

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

23 AUG 17 P1 :06

SENATE
S.B. No. 2416

1031

Introduced by SENATOR FRANCIS "TOL" N. TOLENTINO

AN ACT
FURTHER AMENDING EXECUTIVE ORDER 878 DATED 4 MARCH
1983, AS AMENDED BY EXECUTIVE ORDER 299 DATED 26 JULY
1987, TO UPGRADE AND CREATE ADDITIONAL POSITIONS IN
THE OFFICE OF THE GOVERNMENT CORPORATE COUNSEL

EXPLANATORY NOTE

Government corporations have a crucial role in the country's economic development. They annually contribute tens of billions to the nation's coffers and are the national government's indispensable partners in nation building particularly in the pursuit of government projects, programs, and initiatives. Notably, the number of government corporations has greatly increased to seven hundred thirty two (732) to date.

The Office of the Government Corporate Counsel (OGCC), as the statutory counsel and the principal law office of government corporations, serves to protect their legal interest and ensure the proficient discharge of their mandate.

The OGCC's vital role in nation building is evident in its stalwart legal support to its client corporations. The assistance it renders is based on institutional knowledge and specialization given the vast experience and collective wisdom which it has achieved in almost a century of public service.

However, the evolution and broadening of the scope of activities of GOCCs have resulted in an increase in the volume, complexity, and importance of the work of the OGCC. Thus, it is necessary to strengthen

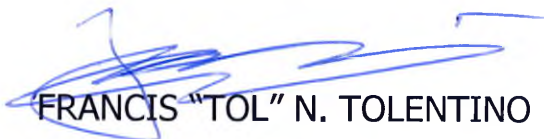
the OGCC's current complement to maintain its effectiveness in addressing the legal needs of its clients.

The proposed legislative measure shall amend the applicable laws and issuances on the organizational structure of the OGCC. The proposed increase in the OGCC's present complement shall require an additional twenty-two (22) lawyer positions. The upgrading of the rank and salary grades of the OGCC lawyers is to keep them at par with the ranks and salary grades of counterpart positions in other government agencies.

The budget necessary to implement this Act, if passed into law, would have minimal to nil impact on the National Budget but is expected to have maximum yield. The necessary budget would improve the efficiency of the OGCC and effectively result in significant savings for the government. The OGCC is expected to assist its growing number of client corporations without legal departments, perform necessary corporate tasks, and handle more cases and concerns of its clients which due to the lack of adequate personnel, would previously require the engagement of external counsel.

It is significant to note that the OGCC's organizational structure and the number of its personnel remained unchanged since the late 1980's. Therefore, it is imperative to strengthen the OGCC to make it more responsive to the needs of its clients in a corporate environment wrought by extensive socio-economic development, technological advancement, and globalization.

In view of the foregoing, the immediate passage of this bill is earnestly sought.

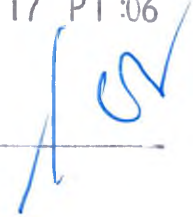

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FURTHER AMENDING EXECUTIVE ORDER 878 DATED 4 MARCH 1983, AS AMENDED BY EXECUTIVE ORDER 299 DATED 26 JULY 1987, TO UPGRADE AND CREATE ADDITIONAL POSITIONS IN THE OFFICE OF THE GOVERNMENT CORPORATE COUNSEL

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

1 **Section 1.** Section 1 of Executive Order (EO) 878, as amended by
2 EO 299, is hereby further amended, as follows:

3
4 SECTION 1. The Office of the Government Corporate
5 Counsel (OGCC) shall be headed by the Government Corporate
6 Counsel whose rank, ~~qualifications for appointment,~~ SALARY,
7 RETIREMENT AND PENSION BENEFITS, emoluments and
8 privileges, shall be the same as those of the Presiding Justice
9 of the Court of Appeals. He shall be assisted by a Deputy
10 Government Corporate Counsel ~~whose rank, emoluments and~~
11 ~~privileges shall be the same as those of an Associate Justice of~~
12 ~~the Court of Appeals, and ten (10)~~ TWELVE (12) Assistant
13 Government Corporate Counsels whose rank, SALARY,
14 RETIREMENT AND PENSION BENEFITS, RIGHTS, emoluments
15 and privileges shall be the same as those of Regional Trial
16 Judge ~~of the Regional Trial Courts~~ an Associate Justice of the
17 Court of Appeals. THE SALARY GRADE CORRESPONDING TO
18 THE POSITION OF THE DEPUTY GOVERNMENT CORPORATE
19 COUNSEL SHALL BE ONE STEP ABOVE THE SALARY GRADE
20 CORRESPONDING TO THE POSIITON OF AN ASSISTANT
21 GOVERNMENT CORPORATE COUNSEL.

