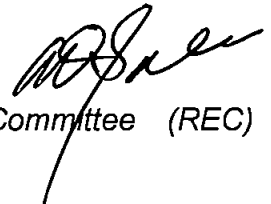


Republic of the Philippines
DEPARTMENT OF ENERGY
Energy Center, Rizal Drive, Bonifacio Global City
Taguig City, Metro Manilla

ADVISORY

TO : All Applicants Under the Philippine Conventional Energy Contracting Program (PCECP) for Petroleum

FROM : **Undersecretary ALESSANDRO O. SALES** 
Chairperson, Review and Evaluation Committee (REC) for Petroleum

SUBJECT : Clarification on the Legal and Financial Requirements for Petroleum Service Contract (PSC) Applications Under the PCECP

DATE : 11 APRIL 2025

In line with the requirements outlined under Annex B of Department Circular No. DC2017-12-0017, this advisory serves to address and clarify the submission of legal and financial documentation by foreign applicants for PSC under the PCECP.

A. Legal Evaluation: Equivalence of Legal Documentation

- i. Foreign applicants shall provide certified true copies of their legal documents and relevant licenses, **duly authenticated by the Philippine Embassy or Consulate in the applicant's country of origin or apostilled in the place of incorporation or where the legal documents were issued.**
- ii. In case the original documents are not in English, an official English translation, duly authenticated, must be provided.
- iii. Applicants must identify the equivalent documents with analysis and explanation why such documents are considered the equivalent of the legal documents outlined in Annex B of Department Circular No. DC2017-12-0017 (PCECP Application Checklist for Petroleum). This analysis must demonstrate the applicant's legal capacity to enter into petroleum service contracts under Philippine laws.

B. Financial Evaluation: Clarification on Section IV-D.1.a of Annex B of DOE Department Circular No. DC2017-12-0017

“Original Copy of the Annual Report or Audited Financial Statements (FS) for the last two (2) years from the filing date and Original Copy of the latest Unaudited FS duly signed by the responsible official such as the President and/or Chief Finance Officer if the Audited FS is more than six (6) months old at the time of filing.”

- i. Applicants must submit original copies of their Audited Financial Statement for the two (2) years preceding the filing date.

If the Audited Financial Statement is more than six (6) months at the time of filing, applicants must also provide original copies of the latest Unaudited Financial Statement, which must be no more than three (3) months old at the time of filing.

- It must be signed by the responsible official such as the President and/or Chief Finance Officer.
- It must have the accompanying Notes to the Financial Statements.

Additionally, the cash balance must be supported by bank certification and accompanied by the Notes to the Financial Statements.

- ii. In case the original documents are not in English, an official English translation, duly authenticated, must be provided.
- iii. In case an *Annual Report* is submitted, it must contain contain a *financial statement*. It must be emphasized that what is most important/essential basis in the financial evaluation is the *financial statement*.

For guidance, attached to this Advisory is the **updated** PCECP Application Checklist for Legal and Financial reflecting the above clarifications.

Should you have questions and/or clarifications, please contact **Assistant Director DEMUJIN F. ANTIPORDA**, Head, REC Technical Working Group (TWG), Direct Line: (+63) 2 88124016, Local Line: (+63) 2 4792900 local 363 / 237 or email: pcecp.prdd@doe.gov.ph.

Please be guided accordingly.

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PHILIPPINE CONVENTIONAL ENERGY CONTRACTING PROGRAM (PCECP)
APPLICATION GUIDELINES FOR PETROLEUM AREAS

PCECP APPLICATION CHECKLIST – LEGAL
(Petroleum)

I. LEGAL

**DOCUMENT
FORMAT**

- 1) Duly filled-out covering information sheet (DOE Format).
- 2) SEC Certificate of Registration or Incorporation.

Original

*Certified
True Copy*

The requirement for a Securities and Exchange Commission (SEC) issued Certificate of Incorporation or Registration serves as definitive proof of a corporation's legal existence and its establishment as a recognized legal entity.

In case of Foreign Applicant:

Submission: _____

Justification/Analysis: _____

- 3) SEC Articles of Incorporation and By-Laws (The corporate purpose of the applicant shall include the exploration and development of petroleum resources).

