


13 SEP 1915

SENATE

S. No. 1760

RECORDED BY: 

INTRODUCED BY HONORABLE MAR ROXAS

EXPLANATORY NOTE

This Bills seeks to amend R.A. No. 6713, also known as the “Code of Conduct and Ethical Standards for Public Officials and Employees”, to allow the Ombudsman to examine the deposits, deposit substitutes or investments of a public official or employee as well as his/her spouse and children under 18 years of age, whether in private or public offices, banks or financial institutions. This will be done by expanding the authority already granted to the Ombudsman in the Statement of Assets and Liabilities and Financial Disclosure of public officials and employees.

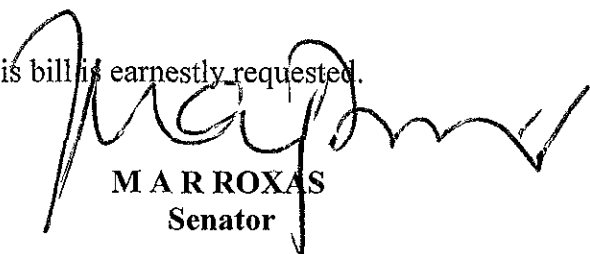
According to studies done by Transparency International, the Philippines lost as much as US\$48 billion to corruption in the last 20 years. Because of the magnitude of the public funds lost to corruption, there is an urgent need to address the problems faced by the Ombudsman in locating, freezing, and seizing all misappropriated public funds or ill gotten wealth at the soonest possible time.

The Constitution provides that a public office is a public trust and that all public officers and employees must at all times be accountable to the people. To implement this policy, R.A. No. 6713 requires, among others, the yearly filing of a Statement of Assets and Liabilities and Financial Disclosure under oath by every public official and employee. Among the information required to be disclosed in the two documents is information on “assets such as investments, cash on hand or in banks, stocks, bonds and the like.” The same law requires all public officials and employees to execute within 30 days from the date of their assumption of office, the necessary authority in favor of the Ombudsman to obtain from all appropriate government agencies, including the Bureau of Internal Revenue, such documents as may show their assets, liabilities, net worth, and also their business interests and financial connections in previous years, including, if possible, the year when they first assumed any office in Government.


The requirement in R.A. No. 6713 of the grant of authority in favor of the Ombudsman is, however, limited by the language of the law itself since the authority granted is only in favor of *appropriate government agencies*. On the other hand, Republic Act No. 1405, also known as the “Bank Secrecy Law”, bars examination of bank deposits and investments in government bonds except, among others, upon written permission of the depositor. Thus, unscrupulous public officials are able to avail of these loopholes to bar inquiry by the Ombudsman.

This Bill seeks to plug the loopholes provided by R.A. Nos. 6713 and 1405 and allow the Ombudsman to inquire into all investments and deposits of a public official, his/her spouse and children under the age of 18, whether they be in private or public offices or institutions.

In view of the foregoing, approval of this bill is earnestly requested.


MAR ROXAS
Senator

SENATE

RECEIVED BY: 

S. No. 1760

INTRODUCED BY HONORABLE MAR ROXAS

AN ACT
ALLOWING THE OMBUDSMAN TO EXAMINE ALL THE BANK DEPOSITS
OF PUBLIC OFFICERS WITH THE LATTER'S WRITTEN CONSENT BY
AMENDING SECTION 8 OF REPUBLIC ACT NO. 6713, OTHERWISE KNOWN
AS THE "CODE OF CONDUCT AND ETHICAL STANDARDS FOR PUBLIC
OFFICIALS AND EMPLOYEES."

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

SECTION 1. Section 8 of Republic Act No. 6713, otherwise known as the "Code of Conduct and Ethical Standards for Public Officials and Employees," is hereby amended to read as follows:

"Section 8. Statement of Disclosure. – Public officials and employees have an obligation to accomplish and submit declarations under oath of, and the public has the right to know their assets, liabilities, net worth and financial and business interest including those of their spouses and of unmarried children under eighteen (18) years of age living in their households.

The two documents shall contain information on the following:

- (a) real property, its improvement, acquisition costs, assessed value and current fair market value;
- (b) personal property and acquisition cost;
- (c) all other assets such as investments, cash on hand or in banks, stocks, bonds and the like;
- (d) liabilities; and
- (e) all business interests and financial connections.

The documents must be filed:

- (a) within thirty (30) days after assumption of office;
- (b) on or before April 30, of every year thereafter; and
- (c) within thirty (30) days after separation from the service.

