

1 **RULES AND REGULATIONS IN PROCESSING, HEARING AND ADJUDICATION**
2 **OF APPLICATIONS FOR AUTHORITY TO OPERATE PRIVATE EXPRESS**
3 **AND/OR MESSENGER DELIVERY SERVICE (PEMEDES), AND THE**
4 **INVESTIGATION OF COMPLAINTS IN CONNECTION WITH THE OPERATION OF**
5 **SUCH SERVICES.**

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DRAFT

40 *Pursuant to the pertinent provisions of Presidential Decree (P.D.) No. 240 (July*
41 *9, 1973), Republic Act (R.A.) No. 7354 (April 03, 1992), Executive Order (E.O.)*
42 *No. 269 (series of 2004), E.O. No. 47 (series of 2011), and R.A. No. 10844 (May*
43 *23, 2016), the following rules and regulations are hereby promulgated:*
44

45 **PART I: GENERAL PROVISIONS**

46
47 **RULE I - TITLE, CONSTRUCTION AND SCOPE**

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49 **Section 1. TITLE** - These rules shall be known as the “Rules and Regulations in
50 Processing, Hearing and Adjudication of Applications for Authority to Operate Private
51 Express and/or Messengerial Delivery Service (PEMEDES), and the Investigation of
52 Complaints in connection with the Operation of such Services.”
53

54 **Section 2. CONSTRUCTION** – These rules shall be liberally construed to protect and
55 promote public interest and to assist the parties in obtaining just, speedy and
56 inexpensive action or remedy.
57

58 **Section 3. NATURE OF PROCEEDINGS** – As an administrative body charged with
59 supervision and regulation of PEMEDES, the Department of Information and
60 Communications Technology, through the Postal Regulation Division, shall exercise
61 its power/authority pursuant to this guidelines. The conduct of these proceedings shall
62 not be bound by the technical rules of procedure and evidence but shall proceed to
63 hear and decide all petitions and complaints employing all reasonable means to
64 ascertain the facts of every case in the pursuit of efficient delivery of service and in
65 accordance with justice and equity and the merits of the case.
66

67 **Section 4. HEARING OF APPLICATIONS AND COMPLAINTS** – The hearing,
68 investigation and resolution of any issue or controversy relative to applications for
69 authority to operate PEMEDES and complaints herein provided shall be without regard
70 to technicalities, legal forms and technical rules of evidence pursuant to the Rules of
71 Court.
72

73 Substantial evidence shall be sufficient to support an order or decision.

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75 **Section 5. SUPPLEMENTARY APPLICATION OF THE RULES OF COURT AND**

76 **JURISPRUDENCE** – In the absence of any applicable provisions of these rules, the

77 provisions of the Rules of Court and jurisprudence, shall be applied suppletorily.

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RULE II – DEFINITIONS

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81 **Section 1.** For purposes of these rules, the following terms are defined as follows:

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83 a. **DEPARTMENT** – refers to the Department of Information and Communications
84 Technology (DICT).

85

86 b. **SECRETARY** – refers to the Secretary of the DICT, who may appoint the
87 proper Undersecretary or Assistant Secretary to act in his behalf in issuing
88 decision/ orders pertaining to postal regulations.

89

90 c. **POSTAL REGULATIONS DIVISION (PRD)** - refers to the office of the
91 Department tasked to: (a) Implement all Postal Policies and Regulations; (b)
92 Conduct regular evaluations of postal franchisees; (c) Review and recommend
93 appropriate actions/decisions over petitions/applications for Government
94 Authority and complaints against Operators; (d) investigate and prosecute
95 postal offenses for the appropriate action of the Secretary.

96

97 d. **PRIVATE EXPRESS AND/OR MESSENGER DELIVERY SERVICE**
98 **(PEMEDES)** – commonly referred to as “Courier Service”, refers to the service
99 provided by any natural or juridical persons, for hire or compensation, with
100 general or limited clientele, whether permanent, occasional or accidental, and
101 done for general business purposes, for the express delivery and/or
102 messengerial delivery of letters or written messages, mailable matters and
103 parcels intended for other persons.

104

105 This includes, but not limited to committing, warranting and/or conducting actual
106 pick and/or delivery service regardless of the modes that may be used in

107 procuring or enticing clients, whether via the traditional “over-the counter
108 transactions”, mail/drop boxes, or any other transactions via on-line, mobile
109 application or any other scheme with the aid of Information and
110 Communications Technology (ICT).

111

112 Delivery of a firm or its employee of any article owned by the former is not
113 covered within the definition stated.

114

115 e. **PRIVATE EXPRESS DELIVERY SERVICE** – refers to delivery of mails or
116 parcels in accordance with the following schedule and manner:

117

118 - **Special Delivery** – to be delivered, with Proof of Delivery, within three (3)
119 working days from the receipt of the mails or parcels, if posted from a
120 certain administrative region and to be delivered within the same region;
121 and within seven (7) working days from the receipt of the mails or parcels,
122 if posted from a certain administrative region and to be delivered to other
123 regions.