22
23 ~~The Government Corporate Counsel, Deputy Government~~
24 ~~Corporate Counsel, and Assistant Government Corporate~~

1 ~~Counsels must be officers learned in law, of recognized~~
2 ~~competence, with experience in the practice of law for at least~~
3 ~~ten (10) years, and at least thirty five (35) years of age.~~

4
5 NO PERSON SHALL BE APPOINTED GOVERNMENT
6 CORPORATE COUNSEL, DEPUTY GOVERNMENT CORPORATE
7 COUNSEL, OR ASSISTANT GOVERNMENT CORPORATE
8 COUNSEL UNLESS HE OR SHE IS A NATURAL-BORN CITIZEN
9 OF THE PHILIPPINES AND HAS BEEN ENGAGED IN THE
10 PRACTICE OF LAW IN THE PHILIPPINES FOR AT LEAST
11 FIFTEEN (15) YEARS.
12

13 The incumbent Government Corporate Counsel, Deputy
14 Government Corporate Counsel, and Assistant Government
15 Corporate Counsels shall be entitled to the RANK, SALARY,
16 RETIREMENT AND PENSION BENEFITS, rights, emoluments
17 and privileges vested upon them BY THIS ACT as of the time of
18 their appointments, AND without need of further appointments.
19
20

21 **Section 2.** Section 4 of EO 878 is hereby amended, as follows:
22

23 Section 4. The number, rank, qualifications for
24 appointment, emoluments and privileges of the other members
25 of the legal staff of OGCC-shall be as follows:
26

27 ~~(a) A first bracket of ten (10) State Corporate Attorneys~~
28 ~~who shall have the rank, qualifications for~~
29 ~~appointment, emoluments and privileges of~~
30 ~~Metropolitan Trial Judges;~~
31

32 A. FOURTEEN (14) GOVERNMENT CORPORATE
33 ATTORNEY IV (GCA IV) POSITIONS. A GCA IV
34 SHALL HAVE THE RANK, SALARY, RETIREMENT
35 AND PENSION BENEFITS, PRIVILEGES AND
36 EMOLUMENTS, OF A JUDGE OF A REGIONAL TRIAL
37 COURT. NO PERSON SHALL BE APPOINTED AS GCA
38 IV UNLESS HE OR SHE IS A NATURAL-BORN
39 CITIZEN OF THE PHILIPPINES AND HAS BEEN
40 ENGAGED IN THE PRACTICE OF LAW IN THE
41 PHILIPPINES FOR AT LEAST TEN (10) YEARS;
42

43
44 ~~(b) A second bracket of seven (7) State Corporate~~
45 ~~Attorneys whose annual compensation shall be as~~

1 ~~provided in Presidential Decree No. 1726 and who~~
2 ~~must be members of the Philippine Bar and have at~~
3 ~~least three (3) years experience in the practice of law;~~
4

5 B. TWENTY-EIGHT (28) GOVERNMENT CORPORATE
6 ATTORNEY III (GCA III) POSITIONS. A GCA III
7 SHALL HAVE THE RANK, SALARY, RETIREMENT
8 AND PENSION BENEFITS, PRIVILEGES AND OTHER
9 EMOLUMENTS, OF A JUDGE OF A METROPOLITAN
10 TRIAL COURT. NO PERSON SHALL BE APPOINTED
11 GCA III UNLESS HE OR SHE IS A NATURAL-BORN
12 CITIZEN OF THE PHILIPPINES AND HAS BEEN
13 ENGAGED IN THE PRACTICE OF LAW IN THE
14 PHILIPPINES FOR AT LEAST FIVE (5) YEARS;
15

16 ~~(c) A third and a fourth bracket of seven (7) State~~
17 ~~Corporate Attorneys each whose annual compensation~~
18 ~~shall be as provided in Presidential Decree No. 1726~~
19 ~~and who must be members of the Philippine Bar and~~
20 ~~have at least two (2) years experience in the practice~~
21 ~~of law;~~
22

