NATIONAL ADMINISTRATIVE REGISTER · OCTOBER 4, 2007

GUIDELINES IN THE ACCEPTANCE OF TRANSFER OF EQUIPMENT/PROPERTY FROM ANY INDIVIDUAL, JURIDICAL ENTITIES, AND OTHER GOVERNMENT AGENCIES ON LOAN BASIS OR HELD-LN TRUST BY THE PNP

PNP MEMORANDUM CIRCULAR NO. 2007-11, October 04, 2007

Read online (full-text search, related cases, audio case brief): https://batas.org/library/42a5d78a60df/

1. REFERENCE:

Civil Code of the Philippines

2. OBJECTIVES:

a. To define preconditions and procedures in accepting transfer of equipment/property from any individual, juridical entities, and other government agencies on loan basis or held-in trust by the Philippine National Police.
b. Determines the responsibility of concerned unit commanders/heads of office entering into loan agreement and prevent diversion or misuse of equipment/property loaned to the PNP.

3. PURPOSE:

This circular prescribes the policies and guidelines in the acceptance arid handling of equipment/property loaned or held-in trust by the Philippine National Policed

4. DEFINITION OF TERMS:

1. Loan/Transfer Agreement - is an instrument in a form of public document whereby a transfer or officially transfer the right of possession of a property to the transferee and retaining for itself the right of ownership over a specific equipment in favor of PNP unit/office gratuitously.
2. Transferee - any PNP unit/office recipient of property/equipment being held and needed by the PNP in furtherance of its mission and function.
3. Transferor - as used in this circular, any person, natural or juridical, government unit or office that makes or executes a conveyance of a title, right or property in favor of PNP unit/office.
4. Held-in Trust - an equitable right or interest in property distinct from the legal ownership of it.
5. PNP unit/office - as used in this circular, refers to the police station or office as recipient of loan item or beneficiary of a trust.

5. POLICIES:

a. Equipment/property loaned to the PNP shall only be accepted if it will redound to the benefit of the organization. In no case shall it be made to defraud creditors and other parties in interest relative to the subject or item of loan and that transferor has sufficient funds and properties reserved for himself and his obligations.
b. Equipment/property loaned to the PNP must always be covered by loan/transfer agreement, in writing and in form of public instrument.
c. No portion of the loaned equipment/property shall be used or issued to the transferor or any other person/office

Turn this case into an audio lecture - facts, issues, ruling and doctrine - at batas.org

aside from the PNP.
d. The authority to enter into loan agreement shall be vested to the following:

1. Chief, PNP
2. Directors of D-Staff
3. Directors of NSUs
4. Regional Directors/District Directors
5. Provincial Directors/City Directors
6. Group Directors of Regional Mobile Group
7. Chiefs of Police

e. Loan Agreement must be approved by the next higher commander as enumerated in the preceding paragraph. However, when loan is to be contracted by the C, PNP no further approval is required.
f. Expenses or fees to be incurred such as, but not limited to the wear and tear of the property/equipment, miscellaneous, operational, maintenance, registration and license shall be agreed upon by the parties, since the ownership of the loaned property is not transferred to the PNP.
g. The loaned property or held in-trust must be used for an official function or duty of the PNP.
h. Loan vehicle as a matter of policy should conform to the standard, color and marking as prescribed by DRD. The transferee shall be informed of such standard arid hi express consent shall be secured.
i. The agreement must specifically state the period within which the transferor authorizes the PNP unit to use the equipment/property.
j. Equipment/property loaned to PNP unit shall be properly recorded in the records of respective unit Supply Officer/PNCO.
k. It is the policy of the PNP not to accept loan of firearms from any individual or juridical entities in order to prevent diversion of firearms to unauthorized users.

6. PROCEDURES:

1. All equipment/property loaned to PNP unit/office must be covered a transfer agreement showing that such is temporarily and exclusively for official use of the PNP unit/office within the period agreed by the parties.
2. Where the agreement period within which the transferor authorizes the PNP unit/ office to temporarily use the equipment/property is determinative of years, months, and days, the duration shall be fixed and such will be binding to both parties.
3. In the event that one party decides to pre-terminate the loan agreement before the stipulated termination period, the other party shall be notified in writing at least fifteen (15) days before the desired pre-termination date.
4. Where the duration period expires, the lender may opt to grant extension or terminate the loan agreement. Extension is implied after fifteen (15) days if no notice o termination has been given either by the transferor or transferee.
5. In the loan/transfer agreement, the following terms of agreement must be verbatim y incorporated.

a. A statement of the proposed use of the equipment/loan of property and any conditions placed on its use by the lender.
b. A statement of the authority for the PNP's use of the loan.
c. A statement that the use and transfer is a bona fide loan such that -transferor does not expect any special treatment from the PNP as a result of such loan.
d. The terms and conditions on who shall shoulder the costs of repair maintenance of the equipment/property must be expressly included.

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

7. RESPONSIBILITIES:

a. Directors/Heads of Offices/Chiefs of Police/Commanders shall be directly responsible for the strict implementation of this circular.
b. Regional Directors of PROs thru their respective Chiefs, Regional Logistics Division II ensure that all loans given to their respective PNP unit/office are properly recorded Ld documented.
c. Upon request of the concerned Officer authorized to accept loan/transfer, the Dl, RID shall conduct investigation on the transferor to establish the source and integrity of the latter
d. provincial Directors/Heads of Offices/Chiefs of Police/Commanders thru their respective Logistics Officer/PNCO shall ensure that all loaned equipment/property shall be exclusively devoted for authorize PNP use/activities.
e. Supply Accountable Officers shall ensure that all property/equipment received by the PNP under the transfer agreement are documented and recorded in the books of Property/Equipment Held-in Trust by the Supply Accountable Officers or Accounting Office.
f. Directors of NSUs shall extend assistance in processing the transfer/documentation of equipment/property loan to the PNP.
g. Units who have loan equipment/property before the effectivity of this Memo Circular shall render report to higher headquarters, or PROs for records and cognizance of the latter,

8. PENALTY CLAUSE:

Any violation of this circular shall be investigated and if warranted by evidence appropriate criminal, civil, and administrative charges shall be filled against those who maybe responsible thereof.

9. EFFECTIVITY:

This Circular takes effect fifteen (15) days after publication.

Adopted: 04 Oct. 2007

(SGD.) AVELINO I RAZON JR
Police Director General
Chief, PNP

Study hands-free: podcast-style lessons with read-along highlighting - batas.org

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at https://batas.org

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.