124

125 - **Rush Delivery** – to be delivered within twenty-four (24) hours from the
126 receipt of the mails or parcels.

127

128 f. **MESSENGERIAL DELIVERY SERVICE**– refers to delivery of mails or parcels
129 in accordance with the following manner:

130

131 - Door-to-door Delivery

132

133 - Personal delivery of mails or parcels by messengers with Proof of
134 Delivery, regardless of the number of days depending on the agreement
135 between the sending party and the PEMEDES firm.

136 g. **MAIL or MAIL MATTERS** – refers to all matters authorized by the Government
137 to be delivered through the postal service which include letters, parcels, printed
138 materials and money orders.

139

140 h. **PARCEL** – means any container with maximum dimension of three (3) meters
141 length and girth combined and/or with maximum weight of twenty (20)
142 kilograms, containing goods or some form of transportable property intended
143 for delivery to an addressee whose name and address are conspicuously
144 written on at least one of its sides.

145

146 For purposes of determining the minimum delivery fees that may be charged,
147 parcel is further classified into the following:

148

149 - Small Parcel - package with maximum dimension of three (3) meters
150 length and girth combined and/or with maximum weight of two (2)
151 kilograms

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153 - Big Parcel - package with maximum dimension of three (3) meters length
154 and girth combined and/or weighing more than two (2) kilograms with
155 maximum weight of twenty (20) kilograms.

156

157 i. **EXPRESS AND/OR MESSENGERIAL DELIVERY SERVICE FIRM**

158 (hereinafter referred as “Firm”) – includes every natural or juridical person that
159 owns and/or controls, manages, operates, commits or warrants in the
160 Philippines, for hire or compensation, with general or limited clientele, whether
161 permanent, occasional or accidental, and for general business purposes, any
162 service for the delivery to other persons, of written messages and any mail
163 matter, except telegram.

164

165 A person or his employee delivering any article owned by the former is not
166 conducting an express and/or messengerial delivery services within the
167 context of this Guidelines.

168 j. **AUTHORIZED OPERATOR** – refers to a person, natural or juridical with a valid
169 and subsisting authority to operate PEMEDS granted by the PRD.

170

171 k. **HEAD OFFICE** – refers to the principal office of the operator registered with the
172 Department of Trade and Industry (DTI), Cooperative Development Authority

173 (CDA) or Securities and Exchange Commission (SEC), as applicable, where it
174 may be served notices and processes.

175

176 l. **BRANCH** – refers to any station or substation directly operated and managed
177 by PEMEDES firms for the purpose of receiving and dispatching of mails and
178 parcels.

179

180 m. **EXTENSION OFFICE** – refers to any station or substation directly operated and
181 managed by PEMEDES firms utilized not for the receiving, acceptance or
182 posting of mails but only as drop-off and consolidation points for mails and
183 parcels to be dispatched and delivered to a specific area or areas.

184

185 n. **AUTHORITY TO OPERATE** – refers to the Government Authority granted to a
186 firm to operate PEMEDES for a specific period and within a specific area of
187 operation.

188

189 o. **PROVISIONAL AUTHORITY** – refers to the six (6) months authority to enable
190 the applicant/s to set up an office and/or branches including the necessary
191 facilities, equipment, materials and manpower for the operation of the service
192 in accordance with the standards of the Department; recruit and train staff and
193 messengers; and formalize agreements with prospective clients.

194

195 p. **MESSENGER'S ACCREDITATION** - refers to accreditation issued by the PRD
196 to a person, whether or not employed by the PEMEDES operator, who performs
197 the act of delivering letters or parcels being serviced by the PEMEDES operator
198 to which such person is associated/registered with.

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200 **PART II: PROCEDURES FOR APPLICATIONS FOR ISSUANCE/GRANT OF**
201 **AUTHORITY TO OPERATE**

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203 **RULE III – PARTIES**

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205 **Section 1. PETITIONER** – Any person, natural or juridical, applying for an authority to
206 operate PEMEDES.

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Section 2. OPPOSITOR – Any person, natural or juridical, who files an opposition to an application for the issuance of an authority to operate PEMEDES.

**RULE IV – PETITIONS FOR ISSUANCE/GRANT OF AUTHORITY TO OPERATE
PEMEDES**

Section 1. HOW COMMENCED – All petitions for issuance/grant of Authority to operate a PEMEDES shall commence by filing a verified petition in three (3) legible copies with the PRD and payment of the required fees.

Section 2.WHO MAY FILE - A petition may be filed by any person, natural or juridical, duly registered with the Department of Trade and Industry (DTI) for sole proprietorship owned by Filipino citizen; Cooperative Development Authority (CDA) for cooperatives; or the Securities and Exchange Commission (SEC) for corporation and partnership, with at least sixty percent (60%) capital stock/shares or contributions owned by Filipino citizen.