23 C. TWENTY-EIGHT (28) GOVERNMENT CORPORATE
24 ATTORNEY II (GCA II) POSITIONS. A GCA III
25 SHALL BE A NATURAL-BORN CITIZEN OF THE
26 PHILIPPINES AND HAVE BEEN ENGAGED IN THE
27 PRACTICE OF LAW IN THE PHILIPPINES FOR AT
28 LEAST FOUR (4) YEARS;
29

30 ~~(d) Ten (10) Trial Attorneys whose annual compensation~~
31 ~~each shall be as provided in Presidential Decree No.~~
32 ~~1726 and who must be members of the Philippine Bar~~
33 ~~and have at least one (1) year experience in the~~
34 ~~practice of law;~~
35

36 D. TWENTY-EIGHT (28) GOVERNMENT CORPORATE
37 ATTORNEY I POSITIONS. A GCA I SHALL BE
38 NATURAL-BORN CITIZEN OF THE PHILIPPINES
39 AND HAVE BEEN ENGAGED IN THE PRACTICE OF
40 LAW IN THE PHILIPPINES FOR AT LEAST THREE
41 (3) YEARS.
42

43 ~~(e) A Senior Research Attorney and five (5) Research~~
44 ~~Attorneys whose annual compensation shall be as~~

1 ~~provided in Presidential Decree No. 1726 and who~~
2 ~~must be members of the Philippine Bar.~~

3
4 E. FOURTEEN (14) ASSOCIATE GOVERNMENT
5 CORPORATE ATTORNEY II POSITIONS. AN AGCA II
6 SHALL BE NATURAL-BORN CITIZEN OF THE
7 PHILIPPINES AND HAVE BEEN ENGAGED IN THE
8 PRACTICE OF LAW IN THE PHILIPPINES FOR AT
9 LEAST TWO (2) YEARS.

10
11 F. FOURTEEN (14) ASSOCIATE GOVERNMENT
12 CORPORATE ATTORNEY I POSITIONS. AN AGCA I
13 SHALL BE NATURAL-BORN CITIZEN OF THE
14 PHILIPPINES AND HAVE BEEN ENGAGED IN THE
15 PRACTICE OF LAW IN THE PHILIPPINES FOR AT
16 LEAST ONE (1) YEAR.

17
18 ~~The number and salaries/compensation of the~~
19 ~~members of the Administrative and support staff of~~
20 ~~the OGCC shall be those indicated in the Staffing~~
21 ~~Pattern and salary schedule attached hereto as Annex~~
22 ~~"A".~~

23
24 THE INCUMBENT MEMBERS OF THE LEGAL STAFF SHALL
25 BE ENTITLED TO THE RIGHTS, SALARY, BENEFITS AND
26 PRIVILEGES VESTED UPON THEM BY THIS ACT AS OF THE
27 TIME OF THEIR APPOINTMENT WITHOUT NEED OF FURTHER
28 APPOINTMENT.

29
30
31 **Section 3.** Section 5 of EO 878 is hereby amended, as follows:

32
33 ~~SEC. 5. The Government Corporate Counsel is hereby~~
34 ~~authorized to reorganize his legal and administrative/support~~
35 ~~staff within three months in such manner as he may deem~~
36 ~~proper to promote the efficiency of the service. Any member of~~
37 ~~the staff not otherwise selected/appointed by the Government~~
38 ~~Corporate Counsel as a result of the reorganization herein~~
39 ~~authorized, or who refuses such appointment, shall be paid the~~
40 ~~money value of his accumulated vacation and sick leave, and~~
41 ~~such retirement gratuity as may be due him under existing~~
42 ~~retirement laws. Anyone not appointed who does not qualify~~
43 ~~under any existing retirement law may be paid one month~~
44 ~~salary for every year of service, payable in lump sum, from out~~

1 of the salary lapses in the Office of the Government Corporate
2 Counsel.
3

4 SECTION 5. ORGANIZATIONAL STRUCTURE. -THE
5 GOVERNMENT CORPORATE COUNSEL HAS THE AUTHORITY
6 TO DISCHARGE THE DUTIES AND FUNCTIONS OF THE OGCC,
7 AND SHALL HAVE CONTROL AND SUPERVISION OVER THE
8 OGCC AND ITS CONSTITUENT UNITS. THE GOVERNMENT
9 CORPORATE COUNSEL SHALL PROMULGATE THE NECESSARY
10 RULES AND REGULATIONS FOR THE IMPLEMENTATION OF
11 THE PROVISIONS OF THIS ACT. UNLESS OTHERWISE
12 DETERMINED BY THE GOVERNMENT CORPORATE COUNSEL,
13 THE LEGAL STAFF SHALL BE DIVIDED INTO TEAMS, EACH TO
14 BE HEADED BY AN AGCC.
15