All public officials and employees required under this section to file the aforesated documents shall also execute, within thirty (30) days from the date of their assumption of office, the necessary authority in favor of the Ombudsman to obtain from all appropriate government agencies, including the Bureau of Internal Revenue, AS WELL AS PRIVATE OFFICES, FIRMS OR INSTITUTIONS, such documents that may show their assets, liabilities, net worth, and also their business interest and financial

connections in previous years, including, if possible, the year when they first assumed any office in the Government.

THE AUTHORITY SHALL INCLUDE AN EXPRESS PERMISSION IN FAVOR OF THE OMBUDSMAN TO EXAMINE ANY OR ALL OF HIS OR HER DEPOSITS AND/OR DEPOSIT SUBSTITUTES, WHETHER OR NOT IDENTIFIED IN THE STATEMENT OF ASSETS AND LIABILITIES, INCLUDING THOSE UNDER THE NAME OF HIS OR HER SPOUSE AND/OR CHILDREN UNDER EIGHTEEN (18) YEARS OF AGE.

THE TERM "DEPOSITS" REFERS TO SAVINGS, DEMAND OR CURRENT, AND, TIME OR FIXED DEPOSITS, AS REFERRED TO IN ARTICLE 1980 OF R.A. NO. 386, OTHERWISE KNOWN AS THE CIVIL CODE.

AS PROVIDED IN R.A. NO. 7653, OTHERWISE KNOWN AS THE "NEW CENTRAL BANK ACT," THE TERM "DEPOSIT SUBSTITUTES" IS DEFINED AS AN ALTERNATIVE FORM OF OBTAINING FUNDS FROM THE PUBLIC, OTHER THAN DEPOSITS, THROUGH THE ISSUANCE, ENDORSEMENT, OR ACCEPTANCE OF DEBT INSTRUMENTS FOR THE BORROWER'S OWN ACCOUNT, FOR THE PURPOSE OF RELENDING OR PURCHASING OF RECEIVABLES AND OTHER OBLIGATIONS. THESE INSTRUMENTS MAY INCLUDE, BUT NEED NOT BE LIMITED TO, BANKER'S ACCEPTANCES, PROMISSORY NOTES, PARTICIPATIONS, CERTIFICATES OF ASSIGNMENT AND SIMILAR INSTRUMENTS WITH RECOURSE, AND REPURCHASE AGREEMENTS.

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

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

- (1) Constitutional and national elective officials, with the national office of the Ombudsman;
- (2) Senators and Congressmen, with the Secretaries of the Senate and the House of Representatives, respectively; Justices, with the Clerk of Court of the Supreme Court; Judges, with the Court Administrator, and all national executive officials with the Office of the President;
- (3) Regional and local officials and employees, with the Deputy Ombudsman in their respective region;
- (4) Officers of the armed forces from the rank of colonel or naval captain, with the Office of the President, and those below said ranks, with the Deputy Ombudsman in their respective regions; and
- (5) All other public officials and employees, defined in Republic Act No. 3019, as amended, with the Civil Service Commission.

(B) *Identification and disclosure of relatives.* – It shall be the duty of every public official or employee to identify and disclose, to the best of his knowledge and information, his relatives in the Government in the form, manner and frequency prescribed by the Civil Service Commission.

(C) *Accessibility of documents.* – (1) Any and all statements filed under this Act, shall be made available for inspection at reasonable hours.

(2) Such statements shall be made available for copying or reproduction after ten (10) working days from the time they are filed as required by law.

(3) Any person requesting a copy of a statement shall be required to pay a reasonable fee to cover the cost of reproduction and mailing of such statement, as well as the cost of certification.

(4) Any statement filed under this Act shall be available to the public for a period of ten (10) years after receipt of the statement. After such period, the statement may be destroyed unless needed in an ongoing investigation.

(D) Prohibited acts. – It shall be unlawful for any person to obtain or use any statement filed under this Act for:

(a) any purpose contrary to morals or public policy; or

(b) any commercial purpose other than by news and communications media for dissemination to the general public.

SECTION 2. *Repealing Clause.* - All laws, decrees and orders or parts thereof inconsistent herewith, are deemed repealed or modified accordingly.

SECTION 3. *Saving Provision.* - Nothing in this Act shall be deemed to affect the full operation of R.A. No. 6713, otherwise known as the "*Code of Conduct and Ethical Standards for Public Officials and Employees.*"

SECTION 4. *Separability Clause.* – The provisions of this Act are hereby declared to be separable and, in the event any of such provisions is declared unconstitutional, the other provisions which are not affected thereby shall remain in full force and effect.

SECTION 5. *Effectivity.* – This Act shall take effect fifteen (15) days following its publications in a newspaper of general circulation in the Philippines.

Approved.