- a. For sole proprietorships and Cooperatives applying for authority to operate within one (1) administrative region must have a capitalization of at least Five Hundred Thousand Pesos (P500,000.00) and One Million Pesos (P1,000,000.00) for authority to operate within two (2) or more administrative regions.
- b. For partnerships applying for authority to operate within one (1) administrative region must have a paid-up contribution of at least Five Hundred Thousand Pesos (P500,000.00) and One Million Pesos (P1,000,000.00) for authority to operate within two (2) or more administrative regions.
- c. For corporations applying for authority to operate within one (1) administrative region must have a paid-up capital of at least Five Hundred Thousand Pesos (P500,000.00) and One Million Pesos (P1,000,000.00) for authority to operate within two (2) or more administrative regions.

Section 3. CONTENT OF THE PETITION –

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A. The Petition shall be verified and shall state, among others, the following:

1. That the Petitioner intends to operate as a PEMEDES in one or more administrative regions;
2. That the Petitioner is in compliance with the nationality requirements as prescribed in letter a, b, or c of Section 2, Rule IV hereof; and that its executive and managing officers are citizens of the Philippines;
3. That the Petitioner shall operate in a definite geographical area in the Philippines which shall clearly be described by stating, among other things, the administrative region/s where it intends to operate; and that the said area of operation is not yet saturated considering the population, the volume of mails and parcels and the existing operators and that the grant of authority to the applicant will redound to the improvement of the PEMEDES in the area and the public good;
4. That the Petitioner undertakes to post, not later than thirty (30) days, from the issuance of the Authority to Operate, a surety bond issued by accredited insurance companies in the amount of Fifty Thousand Pesos (P50,000.00) for those authorized to operate within one (1) administrative region and One Hundred Thousand Pesos (P100,000.00) for those authorized to operate within two (2) or more administrative regions. The validity of the surety bond must coincide with the validity of the Authority to Operate that may be granted and shall be in favor of the Department to answer for any loss of or damage to the mail or parcel while in the custody of the Operator and any of its Messengers.
5. That the applicant has the financial and technical capacity to operate the service applied for.

B. In addition to the foregoing requirements, the Petitioner shall submit the following:

- 274 1. Original or Certified True Copy of the DTI Registration and Application of
275 Business Name for sole proprietorships; or the CDA Registration, Articles and
276 By-Laws for cooperatives; or the SEC Certificate of Registration, Articles of
277 Incorporation/Partnerships and By-Laws for corporations/partnerships;
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- 279 2. The complete address of the head office including the branches and extension
280 offices, whenever applicable, and the copy of the land title, if the place is owned
281 by the Petitioner, or the copy of the contract of lease, if the place is leased;
282
- 283 3. A Feasibility Study containing among others, the organizational structure,
284 standards for operations and recruitment of personnel, most specially the
285 messengers, and three (3) years projection of the volume of deliveries, income
286 and expenses and cash flows;
287
- 288 4. Bank Deposit certificate containing the capital of the Petitioner in accordance
289 with Section 2 of this rules and regulations;
290
- 291 5. An undertaking that the Petitioner shall not cause the withdrawal of said bank
292 deposit during the pendency of the hearing and adjudication of the application,
293 and shall not operate PEMEDES prior to the grant thereof;
- 294 6. A list of accredited messengers and motor vehicles registered in the name of
295 the Petitioner, if any, with their corresponding actual valuation and the
296 corresponding current official receipts (OR) of registration and certificates of
297 registration (CR) in case of motor vehicles;
298
- 299 7. Sketch of office location and office lay-out; and
300
- 301 8. Profile/Resume of the President/Proprietor or the prospective General Manager
302 and/or Operations Manager, as the case may be.
303

304 **Section 4. JURISDICTIONAL REQUIREMENTS. Publication and Notice** – After the
305 filing of the petition and payment of the required fees, the Unit shall issue a Notice of
306 Hearing. The Petitioner shall cause the publication of the Notice of Hearing once a
307 week for three (3) consecutive weeks in a newspaper of general circulation within thirty

308 (30) days before the date of the initial Hearing. The Notice of Hearing shall contain
309 the name of the Petitioner, case number, concise statement of the authority applied
310 for, place, date and time of hearing.

311

312 Petitioner shall serve a copy of said notice together with a copy of the
313 application and its annexes to the Philippine Postal Corporation, other affected
314 operators and duly constituted PEMEDES operators' association. Those intending to
315 oppose the petition shall file a verified Opposition with the Unit on or before the
316 scheduled date of initial hearing, and serving a copy to the applicant.