16 THE OGCC SHALL BE SUPPORTED BY SUCH NUMBER OF
17 NON-LEGAL PERSONNEL NECESSARY AND COMMENSURATE
18 TO THE CURRENT WORKLOAD, AS RECOMMENDED BY THE
19 OGCC AND APPROVED BY THE DEPARTMENT OF BUDGET AND
20 MANAGEMENT. NON-LEGAL PERSONNEL SHALL HAVE THE
21 SAME SALARIES AND BENEFITS AS THOSE OF THEIR
22 COUNTERPARTS IN THE OFFICE OF THE SOLICITOR
23 GENERAL.
24

25 THE ADMINISTRATIVE STRUCTURE OF THE OGCC SHALL
26 BE COMPOSED OF ITS SECRETARIAL AND LEGAL SUPPORT
27 SERVICE; TRAINING, RESEARCH, AND PUBLICATION ARM;
28 FINANCE AND ACCOUNTING SERVICE; HUMAN RESOURCE
29 AND MANAGEMENT SERVICE; CASE AND RECORDS
30 MANAGEMENT SERVICE; LIBRARY MANAGEMENT AND
31 INFORMATION TECHNOLOGY SERVICE; CORPORATE
32 PLANNING SERVICE; AND PROPERTY AND SUPPLY SERVICE.
33 THE LEGAL AND NON-LEGAL PERSONNEL OF THE OGCC
34 OCCUPYING THE POSITIONS AFFECTED BY THE CHANGES
35 EMBODIED IN THIS ACT AT THE TIME OF ITS APPROVAL
36 SHALL THEREAFTER OCCUPY AND DISCHARGE THE DUTIES
37 AND FUNCTIONS OF THE UPGRADED POSITIONS AND
38 RECEIVE THE CORRESPONDING SALARY, BENEFITS, AND
39 PRIVILEGES WITHOUT NECESSITY OF NEW APPOINTMENTS.
40

41 THE SALARIES, BENEFITS, AND PRIVILEGES OF THE
42 PERSONNEL OF THE OGCC GRANTED UNDER THIS ACT SHALL
43 BE INCREASED TO KEEP IN STEP WITH ANY CORRESPONDING
44 INCREASE IN SALARIES AND PRIVILEGES GRANTED TO THEIR
45 RESPECTIVE COUNTERPARTS IN THE JUDICIARY.

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Section 4. Section 7 of EO 878 is hereby amended as follows:

~~SECTION 7. In addition to the appropriation for the Office of the Government Corporate Counsel, the savings of the said office, if any, may be used to carry out this Executive Order.~~
APPROPRIATIONS. - THE AMOUNT NEEDED TO IMPLEMENT THE UPGRADING OF POSITIONS AND SALARIES, OFFICE RIGHT-SIZING, PHYSICAL EXPANSION, AND PAYMENT OF RETIREMENT BENEFITS PROVIDED IN THIS ACT SHALL BE TAKEN FROM THE FUNDS AND BUDGET OF THE OGCC UNDER THE ANNUAL GENERAL APPROPRIATIONS ACT.

Section 5. A Section on repeal is hereby added:

SECTION 8. REPEALING CLAUSE. - ALL OTHER LAWS, ACTS, PRESIDENTIAL DECREES, EXECUTIVE ORDERS, PRESIDENTIAL PROCLAMATIONS, ISSUANCES, RULES AND REGULATIONS, OR PARTS THEREOF WHICH ARE NOT CONTRARY TO OR INCONSISTENT WITH ANY OF THE PROVISIONS OF THIS ACT SHALL REMAIN IN FULL FORCE AND EFFECT.

Section 6. Section 8 of EO 878 is hereby re-numbered as Section 9 and amended as follows:

~~SEC. 8. This Executive Order shall take effect immediately.~~

SECTION 9. EFFECTIVITY. - THIS ACT SHALL TAKE EFFECT FIFTEEN (15) DAYS AFTER ITS PUBLICATION IN THE OFFICIAL GAZETTE OR IN A NEWSPAPER OF GENERAL CIRCULATION.

Approved.