

SIXTEENTH CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
Second Regular Session )



Senate  
Office of the Secretary

'14 OCT 15 P3:12

SENATE  
S. B. No. 2431

RECEIVED BY: *jc*

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Introduced by Senator Miriam Defensor Santiago

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AN ACT  
AMENDING SECTION 8 OF REPUBLIC ACT NO. 6713, ALSO KNOWN AS THE  
CODE OF CONDUCT AND ETHICAL STANDARDS FOR PUBLIC OFFICIALS  
AND EMPLOYEES PROVIDING FOR STATEMENTS AND DISCLOSURE

EXPLANATORY NOTE

The Constitution, Article 11, Section 17, provides:

A public officer or employee shall, upon assumption of office and as often thereafter as may be required by law, submit a declaration under oath of his assets, liabilities, and net worth. In the case of the President, the Vice-President, the Members of the Cabinet, the Congress, the Supreme Court, the Constitutional Commissions and other constitutional offices, and officers of the armed forces with general or flag rank, the declaration shall be disclosed to the public in the manner provided by law.

Republic Act No. 6713 also known as the Code of Conduct and Ethical Standards for Public Officials mandates all government officials and employees, regardless of their salary grades, to use a uniform SALN form.

In *Flores v. Montemayor*<sup>1</sup>, the Supreme Court emphasized the importance of complying with the constitutional mandate to submit the SALN form. It serves as the basis of the government and the people in monitoring the income and lifestyle of officials and employees in the government in compliance with the Constitutional policy to eradicate corruption, promote transparency in government, and ensure that all government employees and officials lead just and modest lives. It is for this reason that

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<sup>1</sup> GR No. 170146, 25 August 2010.

the SALN must be sworn to and is made accessible to the public, subject to reasonable administrative regulations.

However, under the present SALN form, erring public officials are able to evade the intent of the law by not declaring the money donations received from individuals by reason of their position. Thus, there is a need to amend the law by requiring public officials with Salary Grade 27 and above or heads of office to use a more detailed SALN form, which will require the declaration of the gifts received, financial transactions, and travels for the year.

In addition, under the current SALN guidelines issued by the Civil Service Commission, the acquisition cost of the real properties is used as the basis of computing the net worth. However, this cannot curb the practice of undervaluing the acquisition cost for purposes of avoiding the payment of higher taxes and underdeclaring the property in the SALN. The buyer and seller of a property may state a price, which is less than the fair market value, in the deed of sale. Thus, in order to reflect the true wealth of a government official, this bill further provides that for purposes of computing the declarant's net worth, the current fair market value of the real property indicated in the tax declaration of the real property concerned shall be used.

*Miriam Defensor Santiago*  
MIRIAM DEFENSOR SANTIAGO  
all.

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*Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:*

AN ACT  
AMENDING SECTION 8 OF REPUBLIC ACT NO. 6713, ALSO KNOWN AS THE  
CODE OF CONDUCT AND ETHICAL STANDARDS FOR PUBLIC OFFICIALS  
AND EMPLOYEES, PROVIDING FOR STATEMENTS AND DISCLOSURE

1 SECTION 1. Section 8 of RA 6713 is hereby amended to read as follows:

2 Section 8. Statements and Disclosure. - Public officials and employees have an  
3 obligation to accomplish and submit declarations under oath of, and the public has the  
4 right to know, their assets, liabilities, net worth and financial and business interests  
5 including those of their spouses and of [unmarried] children [under eighteen (18) years of  
6 age living in their households].

7 ONLY IN RARE CIRCUMSTANCES, WHEN THE FINANCIAL INTEREST  
8 OF A SPOUSE OR CHILD MEETS ALL THREE STANDARDS LISTED BELOW,  
9 MAY A FILE OR OMIT DISCLOSURE OF AN ASSET:

10 (1) THE ITEM IS THE SOLE INTEREST OR RESPONSIBILITY OF THE  
11 SPOUSE OR CHILD, AND THE REPORTING INDIVIDUAL HAS NO  
12 KNOWLEDGE OF THE ITEM;

13 (2) THE ITEM WAS NOT IN ANY WAY, PAST OR PRESENT, DERIVED  
14 FROM THE INCOME, ASSETS, OR ACTIVITIES OF THE REPORTING  
15 INDIVIDUAL; AND

1 (3) THE REPORTING INDIVIDUAL NEITHER DERIVES, NOR EXPECTS TO  
2 DERIVE, ANY FINANCIAL OR ECONOMIC BENEFIT FROM THE ITEM.