317

318 **Section 5. AMENDMENTS** – Petition may be amended at any time before the
319 publication of the notice of hearing. However, if the notice of hearing has already been
320 published, amendment may only be made upon approval of the PRD. If the
321 amendment will substantially modify the petition, the PRD shall require the applicant
322 to publish the amended petition and notice of hearing.

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324 An amended pleading shall be made effective as of the date of filing. Any
325 amendment to the pleading must comply with the requirements of this Rule.

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327 **Section 6. EFFECTS OF FAILURE TO PUBLISH THE NOTICE OF HEARING** - No
328 hearing shall be conducted unless the jurisdictional requirements are complied with.
329 Upon written request of the Petitioner on meritorious or justifiable reason and payment
330 of the required fees, the Unit may issue a second notice of hearing to enable the
331 petitioner to comply with the publication requirement. Failure to comply with these
332 requirements shall render the petition dismissed without prejudice.

333

334 **Section 7. PETITION WITHOUT OPPOSITION**– A Petition for Authority to Operate
335 PEMEDES shall be heard Ex Parte when there is no Opposition filed.

336

337 **Section 8. OPPOSITION, WHEN FILED** - Opposition shall be filed within fifteen (15)
338 days from service as provided in Section 6 of this Rule. Said Opposition shall show
339 that the same was served to the Petitioner.

340

341 **Section 9. ABANDONMENT OF THE APPLICATION OR PETITION**– If the Petitioner
342 has failed to act on its application or petition within three (3) months from filing thereof,
343 the application shall be deemed abandoned and an Order of Dismissal shall be issued.

344

345 **Section 10. APPLICATION FEE** – An application fee of Ten Thousand Pesos (PHP
346 10,000.00) per administrative region shall be paid by the Petitioner. An additional Five
347 Thousand Pesos (PHP 5,000.00) shall be paid for every branch applied. The
348 amounts provided in this section may be revised by the PRD after due notice and
349 hearing to the Operators.

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351 **RULE V- EX PARTE ADJUDICATION OF THE PETITION TO OPERATE A**
352 **PEMEDES**

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354 **Section 1. ORDER OF PROCEDURE** – The following order of procedure shall be
355 observed in the Ex Parte hearing of a Petition:

356 a. The presentation of proof of compliance with the jurisdictional requirements
357 consisting of proof of service of Notice of Hearing together with a copy of the
358 Notice to duly constituted PEMEDES operators' association, Philippine Postal
359 Corporation and other affected operators, Affidavit of Publication and copies of
360 the newspaper where the Notice of Hearing has been published;

361

362 b. The presentation of evidence by the Petitioner to support the applications,
363 consisting of the documents attached to the application and such relevant
364 evidence as the applicant may present;

365

366 c. The PRD shall determine whether the Petitioner is compliant with all the
367 requirements provided in the law and this Guidelines. The PRD may also
368 conduct initial ocular inspection of the proposed or existing premises and/or
369 offices of the Petitioner to determine whether such is compliant with the law and
370 this Guidelines.

371

372 **Section 2. RESOLUTION**- The PRD shall within thirty (30) days from the date of
373 termination of investigation/determination shall issue a Resolution granting or denying
374 the Petition to Operate PEMEDES. The authority to operate PEMEDES shall be

375 granted only upon compliance with the requirements of the law and regulations duly
376 proven by substantial evidence presented by the applicant. The absence of an
377 Oppositor does not entitle a Petitioner to an automatic grant of authority to operate.

378

379 **Rule VI - ADJUDICATION OF THE PETITION TO OPERATE A PEMEDES WITH**
380 **OPPOSITION**

381

382 **Section 1. ORDER OF PROCEDURE** – The following order of procedure shall be
383 observed in the hearing of a Petition with Opposition:

384

385 a. The presentation of proof of compliance with the jurisdictional requirements
386 consisting of proof of service of Notice of Hearing together with a copy of the
387 Notice to duly constituted PEMEDES operators' association, Philippine Postal
388 Corporation and other affected operators, Affidavit of Publication and copies of
389 the newspaper where the Notice of Hearing has been published;

390

391 b. The presentation of evidence by the Petitioner to support the applications,
392 consisting of the documents attached to the application and such relevant
393 evidence as the applicant may present;

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395 c. The presentation by the oppositor of the evidence in support of the opposition;

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397 d. The presentation by the Petitioner of rebuttal evidence, if any;

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399 e. The presentation by the oppositor of sur-rebuttal evidence, if any. The hearing
400 officer may, for good reasons or in furtherance of justice, permit the parties to
401 present additional evidence;

402

403 f. The submission of the parties of their respective Memorandums within fifteen
404 (15) days from the termination of the hearing;

405

406 **Section 2. RESOLUTION** – The PRD shall resolve the application, with due
407 consideration to the opposition filed by an interested party, within thirty (30) days from

408 the date the last Memorandum is filed. The Resolution of the PRD shall either grant or
409 deny the application filed, stating the reasons thereof.

