NATIONAL ADMINISTRATIVE REGISTER · SEPTEMBER 12, 2005

RESOLUTION PROVIDING FOR THE GUIDELINES FOR PAYMENT IN FOREIGN CURRENCY UNDER SECTION 61.1 OF THE IMPLEMENTING RULES AND REGULATIONS PART A (IRR-A) OF REPUBLIC ACT NO. 9184 (RA ...

GPPB RESOLUTION NO. 17-2005, September 12, 2005

Read online (full-text search, related cases, audio case brief): https://batas.org/library/da64f715332c/

WHEREAS, Republic Act No. 9184, ("R.A. 9184") entitled "An Act Providing for Modernization, Standardization and Regulation of the Procurement Activities of the Government and for other Purposes," was signed into law on January 10, 2003, and took effect on January 26, 2003. On the other hand, its Implementing Rules and Regulations Part A ("IRR-A") was approved on September 18, 2003, and took effect on October 8, 2003;

WHEREAS, Section 61.1 of the IRR-A of R.A. 9184 provides that all contracts shall be denominated and payable in Philippine currency, and this shall be stated in the bidding documents: Provided, however, That should the procuring entity receive bids denominated in foreign currency, the same shall be converted to Philippine currency based in the exchange rate prevailing on the date of bid opening;

WHEREAS, Section 1 of R.A. 8183 provides that all monetary obligations shall be settled in the Philippine currency which is the legal tender in the Philippines. However, the parties may agree that the obligation or transaction shall be settled in any other currency at the time of payment;

WHEREAS, Section 61 of R.A. 9184 does not provide for the requirement that all contracts shall be denominated and payable in Philippine currency, as provided under the Section 61.1 of the IRR-A of R.A. 9184;

WHEREAS, the GPPB deems it necessary to amend Section 61 of the IRR-A of R.A. 9184 to unburden the procuring entities from the unfavorable effects of the reluctance and/or refusal of suppliers/contractors to transact with government and assume the risk of foreign exchange;

WHEREAS, in so doing, the government would not have to deal with high contingency provisions in bids of suppliers/contractors as a result of the foreign exchange risk;

WHEREAS, during the 8th GPPB meeting held on September 12, 2005, the members of the Board discussed and considered to amend Section 61.1 of the IRR-A of R.A. 9184 to conform to R.A. 8183, Section 1, and endorse for approval to the President of the Republic of the Philippines, Her Excellency President Gloria Macapagal-Arroyo, the amendment thereto per Resolution No. 016-2005, as follows:

> "61.1 For the given scope of work in the contract as awarded, all bid prices shall be considered as fixed prices, and therefore not subject to price escalation during contract, implementation, except under extraordinary circumstances and upon prior approval of the GPPB. All contracts shall be denominated and payable in the Philippine currency, and this shall be stated in the bidding documents: Provided, however, That, the procuring entity may provide in the bidding documents that obligations may be settled in any other currency at the time

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

> of payment subject to the guidelines to be issued by the GPPB; Provided, further, That should the procuring entity receive bids denominated in foreign currency, the same shall be converted to Philippine currency based on the exchange rate prevailing on the day of the bid opening for purposes of bid comparison and evaluation."

NOW, THEREFORE, for and in consideration of the foregoing, WE, the Members of the Government Procurement Policy Board, by virtue of the powers vested in US by law, hereby RESOLVE to approve and adopt these guidelines, set hereunder, to govern payment in foreign currency, subject to the above-mentioned amendment of Section 61.1 of the IRR-A of R.A. 9184:

1. Foreign suppliers, manufacturers, distributors and contractors may denominate their bids in foreign currency. Contracts with said parties may be denominated and paid in foreign currency.

2. Local suppliers, manufacturers, distributors and contractors shall denominate their bids in Philippine currency except where they engage in importation and their goods have import content in which case the bidder, in his bid, shall disaggregate the cost components into foreign and local costs, and may denominate and be paid in foreign and Philippine currencies; provided, that local suppliers availing of this option to denominate portion of its cost in foreign currency shall submit, as a pre-requisite for payment, the relevant import documents as proof thereof. In the event of failure to submit said documents within a reasonable period of time as determined by the procuring entity, payment shall be made in Philippine currency based on the exchange rate at the time of bid opening.

3. For purposes of the immediately preceding rule, import documents shall be those used in the importation by the supplier, manufacturer, distributor or contractor specific to the procurement contract and undertaken within the contract implementation period.

4. Local suppliers, manufacturers, distributors and contractors who do not engage in importation and therefore do not have import contents in their bids, shall denominate their bids wholly in Philippine currency. Their contract shall be denominated and be paid wholly in Philippine peso.

This resolution shall take effect immediately.

Adopted: 12 Sept. 2005

(SGD.) ROMULO L. NERI

Secretary

Department of Budget and Management

Also signed by representatives of the following agencies:

DEPARTMENT OF NATIONAL DEFENSE

DEPARTMENT OF EDUCATION

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

DEPARTMENT OF ENERGY

DEPARTMENT OF INTERIOR AND LOCAL GOVERNMENT

DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS

PRIVATE SECTOR REPRESENTATIVE

Attested by:

(SGD.) JOSE MARTIN C. SYQUIA

Board Secretary, GPPB

Executive Director, GPPB-TSO

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.