*Certified
True Copy*

In Philippine jurisdiction, the purpose of the corporation is stated in the Articles of Incorporation (AOI). In submitting the AOI, the same is accompanied by the By-Laws, which sets out the internal rules and regulations governing the corporation's operations, detailing management procedures such as meetings, voting rights, and officer duties.

A corporation can only exercise powers that are express, implied, or incidental to its existence. Express powers are those conferred by law and stated in a company's AOI, particularly in the "purpose clause." The purpose clause generally limits what a corporation can do, otherwise, the act is considered ultra vires

In case of Foreign Applicant:

Submission: _____

Justification/Analysis: _____

- 4) General Information Sheet (GIS) stamped-received by the SEC and not more than 12 months old at the time of filing of application. Certified
True Copy

The General Information Sheet (GIS) is submitted and evaluated to determine, among others, the ownership of the corporation. GIS is a document, which, under Section 177 of Republic Act No. 11232, otherwise known as the Revised Corporation Code of the Philippines, must be submitted and updated annually. The GIS is signed and attested to by the Corporate Secretary. The SEC also mandates that the Beneficial Ownership Declaration be included in the GIS. The beneficial owners must be identified. The term "beneficial owner" refers to any natural person who ultimately owns, controls or exercises ultimate effective control over the corporation.

In case of Foreign Applicant:

Submission: _____

Justification/Analysis: _____

- 5) Certificate of Authority from the Board of Directors of the applicant authorizing designated representative/s to apply, negotiate, sign any document and execute the Petroleum Service Contract (PSC). The said Certificate of Authority shall be executed under oath by the Corporate Secretary. Original

For purposes of ascertaining the authorized representative, applicants submit a document that authorizes specific actions or transactions on behalf of a corporation.

- 6) Joint Venture Agreement, if Applicable; Original

NOTE: For Foreign applicants:

*Document Nos. 2 – 5, applicants shall submit equivalent legal documents issued by the appropriate governing body and duly authenticated by the Philippine Consulate having the appropriate jurisdiction or **apostilled in the place of incorporation or where local documents were issued.***

For Local applicants:

Document Nos. 2 – 4 shall be duly authenticated by the SEC

All members of a Joint Venture shall submit Documents 2 – 5.

- 7) Proof of payment for processing / application fee (DOE Official Receipt) Original

NOTE: *Payment Order / Remittance Slip to be secured from the Office of the Director, ERDB before payment to the Treasury Division*

Petroleum = Php 200,000.00

APPLICATION CHECKLIST – TECHNICAL

II. TECHNICAL	DOCUMENT FORMAT
1) Work program	
<input type="checkbox"/> a) Geological Report (Narrative presentation of the following available data such as geology, coal quality, resource estimate, if available, indicating presence of coal resources at depth).	<i>Digital and printed copy</i>
<input type="checkbox"/> b) Proposed Exploration Work Program (Narrative discussion of the different exploration strategies and methodologies to be employed in delineating coal resources at depth with subsequent manpower complement and projected expenditures on annual basis for each activity with respect to the area or areas specified in the proposal).	<i>Digital and printed copy</i>
<input type="checkbox"/> c) Schedule of works and manpower requirements in Gantt Chart.	<i>Digital and printed copy</i>
<input type="checkbox"/> d) Projected exploration expenditures.	<i>Digital and printed copy</i>
2) Technical documentation	
<input type="checkbox"/> a) Technical and industrial resources available to the applicant for the exploration of coal resources.	<i>Digital and printed copy</i>
<input type="checkbox"/> b) Technical and industrial qualifications, eligibilities and work-related experiences, achievements and track records of the applicant and its employees related to technical and industrial undertakings.	<i>Original</i>
<input type="checkbox"/> c) Operational organization and management structures relative to administration, financial and technical aspects of the applicant.	<i>Original</i>

