

**MEMORANDUM CIRCULAR**

**NO. 18-10-94**

**SUBJECT : SETTING THE MINIMUM PAID-IN CAPITAL REQUIRED FOR  
A COMPANY TO ENGAGE IN A PARTICULAR  
TELECOMMUNICATIONS SERVICE**

Pursuant to Act 146, as amended, Executive Order No. 546 Series of 1979 and Executive Order No. 109 of 1993 and in order to hasten the provision of LEC lines in the countryside, the Commission hereby sets the minimum paid-in capital for a public telecommunications carrier covered by EO 109.

**A. INTERNATIONAL GATEWAY FACILITY (IGF) OPERATORS:**

The IGF operators with obligations pursuant to EO 109 shall install at least 67% of the obligated LEC lines within the first two (2) years of its implementation. The IGF operators must have a paid-in capital of at least 30% of the investment required for the first two (2) years of implementation of the LEC projects broken down as follows:

Year 0	-	5%*
Year 1	-	10%
Year 2	-	15%

**B. CELLULAR MOBILE TELEPHONE SYSTEM (CMTS) OPERATORS:**

Likewise, the CMTS operators with obligations pursuant to EO109 shall install at least 50% of the obligated LEC lines within the first two (2) years of its implementation. The CMTS operators must have a paid-in capital of at least 30% of the investment required for the first two (2) years of implementation of the LEC projects broken down as follows:

Year 0	-	5%*
Year 1	-	10%
Year 2	-	15%

\* Year 0 (Upon approval of the application)

Paid-in capital shall refer to the sum of the paid-up capital and the additional paid-in capital.

This circular shall take effect immediately.

Done in the City of Quezon, Philippines Oct. 25, 1994.

(SGD.) SIMEON L. KINTANAR  
Commissioner

