



MEMORANDUM CIRCULAR NO: 002-09-2025

**SUBJECT: GUIDELINES FOR THE DISPOSAL OF FORFEITED
RADIO COMMUNICATIONS EQUIPMENT, CUSTOMER
PREMISES EQUIPMENT AND ITS ACCESSORIES**

WHEREAS, the National Telecommunications Commission (NTC) is mandated to regulate and supervise the use of radio communications equipment and its accessories in accordance with the Radio Control Law or Act No. 3846, as amended, Executive Order Mo. 546, and other pertinent laws, rules and regulations;

WHEREAS, under then Department Order No. 11 (DO 11), series of 1950, *General Rules and Regulations Governing the Construction, Installation, Establishment or Operation of Radio Stations and the Possession or ownership, construction or Manufacture, Purchase, Sale and Transfer of Transmitters or Transceivers in the Philippines*, the NTC is vested with authority to forfeit radio communications equipment and its accessories found to be in violation of applicable rules and regulations and licensing requirements;

WHEREAS, there is a need to ensure the proper and responsible disposal of forfeited equipment to help reduce electronic waste (e-waste), support environmental sustainability, and comply with Republic Act No. 9003, Ecological Solid Waste Management Act and other applicable environmental regulations;

WHEREAS, the NTC acknowledges its responsibility to uphold transparency, accountability and due process in the disposition of forfeited items to prevent unauthorized use and misappropriation;

WHEREAS, the development of clear guidelines for the disposal of forfeited Radio Communications Equipment (RCE), Customer Premises Equipment (CPE) and its accessories will promote efficiency, accountability and compliance with governmental standards;

NOW, THEREFORE, in view of the foregoing premises, pursuant to Act 3846, as amended, Executive Order No. 546, NTC Memorandum Circular No. 3-3-97, and the applicable Government Auditing Rules and Regulations and in order to ensure the proper, transparent and accountable disposal of forfeited RCEs, CPEs and its accessories, the following guidelines are hereby promulgated:

Section 1. Coverage. This Memorandum Circular covers all forfeited RCEs, CPEs, and their accessories that are in the custody of the National Telecommunications Commission (NTC), whether held at Central Office (CO) or any of its Regional Offices (ROs).

Section 2. Definition of Terms. - For purposes of this Circular, the following are defined as follows:

- a. Radio Communications Equipment (RCE) – refers to any apparatus, device, instrument or system capable of transmitting and/or receiving radio signals for communications purposes, including but not limited to two-way radios, short-range-devices (SRD), base transceivers, Radio Frequency Identification (RFID) and other similar equipment operating in the authorized frequency band.
- b. Customer Premises Equipment (CPE) – refers to equipment located in the premises of the customer or subscriber, for connection to public telecommunication network.
- c. “As is Where Is” – shall refer to the condition of the sale where no warranty is given as to the quality, state and conditions of the goods.
- d. Respondent – refers to the person/s, natural or juridical, formally charged or the subject of a complaint before the National Telecommunications Commission for unauthorized possession and use of NTC regulated equipment, where said equipment is subject of forfeiture.

Section 3. Disposal Committee. - The CO and ROs Disposal Committee, respectively shall undertake the disposal of all forfeited RCEs, CPEs, and its accessories.

The Disposal Committee shall ensure that all disposal activities are conducted in accordance with existing Government Auditing Rules and Regulations and in coordination with the Commission on Audit Resident Auditor, where applicable.

Section 4. Equipment Subject to Disposal. – The following RCEs, CPEs, and its accessories shall be subject to disposal:

- a. Those subject of administrative cases before the CO or the ROs with final and executory decision, with forfeiture of equipment.

Decisions in administrative cases, with forfeiture of equipment shall be deemed final and executory after fifteen (15) days from receipt of the Decision/Order by the Respondent or proof of service of

Decisions/Order, whichever is earlier, without any motion for reconsideration being filed therewith.

Decisions rendered in the CO, where forfeited items are in custody of the ROs, shall be disposed of by the Disposal Committee of the ROs having possession/custody of the subject forfeited items.

- b. Those voluntarily surrendered during inspection or investigation, where no valid permits presented.

Section 5. Modes of Disposition. – The Disposal Committee shall recommend to the Commissioner or Regional Director, as applicable, for its approval, the items to be disposed and the following appropriate mode of disposal, with due consideration to applicable laws, rules and regulations.

a. Public Bidding/Auction.

- i. Only Type-Approved/Type-Accepted RCEs and CPEs may be disposed of through this mode.
- ii. The bidder must possess the necessary qualifications, authorization and licenses to purchase, possess and use (i.e. authorization as public telecommunications entity or broadcast entity for RCEs, CPEs and accessories for telecommunications and broadcasting use) the particular RCEs or CPEs that are the subject matter of the sale under Philippine laws and NTC Rules and Regulations. The sale shall not be awarded unless the winning bidder has presented the necessary documents and/or qualification to purchase, possess and use the equipment.
- iii. Respondent, or its associates shall not be allowed to participate in the sale by public bidding/auction where Respondents' forfeited equipment is the subject of the sale.

b. Donation.

