



PHILIPPINE ASSOCIATION OF WATER DISTRICTS, INC.

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MEMORANDUM CIRCULAR NO. 1
Series of 2011

To avoid default in the availment of our tax exemption privileges under RA 10026, all WDs are hereby enjoined to observe the requirements enumerated in said law, notwithstanding the non-issuance of the IRR to date.

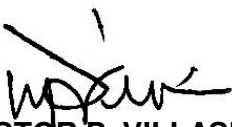
A. AVAILMENT OF TAX EXEMPTION

1. Amount saved from the tax exemption shall be used for:
 - a. Capital equipment expenditure to expand water services coverage and improve water quality.
 - b. The WD shall adopt internal control reforms that would bring about their economic and financial viability.
 - c. The WD shall not increase by more than 20% a year its appropriations for:
 - c.1. Personal Services
 - c.2. Travel and Transportation
 - c.3. Representation Expenses
 - c.4. Purchase of motor vehicles
2. Furnish the Senate and House Committees on Ways and Means, on an annual basis, with statistical data and financial statements regarding their operations and other information as may be required.

B. CONDONATION OF PAST TAXES DUE

1. Compliance with the conditions for condonation of past taxes due shall be the individual concern of the WDs.

Please be guided accordingly.


NESTOR P. VILLASIN
President