

MALACANAN PALACE  
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

ADMINISTRATIVE ORDER NO. 31

DIRECTING AND AUTHORIZING ALL HEADS OF DEPARTMENTS, BUREAUS, COMMISSIONS, AGENCIES, OFFICES AND INSTRUMENTALITIES OF THE NATIONAL GOVERNMENT, INCLUDING GOVERNMENT-OWNED AND/OR -CONTROLLED CORPORATIONS (GOCCs), TO RATIONALIZE THE RATES OF THEIR FEES AND CHARGES, INCREASE THEIR EXISTING RATES AND IMPOSE NEW FEES AND CHARGES

**WHEREAS**, Executive Order No. 292 (s. 1987), otherwise known as the "Administrative Code of 1987," provides that heads of bureaus, offices and agencies, upon approval of the Secretary, have the continuing authority to charge and collect fees to recover the cost of services rendered;

**WHEREAS**, the rates of fees and charges collected must be just and reasonable to enable the government to effectively provide services without straining the National Government's resources;

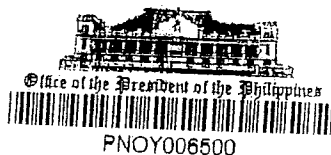
**WHEREAS**, equity requires that persons receiving or benefiting from rendered services share the cost of providing such services; and

**WHEREAS**, Memorandum Circular No. 137 (s. 2007) directed the heads of all departments, bureaus, commissions, agencies, offices and instrumentalities of the National Government, including GOCCs, to seek clearance from the National Economic and Development Authority (NEDA) Board before authorizing the imposition of new fees or increases in existing fees.

**NOW, THEREFORE, I, BENIGNO S. AQUINO III**, President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

**SECTION 1. Rationalization of Rates.** The heads of all departments, bureaus, commissions, agencies, offices and instrumentalities of the National Government, including GOCCs when allowed by their Charters, are directed and authorized to rationalize the rates of their existing fees and charges, and if found necessary, increase such rates and impose new fees and charges.

**SECTION 2. Guiding Principles.** In the determination of rates and imposition of new fees and charges, a balance between recovering the costs of services rendered and the socio-economic impact of their imposition shall be sought.



**SECTION 3. Implementation.** The heads of all departments, bureaus, commissions, agencies, offices and instrumentalities of the National Government shall be held responsible for the implementation of this Administrative Order.

**SECTION 4. Monitoring.** The Task Force on Fees and Charges created under Administrative Order No. 255 (s. 1996) and as reactivated by Executive Order No. 218 (s. 2002), shall monitor compliance of the concerned agencies.

**SECTION 5. Rules and Regulations.** The Department of Finance (DOF), Department of Budget and Management (DBM) and NEDA shall jointly promulgate the rules and regulations to implement and monitor compliance with this Administrative Order.

The rules and regulations shall provide the parameters for determining just and reasonable rates, as well as safeguards to protect the public from unreasonable and arbitrary fees and charges.

**SECTION 6. Statutory Requirements.** No part of this Administrative Order shall be construed as an exemption from the requirements of due process and such other requirements that may be set forth by existing laws and regulations.

**SECTION 7. Repeal.** Memorandum Circular No. 137 (s. 2007) is hereby repealed. All presidential issuances, administrative rules and regulations or parts thereof, which are inconsistent with this Administrative Order are hereby repealed or modified accordingly.

**SECTION 8. Separability.** If any provision of this Administrative Order is declared invalid or unconstitutional, the other provisions unaffected shall remain valid and subsisting.

**SECTION 9. Effectivity.** This Administrative Order shall take effect immediately.

DONE, in the City of Manila, this 1st of October, in the year of our Lord, Two Thousand and Twelve.

By the President:

PAQUITO N. OCHOA, JR.  
Executive Secretary