3 (A) Statements of Assets and Liabilities and Financial Disclosure. - All public  
4 officials and employees, except those who serve in an honorary capacity, laborers and  
5 casual or temporary workers, shall file under oath their Statement of Assets, Liabilities  
6 and Net Worth and a Disclosure of Business Interests and Financial Connections and  
7 those of their spouses and [unmarried] children [under eighteen (18) years of age living in  
8 their households].

9 The two documents shall contain information on the following:

10 (a) real property, its improvements, acquisition costs, assessed value and current  
11 fair market value;

12 (b) personal property and acquisition cost;

13 (c) all other assets such as investments, cash on hand or in banks, stocks, bonds,  
14 and the like;

15 (d) liabilities, and;

16 (e) all business interests and financial connections.

17  
18 The documents must be filed:

19 (a) within thirty (30) days after assumption of office;

20 (b) on or before April 30, of every year thereafter; and

21 (c) within thirty (30) days after separation from the service.  
22

23 All public officials and employees required under this section to file the  
24 aforesaid documents shall also execute, within thirty (30) days from the date of their  
25 assumption of office, the necessary authority in favor of the Ombudsman to obtain from  
26 all appropriate government agencies, including the Bureau of Internal Revenue, such

1 documents as may show their assets, liabilities, net worth, and also their business  
2 interests and financial connections in previous years, including, if possible, the year when  
3 they first assumed any office in the Government.

4 THE CURRENT FAIR MARKET VALUE OF THE REAL PROPERTY  
5 INDICATED IN THE TAX DECLARATION OF THE REAL PROPERTY  
6 CONCERNED SHALL BE USED AS BASIS FOR COMPUTING THE NET WORTH.

7 Husband and wife who are both public officials or employees may file the  
8 required statements jointly or separately.

9 The Statements of Assets, Liabilities and Net Worth and the Disclosure of  
10 Business Interests and Financial Connections shall be filed by:

11 (1) Constitutional and national elective officials, with the national office of the  
12 Ombudsman;

13 (2) Senators and Congressmen, with the Secretaries of the Senate and the House of  
14 Representatives, respectively; Justices, with the Clerk of Court of the Supreme Court;  
15 Judges, with the Court Administrator; and all national executive officials with the Office  
16 of the President.

17 (3) Regional and local officials and employees, with the Deputy Ombudsman in  
18 their respective regions;

19 (4) Officers of the armed forces from the rank of colonel or naval captain, with the  
20 Office of the President, and those below said ranks, with the Deputy Ombudsman in their  
21 respective regions; and

22 (5) All other public officials and employees, defined in Republic Act No. 3019, as  
23 amended, with the Civil Service Commission.

24 PUBLIC OFFICIALS WITH SALARY GRADE 27 AND ABOVE (OFFICERS  
25 WHO ARE UNDER THE JURISDICTION OF THE SANDIGANBAYAN) OR HEADS

1 OF OFFICE SHOULD USE A MORE DETAILED SALN FORM, WHICH INCLUDES  
2 THE FOLLOWING:

3 1. GIFTS – INDICATE THE IDENTITY OF THE SOURCE, A BRIEF  
4 DESCRIPTION, AND THE VALUE OF THE GIFTS.

5 2. FINANCIAL TRANSACTIONS SUCH AS, BUT NOT LIMITED TO,  
6 SALE, DONATION, ASSIGNMENT, INCLUDING THE DATE AND AMOUNT OF  
7 TRANSACTION.

8 3. TRAVELS – REPORT ALL TRAVEL AND TRAVEL-RELATED  
9 REIMBURSEMENTS FROM A SINGLE SOURCE AND CONNECTED TO  
10 OFFICIAL BUSINESS WITH INFORMATION ON THE SOURCE, DATES,  
11 PURPOSE OF THE TRAVEL AND ITINERARY.

12 SECTION 2. *Separability Clause.* – If any provision, or part hereof, is held invalid  
13 or unconstitutional, the remainder of the laws or the provision not otherwise affected  
14 *shall* remain valid and subsisting.

15 SECTION 3. *Repealing Clause.* – Any law, presidential decree or issuance,  
16 executive order, letter of instruction, administrative order, rule or regulation contrary to  
17 or inconsistent with the provisions of this Act is hereby repealed, modified, or amended  
18 accordingly.

19 SECTION 4. *Effectivity Clause.* – This Act shall *take* effect fifteen (15) days after  
20 its publication in at least two (2) newspapers of general publication.

21 Approved,

/dpm