



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF TRANSPORTATION  
LAND TRANSPORTATION OFFICE  
East Avenue, Quezon City

E-mail Address: [lto@mailbox@lto.gov.ph](mailto:lto@mailbox@lto.gov.ph) • Website: [www.lto.gov.ph](http://www.lto.gov.ph)

RECORDS & CORRESPONDENCE UNIT	
LTO RECEIVED	
BY: <i>[Signature]</i>	
DATE: <i>6/17/21</i>	TIME: <i>12:45 PM</i>
GENERAL SERVICES SECTION	

**MEMORANDUM CIRCULAR NO. 2021-2270**

TO: **All Regional Directors and  
Heads of All Other Offices Concerned**

DATE: **9 March 2021**

SUBJECT: **UNIFORM GUIDELINES ON THE DISPOSAL OF  
UNCLAIMED IMPOUNDED MOTOR VEHICLES**

U.P. LAW CENTER	
OFFICE of the NATIONAL ADMINISTRATIVE REGISTER	
Administrative Rules and Regulations	
RECEIVED	
TIME: <i>2:50</i>	BY: <i>[Signature]</i>

Pursuant to the provisions of Presidential Decree No. 1729, the Bureau of Land Transportation is authorized to dispose impounded Motor Vehicles (MVs) unclaimed by owners for a certain period of time.

Considering the Commission on Audit's (COA) ruling, the Land Transportation Office (LTO) may conduct its own appraisal prior to the conduct of the public sale of Unclaimed Impounded Motor Vehicles (UIMV) without the need of the Commission's appraisal.

In this light, the LTO hereby promulgates the Uniform Guidelines on the Disposal of Unclaimed Impounded Vehicles.

In view thereof, all the Regional Directors and Heads of the Offices involved are hereby directed to observe and strictly implement the following guidelines:

**A. INVENTORY AND APPRAISAL**

1. The Law Enforcement Service (LES) or Operations Division shall provide an Inventory and Inspection Report of the motor vehicles impounded for six (6) months or more and shall submit the same to the Committee on Disposal of Unclaimed Impounded Motor Vehicles (CDUIMV).
2. The CDUIMV, together with a COA representative, shall conduct a physical inventory of the impounded MVs submitted by the LES or Operations Division. A list of the violations committed using each impounded vehicle which will be subjected to public sale, including its corresponding fines and penalties, will be secured from the Traffic Adjudication Service (TAS). This shall be the basis for the floor price on the public auction.
3. The CDUIMV shall prepare the inventory as well as the fines and penalties of the unclaimed motor vehicles which have been impounded for more than six (6) months. This shall be signed by the CDUIMV and approved by the Assistant Secretary or the Regional Director.

**B. PUBLIC AUCTION**

1. The owners of impounded motor vehicles approved for public sale shall be notified of their rights to settle their fines and penalties then claim their vehicles within fifteen (15) days upon receipt of the notice. The notice will be sent either by registered mail with return card or, if possible, by personal service. Vehicles under encumbrance shall be identified for the purpose of informing the



bank financing involved. After the set deadline, MVs not claimed by its owners or bank financing shall be included in the final list of MVs for public sale. Likewise, the floor price shall also be indicated in the publication.

2. The Invitation to Bid shall indicate the schedule of the public sale, the final list of the UIMVs subject thereof, including the floor prices and amount of lien or encumbrance, if there is any. This Invitation to Bid shall be published in three (3) leading newspapers of general circulation and posted at the LTO Website for three (3) consecutive weeks.
3. Bidders who purchased Bid Forms one (1) week before the rescheduled public sale shall be allowed to conduct an ocular inspection of the MV subject for sale.
4. On the scheduled date of the public sale, a cash bond, which must be at least ten percent (10%) of their bid amount, shall be required from the prospective bidders. After the opening of the bids, the highest bid amount shall be declared as the winning bidder. The Abstract of Bids and the Notice of Award (NOA) shall be issued to the winning bidder.
5. A trust fund shall be opened to secure the total cash amount collected from the winning bidder. Also, this is necessary in cases when the total amount payment of all the fines, penalties, storage fee, and other necessary charges per MV are settled with this Office, the remaining amount will be returned to the owner or bank financing.
6. The CDUIMV shall prepare the Report of the Sale, a copy of the Notice to Proceed (NTP), and other pertinent documents which shall be forwarded to the COA for their information and reference.
7. The winning bidder shall be advised to pull out the awarded vehicles or units within three (3) days, after the receipt of the NTP.
8. The CDUIMV shall issue a Certificate of Sale for every vehicle sold.
9. The CDUIMV shall furnish the Financial Division and the COA copies of all the documents for records and accounting purposes.

**C. RE-REGISTRATION OF AUCTIONED IMPOUNDED MOTOR VEHICLES**

1. A Certification shall be issued by the CDUIMV in the absence of the original Certificate of Registration (CR) and the original Official Receipt (OR) at the time of auction.
2. A Certification shall be issued by the CDUIMV in the absence of the old plate at the time of auction.
3. The CDUIMV shall coordinate with the Management Information Division (MID) to initiate a Request for System Update (RSU) and transfer the auctioned MV /Motorcycle (MC) to the winning bidder.
4. Upon the completion of the RSU, the CDUIMV shall request the TAS or the Operations Division to lift alarms and waive fines and penalties.
5. The Initial Registration of auctioned MV/MC shall state the name of the winning bidder only.

For the guidance and strict compliance of all concerned.

  
**EDGAR C. GALVANTE**  
Assistant Secretary