410

411 **Section 3. MOTION FOR RECONSIDERATION** – Only one (1) Motion for
412 Reconsideration may be filed by the losing party within fifteen (15) days from the
413 receipt of the Resolution. A second Motion for Reconsideration shall not be allowed.

414

415 **Section 4. APPEAL OF THE RESOLUTION** – The Resolution referred to Section 2
416 of this Rule may be appealed to the Secretary within ten (10) days from the receipt of
417 the Order granting or denying the Motion for Reconsideration filed. The appellant shall
418 serve a copy of the said appeal to the other party.

419

420 **Section 5. FINALITY OF THE RESOLUTION** – The Resolution shall become final
421 and unappealable within fifteen (15) days from the receipt thereof, unless a motion for
422 reconsideration is filed.

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RULE VII: AUTHORITY TO OPERATE PEMEDES

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426 **Section 1. GRANT OF PROVISIONAL AUTHORITY** –If the PRD resolves that the
427 Petitioner possesses all the qualifications and the technical and financial capability to
428 operate efficiently a PEMEDES, a provisional authority to operate shall be granted,
429 which shall automatically expire within six (6) months from its issuance. Within the said
430 period, the Operator shall set up an office and/or branches in accordance with the
431 standards provided by the law and this guidelines; recruit and train staff and
432 messengers; provide the necessary facilities, equipment and materials. The Operator
433 holding a Provisional Authority shall submit to the Postal Regulation Division a
434 management report including the list of company's employees, regular clients,
435 equipment one (1) month prior to the expiration of the said Provisional Authority. Said
436 Provisional Authority shall be signed and approved by the Secretary or his duly
437 designated official.

438

439 **Section 2. GRANT OF AUTHORITY** –After the submission of the report mentioned in
440 the immediately preceding paragraph, the PRD shall assess the Operator. If the PRD
441 finds that the Operator have strictly complied with all the requirements of the law and

442 this guidelines to operate a PEMEDES, an Authority to Operate shall be granted for
443 one (1) year, which may be subsequently renewed, upon application, on a graduated
444 scale of two (2) years, three (3) years, from four (4) years up to five (5) years and
445 therefrom renewable every five (5) years. Said Authority to Operate shall be signed
446 and approved by the Secretary or his duly designated official.

447

448 **Section 3. PROHIBITION** – The holder of an Authority to Operate shall neither lease,
449 transfer, sell or assign said Authority and the rights and privileges appurtenant thereto
450 to any person, firm, company, corporation or other legal entity nor merge with other
451 person, company or corporation without the approval of the Secretary.

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RULE VIII: RENEWAL OF AUTHORITY TO OPERATE

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455 **Section 1. WHEN** – An Application for renewal shall be filed within six (6) months
456 immediately following the expiration of the Authority to Operate. If the application for
457 renewal is filed within the last three (3) months thereof a corresponding surcharge
458 shall be imposed pursuant to Section 3, Rule XVII.

459

460 **Section 2. HOW** – An Operator seeking to renew its Authority to Operate shall signify
461 in writing of such intention in the period provided in the preceding section attaching
462 the requirements provided in Section 3 hereof.

463

464 **Section 3. REQUIREMENTS** – The following are the requirements to renew an
465 existing Authority to Operate:

466 a. A letter of intention addressed to the Secretary stating the intention to renew
467 existing Authority to Operate;

468 b. Certified true copy of the valid DTI Registration for sole proprietorship; valid
469 CDA Registration and latest Articles and By Laws for cooperatives; valid SEC
470 Registration, and latest Articles of Partnership/Corporation and By Laws for
471 Partnership and Cooperation;

472 c. Certified True Copy of the General Information Sheet (GIS) reflective of the
473 outcome of the Annual or Special Meeting immediately preceding the filing of
474 application, for Partnership and Corporation;

475 d. Copy of the Audited Financial Statement covering the fiscal/calendar year
476 immediately preceding the year of the filing of application with an attached

477 affidavit from the Certified Public Accountant (CPA) who prepared said
478 Financial Statement that the figures therein are true and correct and that said
479 statements were filed or to be filed with the Bureau of Internal Revenue (BIR).

480 e. An undertaking that the Applicant will post, not later than thirty (30) days, from
481 the issuance of the renewed Authority to Operate, a surety bond issued by
482 accredited insurance companies in the amount of Fifty Thousand Pesos
483 (P50,000.00) for those authorized to operate within one (1) administrative
484 region and One Hundred Thousand Pesos (P100,000.00) for those authorized
485 to operate within two (2) or more administrative regions whose validity
486 coincides with the validity of the newly approved Authority to Operate and shall
487 be in favor of the Department to answer for any loss of or damage to the mail
488 or parcel while in the custody of the Operator and any of its Messengers.