Donation to Another Government Agency or Public Schools/SUCs/Training Institutions

- i. Only Type-Approved/Type-Accepted RCEs and CPEs, and its accessories allowed for public use may be disposed of through this mode. Forfeited items not allowed for public use such as those intended for public telecommunications entities and broadcast networks.
- ii. The recipient government agency and/or public schools/SUCs/training institutions, except in exceptional and meritorious cases,

must be a holder of a valid Radio Station License (RSL) or must apply for the corresponding RSL to cover the donated RCE.

- iii. Donations to local government institutions and other qualified government entities shall be made in accordance with existing laws rules and regulations, and duly reported to the DBM and COA for monitoring and audit purposes.

c. Transfer to Another Government Agency Other than Donation.

- i. Only Type-Approved/Type-Accepted RCEs and CPEs may be disposed of through this mode.
- ii. The recipient government agency must be a holder of a valid Radio Station License (RSL) or must apply for the corresponding RSL to cover the transferred RCEs. The transfer of the equipment may be initiated by the NTC or by another government agency through the submission of a request to the NTC.
- iii. The recipient government agency must be eligible to be licensed under applicable NTC rules and regulations for the type of equipment to be transferred. Equipment requiring licenses that the recipient agency is not authorized to hold shall not be transferred to said agency.
- iv. The transfer shall be done either with or without cost. Cost refers to payment based on the appraised value of the equipment.
- v. In effecting the transfer of the equipment, the Property Transfer Report (PTR) or its equivalent document shall be prepared by the NTC and transmitted together with the equipment to the recipient or requesting agency.

d. Negotiated Sale.

Forfeited equipment which remain unsold after at least two failed public biddings, may be sold through negotiated sale.

- i. Only Type-Approved/Type-Accepted RCEs and CPEs, and its accessories may be disposed through this mode.
- ii. The buyer must possess the necessary qualifications, licenses and authorization to purchase, possess and use the particular RCEs or CPEs under Philippine laws and NTC Rules and Regulations. The sale shall only be awarded to the winning buyer upon submission of necessary documents and/or qualification to purchase, possess and authority to use the equipment.

- iii. Respondent, or its associates shall not be allowed to participate in the disposition through negotiated sale where Respondents' forfeited equipment is the subject of the sale.

e. Condemnation or Destruction.

- i. Equipment which are not Type-Approved/Type-Accepted shall be condemned and destroyed by pounding, breaking, throwing or any other method by which the equipment is disposed beyond economic recovery.
- ii. Equipment which are Typed-Approved/Typed-Accepted but are defective/dilapidated/unserviceable and with no resale value, or those that could not be disposed of after exhausting all available modes of disposal may also be condemned and destroyed by pounding, breaking, throwing or any other method by which the equipment is disposed beyond economic recovery.
- iii. Condemnation or Destruction of forfeited RCEs, CPEs, and its accessories shall be conducted in compliance with all applicable environmental laws, rules and regulations and waste management, including but not limited to proper handling and disposal of hazardous components such as batteries, circuits boards and other electronic parts.

Section 6. General Provisions.

- a. A certified list of all forfeited equipment subject for disposal under Section 4 of this Circular, including the particulars of the equipment such as brand, type/model, serial number, etc., as applicable, shall be submitted by the Legal Branch Director or the Legal Officer, in case of Regional Offices to the Disposal Committee and the Finance Division/Accounting Unit every June 30th of each calendar year.
- b. All forfeited equipment subject of disposition through public bidding auction/donation/transfer and negotiated sale shall be offered on an "As Is Where Is" basis.
- c. The disposal shall be in accordance with the latest Government Accounting Manual (GAM) and the Revised Manual on the Disposal of Government Properties.
- d. Net proceeds from the sale of forfeited equipment shall be remitted to the Bureau of Treasury.

Section 7. Supplemental Issuances. The NTC may issue orders, circulars, guidelines and/or regulations in order to supplement the implementation of any provision or group of provisions under this Circular.

Section 8. Repealing Clause. Any Circular, memoranda, order or parts thereof inconsistent with the provisions of this Circular shall be deemed amended or superseded accordingly.

Section 9. Separability Clause. If any clause, provision or section of this Circular is held unconstitutional or invalid, the other sections or provisions not otherwise affected shall remain in full force and effect.

Section 10. Effectivity. This Memorandum Circular shall take effect fifteen (15) days after publication in a newspaper of general circulation and three (3) certified true copies furnished the University of the Philippines Law Center.

Done this 28th day of August 2025, in Quezon City, Philippines.


ELLA BLANCA B. LOPEZ
Commissioner


ALVIN BERNARD N. BLANCO
Deputy Commissioner


ANDRES D. CASTELAR, JR.
Deputy Commissioner