferred to the Authority, subject to the conditions that may be established by the Department of Budget and Management, Office of the President, and Commission on Audit.

Sec. 36 **MMC/MMA Issuance** - All ordinances, regulations, resolutions and the legal issuances of the defunct Metropolitan Manila Commission and Metropolitan Manila Authority shall continue to be in force until subsequently amended or modified accordingly.

## **RULE IX**

### **EFFECTIVITY**

Sec. 37 **Effectivity** - This Order shall take effect fifteen (15) days following publication in two (2) newspapers of general circulation.

**DONE**, in the City of Makati, this 9<sup>th</sup> day of May, in the Year of Our Lord, Nineteen Hundred and Ninety Six.

**APPROVED:**

Effectivity: June 8, 1996