489 f. Desired geographical area/s per administrative region, where the Operator
490 intends to additionally operation;

491 g. List and address of new branches which the Operator desires to open and
492 operate;

493 h. List of accredited messengers and motor vehicles registered in the name of
494 the Operator, if any, with their corresponding actual valuation and Certificates
495 of Registration;

496 i. Latest sketch of the principal office location and office lay-out;and

497 j. Profile/Resume of the President/Proprietor as reflected in the document in
498 letter C of this section.

499 **Section 4. AMENDMENTS** – The Application for Renewal of Authority to Operate may
500 be amended at any time before the publication of the notice of hearing. However, if
501 the notice of hearing has already been published, amendments may only be made
502 upon the approval of the PRD.

503

504 If the amendment will substantially modify the petition, the PRD shall require the
505 applicant to publish the amended petition and notice of hearing.

506

507 An amended Renewal of Authority to Operate shall be made effective as of the date
508 of filing. Any amendment to the Renewal of Authority to Operate must comply with the
509 requirements of this Rule.

510

511 **Section 5. PROCEDURE** –Upon determination of full or substantial compliance with
512 the documentary requirements, the application will be subjected to documentary
513 evaluation to initially determine the eligibility and capability of the Operator to
514 continually operate PEMEDES. Thereafter, an Ocular Inspection will be conducted at
515 the premises of the Operator to ascertain the existence of the office within the declared
516 area/location, determine its compliance with the requirements of this guidelines on
517 particularly on the security and safety of mails and parcels and validate the submitted
518 documents with the original documents at the possession of the Operator.

519

520 **Section 6. GRANT OF RENEWAL OF AUTHORITY TO OPERATE** – Upon
521 determination by the PRD that the Operator possesses all the qualifications and the
522 technical and financial capability to continue to operate a PEMEDES, a renewal of the
523 Authority to Operate may be granted to the Operator, to be signed and approved by
524 the Secretary. An Authority to Operate with one (1) year effectivity may be renewed
525 for a period of three (3) years and an Authority to Operate with three (3) effectivity may
526 be renewed for a period of five (5) years and therefrom renewable every five (5) years.

527

528 **Section 7. RENEWAL FEE**–A renewal fee of Seven Thousand Pesos (PHP 7,000.00)
529 per administrative region shall be paid by the Operator. An additional Three Thousand
530 Pesos (PHP 3,000.00) shall be paid for every branch. The amounts provided in this
531 section may be revised by the PRD after due notice and hearing to the Operators.

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533 **PART III: OTHER PROVISIONS APPLICABLE TO OPERATORS**

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535 **RULE IX: MESSENGER’S ACCREDITATION**

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537 **Section 1.** Messengers shall secure a Messenger’s Accreditation from the PRD before
538 they can engage as messengers in an authorized PEMEDES Operator. For this
539 purpose, the messenger-applicant shall submit to the PRD, together with the
540 application for accreditation, clearances from the National Bureau of Investigation
541 (NBI), Philippine National Police (PNP) where the messenger is currently residing and
542 a copy of the Land Transportation Office (LTO) Driver’s License, if applicable.

543

544 **Section 2. SERVICE FEE** – A service fee of Two Hundred Pesos (Php200.00) shall
545 be paid by the applicant for the messenger’s accreditation applied for.

546 The amount provided in this section may be revised by the PRD after due notice
547 and hearing to the Operators.

548

549 **Section 3.** The Messenger’s Accreditation issued under this section may be cancelled
550 or revoked if, after due notice and hearing, the messenger concerned is found guilty
551 of grave misconduct or dishonesty in the performance of his assigned work. The
552 messenger whose accreditation is revoked or cancelled shall be included in the black
553 list which will be made available to all Operators and the public for their information
554 and guidance. Operators found to have hired messengers whose accreditation has
555 been previously revoked or cancelled and included in the black list will be penalized
556 pursuant to the set of offenses as issued by the PRD.

557

558 **RULE X: SUPERVISION AND REGULATION FEE**

559

560 **Section 1.** An Operator shall pay an annual supervision and regulation fee of Five
561 Thousand Pesos (PHP 5,000.00) and an additional One Thousand Pesos (PHP
562 1,000.00) for every existing branch on or before January 31 of each year. Failure of
563 the Operator to pay the annual supervision and regulation fee shall make the Operator
564 liable for penalty pursuant to Section 1, Rule XVII hereof. The amounts provided in
565 this section may be revised by the PRD after due notice and hearing to the Operators.

566

567 **RULE XI: RATES AND FIXING OF RATES**

568

569 **Section 1. FIXING OF RATES.** - The Department thru the PRD, motu proprio or upon
570 petition and after due notice and hearing, may fix or adjust the rates charged by the
571 private express and /or messenger delivery service firms. Verified application for rate
572 adjustment may be filed by operators showing the bases and justifications for the
573 adjustment prayed for. The hearing shall be opened to the public and the schedule
574 thereof widely disseminated. The Department through the PRD shall ensure that all
575 parties that may be affected by the adjustment are invited to the public hearing.

