

BY THE PRESIDENT OF THE PHILIPPINES

ADMINISTRATIVE ORDER NO. 3

**PROHIBITING THE ACQUISITION AND USE BY GOVERNMENT OFFICES OF LUXURY VEHICLES AND DIRECTING ALL HEADS OF NATIONAL GOVERNMENT OFFICES, GOVERNMENT OWNED OR CONTROLLED CORPORATIONS (GOCCs), GOVERNMENT FINANCIAL INSTITUTIONS (GFIs), STATE UNIVERSITIES AND COLLEGES (SUCs) AND LOCAL GOVERNMENT UNITS (LGUs) TO SURRENDER AND/OR DISPOSE OF GOVERNMENT-OWNED LUXURY VEHICLES**

**WHEREAS**, the current Administration adheres to the principle that public office is a public trust and is determined to deliver on its commitment of good governance in the exercise of its mandate;

**WHEREAS**, inherent in good governance is the judicious and responsible stewardship in the utilization of the government's resources;

**WHEREAS**, the use of luxury vehicles by government offices and officials is inconsistent with responsible stewardship of government resources, particularly in the light of the country's economic problems and widespread poverty of the people;

**WHEREAS**, the government must set the moral tone and economic austerity standard for the country;

**NOW, THEREFORE, I, GLORIA MACAPAGAL ARROYO**, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

1. All government offices, including GOCCs, GFIs, SUCs and LGUs, (hereinafter collectively referred to as "Government Offices") are hereby prohibited from acquiring or using luxury vehicles for its operations.

2. For purposes of this Order, a "luxury vehicle" shall refer to any passenger motor vehicle (a) priced in the local market at ₱1.3 million or more at the time of acquisition, or (b) with the following engine displacement specifications:



- 2.1. Car (sedan or hatchback) with an engine displacement exceeding 2200 cc. if gasoline-fed or 3000 cc. if diesel-fed;
- 2.2. Passenger van or pick-up with an engine displacement exceeding 2200 cc if gasoline-fed or 3000 cc. if diesel-fed;
- 2.3. Passenger wagon with an engine displacement exceeding 1800 cc. if gasoline-fed or 2500 cc. if diesel-fed; and
- 2.4. Sport utility vehicle (SUV) with an engine displacement exceeding 2700 cc. if gasoline-fed or 3000 cc. if diesel-fed.

3. In this connection, all Government Offices are hereby directed to account for all their motor vehicle units and prepare a disposal program for all luxury motor vehicles. This directive covers all vehicles nationwide.

- 3.1. All Government Offices utilizing luxury vehicles from the Bureau of Customs (BOC) shall return the same to the BOC within 15 days from issuance of this Order.
- 3.2. All Government Offices utilizing luxury vehicles borrowed from other offices/agencies other than the BOC shall return the same to their original office/agency within 15 days from issuance of this Order.
- 3.3. If such luxury vehicles are not so returned, the BOC or original office/agency concerned are hereby directed to obtain possession of the vehicle in the appropriate manner.

4. The BOC and the government office/agency concerned shall proceed to immediately dispose of such vehicles by public auction or sale in compliance with the applicable law, rules and regulations.

5. All proceeds from such auction or sale shall be turned over to the National Treasury in the case of national government offices/agencies, to their respective operating funds in the case of GOCCs and GFIs, and to their respective local funds in the case of LGUs.

6. The following vehicles are not covered by this Order:



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- 6.1 Those used for security reasons and purposes for the President, Vice-President, Senate President, Speaker of the House of Representatives and Chief Justice of the Supreme Court;
  - 6.2 Vehicles donated by foreign governments and bilateral and multilateral institutions, if compliance with this Order is violative of the terms and conditions of such donation;
  - 6.3 Vehicles acquired for ongoing projects funded from existing official development assistance programs;
  - 6.4 Vehicles used for visiting foreign dignitaries maintained by the Office of the President (Malacañang) and the Department of Foreign Affairs.

7. Compliance with this Order, including final disposition of covered luxury vehicles and turnover of proceeds shall be completed within 60 days from date of issuance hereof.

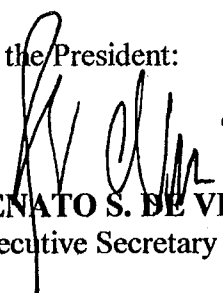
8. All heads of Government Offices shall promptly submit an appropriate report to the President, through the Executive Secretary, of compliance with this Order.

9. Henceforth, all acquisitions and use of vehicles shall strictly be in accordance with National Budget Circular No. 446-A or any amendment thereto issued by the Department of Budget and Management (DBM), if need be, with this Order.

**DONE** in the City of Manila, this 27<sup>th</sup> day of February, in the year of our Lord, two thousand and one.



By the President:



**RENATO S. DE VILLA**  
Executive Secretary