APPLICATION CHECKLIST – FINANCIAL

III. FINANCIAL	DOCUMENT FORMAT
<p>1) For corporations existing for more than 2 years at the time of filing:</p>	
<input type="checkbox"/> a) Annual Report or Audited Financial Statements (FS) for the last two (2) years from the filing date and latest Unaudited FS duly signed by the responsible official such as the President and/or Chief Finance Officer if the Audited FS is more than six (6) months old at the time of filing. <i>Audited FS as of _____</i> <i>Unaudited FS as of _____</i>	<i>Original</i>
<input type="checkbox"/> b) Bank Certification to substantiate the cash balance as of the latest unaudited FS. <i>Name of Bank _____</i> <i>Bank Certificate dated/as of _____</i>	<i>Original</i>
<input type="checkbox"/> c) Projected Cash Flow (PCF) Statement for three (3) years covering fund sources and uses for the particular offered area, other applied PCECP areas, renewable energy service contract applications, existing service/operating contracts with DOE and other existing business, if applicable. <i>PCF for 20____, 20____, and 20____</i>	<i>Original</i>
<input type="checkbox"/> - Sales Agreement/Purchase Order of buyer for projected revenue on existing operations	<i>Certified True Copy</i>
<input type="checkbox"/> - Sworn Letter of Commitment from stockholders for additional equity/cash infusion	<i>Original</i>
<input type="checkbox"/> - Bank approved loan/credit line earmarked for the proposed operations	<i>Original</i>
<input type="checkbox"/> d) For domestic corporation, latest income tax return filed with the Bureau of Internal Revenue, and duly validated with the tax payments made thereon.	<i>Certified True Copy</i>
<p>2) For newly-organized corporations (existing for two (2) years or less at the time of filing)</p>	
<input type="checkbox"/> a) Audited Financial Statements (FS) or unaudited FS duly signed by the responsible official such as the President and/or Chief Finance Officer.	<i>Original</i>

Audited FS as of _____
Unaudited FS as of _____

- b) Bank Certification to substantiate the cash balance as of the latest unaudited FS. *Original*

Name of Bank _____
Bank Certificate dated/as of _____

- c) Projected Cash Flow (PCF) Statement for three (3) years covering fund sources and uses for the particular offered area, other applied areas, renewable energy service contract applications, existing service/operating contracts with DOE and other existing business, if applicable. *Original*

PCF for 20____, 20____, and 20____

- Sales Agreement/Purchase Order of buyer for projected revenue on existing operations *Certified True Copy*
- Sworn Letter of Commitment from stockholders for additional equity/cash infusion *Original*
- Bank approved loan/credit line earmarked for the proposed operations *Original*

3) For Parent Company's guarantee for corporations with insufficient working capital:

- a) Parent Company's financial documents per Petroleum Application Checklist Items III.1.a and III.1.b. *Original*

- b) Duly notarized Letter of Undertaking/ Support from the Parent Company to fund the Work Program. *Original*

- c) General Information Sheet (GIS) of the shareholder availing of the Parent Company fund guarantee. *Certified True Copy*

NOTE:

- Minimum working capital requirement (Liquid Assets less Current Liabilities) is 100% of the financial commitment for the first contract year of the proposed work program and budget. Liquid Assets shall consist only of cash, trade accounts receivables and short term investments/placements. Credit line is not a Liquid Asset.
- The applicant shall have available working capital for each PCECP application separate from other applied PCECP areas, renewable energy service contract applications and existing energy service/operating contracts.

- **Foreign applicants** must submit original copies of their Audited Financial Statement for the two (2) years preceding the filing date. If the Audited Financial Statement is more than six (6) months at the time of filing, applicants must also provide original copies of the latest Unaudited Financial Statement, which must be no more than three (3) months old at the time of filing. Additionally, the cash balance must be supported by bank certification and accompanied by the Notes to the Financial Statements.
- In cases where the original documents are not in English, a certified English translation from a reputable translation service, duly authenticated, shall be provided.
- All financial statements not originally in US Dollars must be accompanied by a certified conversion to US Dollars, using the prevailing exchange rate at the end of the reporting period.
- Applicants shall provide proof of financial standing, including but not limited to bank guarantees, credit lines, and letters of financial commitment from reputable financial institutions.
- The DOE reserves the right to request additional financial information or clarification as deemed necessary to assess the applicant's financial capability.