576

577 **Section 2. RATES.** - The holder of an authority shall not charge such rate for the
578 delivery of the mails/parcels of clients lower than that of the regulated postal charges
579 imposed on the Philippine Postal Corporation, unless the Department finds it
580 imperative to motu proprio or justifiable upon petition to fix different rates other than
581 that of the Philippine Postal Corporation.

582

583 **Section 3. RATES OF PHILIPPINE POSTAL CORPORATION FOR ORDINARY**
584 **MAIL** – The Department, upon petition and public hearing, approve the rate to be
585 charged by the Philippine Postal Corporation for ordinary mail.

586

587 **PART IV: PROCEDURE IN THE INVESTIGATION AND ADJUDICATION OF**
588 **COMPLAINTS AGAINST OPERATORS**

589

590 **RULE XII: COMPLAINTS AGAINST AN OPERATOR**

591

592 **Section 1. COMPLAINT DEFINED.** A concise statement of the ultimate facts
593 constituting violations by an Operator of the terms and conditions of the Authority to
594 Operate and/or commission of offenses under applicable laws or issuances of the
595 PRD, specifying the relief being sought.

596

597 **Section 2. HOW FILED** - The Complaint shall be verified and filed in five (5) legible
598 copies accompanied by a Certification of Non-Forum Shopping by the affected party,
599 either the consuming public or other Operators.

600

601 **Section 3. WHEN FILED** – The Complaint shall be filed within two (2) years from the
602 commission of the offense or the discovery thereof by the affected party or PRD.

603

604 **Section 4. MOTU PROPRIO INVESTIGATION** – A motu proprio investigation may be
605 conducted by the PRD for infidelity in the handling and treatment of articles accepted
606 for mailing and for malpractice.

607

608 **Section 5. ANSWER** – A verified answer may be filed by the Respondent Operator
609 within fifteen (15) days from the Notice of the PRD, attaching therein a copy of the

610 Complaint filed or initial findings of the PRD in cases on motu proprio investigation.
611 The Defendant shall copy furnish all parties of the Answer.

612

613 **Section 6. REPLY** – The Complainant may file his Reply within ten (10) days from
614 receipt of the Answer, furnishing all parties a copy therein.

615

616 **Section 7. REJOINDER** – The Respondent Operator may file his rejoinder within ten
617 (10) days from receipt of the Reply, furnishing all parties a copy therein.

618

619 **Section 8. HEARING** – A hearing may be conducted by the PRD for clarificatory
620 questions and possible amicable settlement between the Parties. Amicable settlement
621 shall only apply to complaints filed by a consumer.

622

623 **Section 9. RESOLUTION** – The case shall be submitted for resolution after the last
624 hearing or filing of the last pleading. The PRD shall issue a resolution within thirty (30)
625 days from the submission of the Complaint for resolution.

626

627 **Section 10. FINALITY** – The Resolution shall become final and executory after the
628 lapse of fifteen (15) days from receipt or denial of motion for reconsideration.

629

630 **Section 11. MOTION FOR RECONSIDERATION** – A motion for reconsideration may
631 be filed by the losing party, furnishing all parties a copy therein, within fifteen (15) days
632 from the receipt of the Resolution. Only one motion for reconsideration shall be
633 allowed.

634

635 **RULE XIII: APPEAL IN COMPLAINTS AGAINST OPERATORS**

636

637 **Section 1. APPEAL** – A verified Appeal may be filed within thirty (30) days from the
638 receipt of the Order denying the Motion for Reconsideration to the Secretary of the
639 Department.

640

641 The parties-appellee shall file his Comment to Appeal within a non-extendable period
642 of fifteen (15) days from receipt of the Order of the Secretary, furnishing all parties a
643 copy therein

644

645 **Section 2. RESOLUTION** – The Secretary shall resolve the case within thirty (30)
646 days from the date the last Memorandum is filed. Said Resolution shall become final
647 and executory after fifteen (15) days thereof or the denial of a motion for
648 reconsideration.

649

650 **Section 3. MOTION FOR RECONSIDERATION** – A motion for reconsideration may
651 be filed within ten (10) days from receipt of the Resolution, furnishing all parties a copy
652 therein. Only one motion for reconsideration may be filed.

653

654

655 **PART V: REGULATORY AUTHORITY OF THE SECRETARY**

656

657 **Rule XIV: POWERS AND DUTIES**

658

659 **Section 1.** The exclusive power and authority to regulate the postal delivery service
660 industry and those engaged in domestic postal commerce, as provided for under
661 Republic Act No. 7354, in relation to the pertinent provisions of Executive Order 269
662 (series of 2004), Executive Order 47 (series 2011), and Republic Act No. 10844, shall
663 be vested in the Secretary of the DICT.

664

665 The regulatory authority includes the authority to investigate and prosecute
666 PEMEDES Operators, firms or establishments, for offenses, whether civil or criminal,
667 and to institute the necessary actions or proceedings against them.

668

669 The Secretary shall have visitorial power over PEMEDES Operators.

670

671 **Section 2.** The Secretary shall exercise the following powers if, in his sound judgment,
672 postal laws have been or are being or about to be violated:

673

674 a. conduct searches of any vehicle, vessel or aircraft for stolen mail matter or any
675 mail matter being transported in violation of law, whenever there is reasonable
676 ground to believe that such prohibited mail matter is contained therein;

677

678 b. to issue search warrants under the same conditions prescribed for judicial
679 officers, authorizing the search of any place not used as a dwelling, for any
680 stolen mail matters;

681

682 c. to order and cause the arrest of persons and seizure of mail matters and other
683 property for violation of any postal law;

684

685 d. to offer and pay rewards for information and services in connection with
686 violations of the postal law.

687

688 **Section 3. Decision** – The decision shall become final and executory after the lapse
689 of fifteen (15) days unless a motion for reconsideration is filed.

690

691 **Section 4. APPEAL** - Any party aggrieved by the decision or order of the Secretary
692 may within thirty (30) days from receipt of the denial of the motion for reconsideration,
693 appeal to the Court of Appeals.

694

695

696

PART VI: MISCELLANEOUS PROVISIONS

697

698

RULE XV – TRANSCRIPT OF PROCEEDINGS

699

700 **Section 1. DUTIES OF THE STENOGRAPHER** – It shall be the duty of the
701 designated stenographer of the hearing to transcribe the stenographic notes taken
702 therein within one (1) week from said hearing.

703

704 **Section 2. TRANSCRIPT OF STENOGRAPHIC NOTES (TSN)** – Copy of the TSN in
705 the hearing of a particular case or a specific part thereof shall be made available to
706 the requesting party at his cost.

707

708

RULE VI – REPORTORIAL REQUIREMENTS

709

710 **Section 1.** Every PEMEDES Operators shall submit to the Division a Semi-Annual
711 and Year-End Management Report including, among others, the list of the FIRM's

712 employees, the names of the messengers, furniture, fixtures and equipment in
713 duplicate copies within thirty (30) days after the close of the corresponding semester.
714 The reports shall include the contracts or agreements entered into by the firm with its
715 clients where the rates and charges are specified.

716

717

RULE XVII – PENALTIES

718

719 **Section 1. Late Payment of Annual Supervision and Regulation Fee** – the
720 company shall pay the penalty equivalent to Twenty five percent (25%) of the
721 computed regulation and supervision fees and a surcharge of one percent (1%) for
722 every month of delay, where a fraction of fifteen (15) days is considered one (1) month.

723

724 **Section 2. Late Filing of the Production Report Pursuant to Rule II of this**
725 **Chapter** – For failure to submit the reportorial requirements, the company shall pay a
726 fine amounting to One Thousand Pesos (P1,000.00) for each month of delay. A
727 fraction of 15 days is considered as one (1) month.

728

729 **Section 3. FOR LATE-RENEWAL OF AUTHORITY** – The application for
730 renewal/extension of authority shall be filed at least six (6) months before the
731 expiration date of the authority to entitle the operator concerned to continue the
732 operation of the messengerial delivery service pending the approval of the said
733 application. Those who fail to apply for renewal/extension on time shall be charged
734 the amount of Two Thousand Pesos (P2,000.00) as penalty for every month of delay
735 or a portion thereof, with three (3) months grace period reckoned from the expiration
736 date of the authority.

737 Application for renewal/extension after the said three (3) months grace period shall no
738 longer be accepted by the PRD.

739

740

RULE XVIII - TRANSITORY PROVISION

741

742 Those with existing authority to operate whose capitalization is less than One Million
743 Pesos (P1,000,000.00), or Five Hundred Thousand Pesos (P500,000.00), as the case
744 may be, shall increase their capitalization to the amounts stated in the preceding
745 paragraph within one (1) year from the date of effectivity of this Circular. Failure to

746 comply within the period provided shall subject the PEMEDES to a fine of Five
747 Thousand Pesos (P5,000.00) per day from the expiration of the said one year period.

748

749 **RULE XIX – REPEALING CLAUSE**

750

751 All rules and regulations in connection with the authority to operate PEMEDES which
752 are inconsistent with these rules are deemed revoked or modified accordingly.

753 **RULE XX – EFFECTIVITY**

754

755 These rules shall take effect fifteen (15) days after publication in a newspaper of
756 national circulation or in the Official Gazette.

757

758 Issued in Quezon City, Philippines, this ___ day of ___ 2019.

DRAFT