


14th Congress of the Republic)
of the Philippines)
Second Regular Session)

OFFICE OF THE CLERK

9 FEB -3 P3:25

SENATE
SB 3036

RECEIVED BY: 

Introduced by Senator Aquilino Q. Pimentel, Jr.

EXPLANATORY NOTE

The World Bank recently banned seven companies -- three from the Philippines and four from China -- from bidding on its projects due to corruption.

The blacklisted firms were found by the World Bank to have engaged in "collusive practices" during the bidding of projects financed by the former.

The corrupt incidents should not be allowed to recur in any manner or form in this country so that we do not perpetuate corruption in the country.

This bill prohibits corporations, constructions firms, companies, partnerships, associations, legal entities or individuals which or who are officially banned by international funding agencies like the World Bank, for engaging in bribery, corruption or rigging of public biddings, or any act that taints those transactions from participating in any public bidding for construction contracts or agreements of any kind with the government.

The bill also provides that existing contracts of private corporations, construction firms, companies, partnerships, associations, legal entities or individuals entered into with the government that are officially declared by international funding agencies to be impaired by anomalies, irregularities or corruption of any kind shall be rescinded forthwith by the government.

This legislative measure provides that in case of violations of this Act committed by corporations, construction firms, companies, partnerships, associations or legal entities the president, chief executive officer, manager, administrator, directors, or any other officer in charge of the management and administration of the business shall suffer the penalty of imprisonment of not less than six (6) years and one (1) day, but, not more than ten (10) years and a fine of not less than One Million (P1,000,000.00) Pesos at the

of the Court. Likewise, they shall be held civilly and criminally liable under other applicable laws.

In case of government officials violating the provisions of this Act, they shall suffer the penalty of imprisonment of not less than six (6) years and one (1) day, but not more than twelve (12) years and a fine of not less than Five Hundred Thousand (P500,000.00) Pesos nor more than Two Million (P2,000,000.00) Pesos at the discretion of the Court. In addition, the public officer involved shall also suffer the penalty of perpetual absolute disqualification from public office. This is without prejudice to other civil, criminal and administrative cases that may be filed against the public officers concerned.

The Government must be vigilant in defending the integrity and reliability of public transactions, and should hold wrongdoers accountable under the law.

In view thereof, the immediate approval of this bill is earnestly sought.




AQUILINO Q. PIMENTEL, JR.

14th Congress of the Republic)
of the Philippines)
Second Regular Session)

9 FEB -3 P 3:25

SENATE
SB 3036

RECEIVED BY 

Introduced by Senator Aquilino Q. Pimentel, Jr.

AN ACT PROHIBITING CORPORATIONS, CONSTRUCTION COMPANIES, FIRMS, PARTNERSHIPS, LEGAL ENTITIES OR INDIVIDUALS WHICH OR WHO ARE BANNED BY INTERNATIONAL FUNDING AGENCIES LIKE THE WORLD BANK, FROM PARTICIPATING IN ANY PUBLIC BIDDING OR CONSTRUCTION CONTRACT OR AGREEMENT OF ANY KIND WITH THE GOVERNMENT, AND PROVIDING PENALTIES IN VIOLATION THEREOF

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

SECTION 1. *Statement of Policy.* It is the policy of the State to maintain integrity and honesty in the public service and institute appropriate measures to curb graft and corruption. The principle of transparency and accountability in government service, shall, at all times be observed.

SECTION 2. (A) *Prohibition.* Private corporations, construction companies, firms, partnerships, associations, legal entities or persons which or who are banned by international funding agencies like the World Bank, for engaging in bribery, corruption or rigging of public biddings, or any act that corrupts transactions with the government are prohibited from participating in any public bidding or from being awarded construction contracts or any other agreement in any manner or form by government agencies local or national.

(B) The prohibition defined above shall continue to be applicable notwithstanding any change in the names of the private corporations, construction firms, companies, partnerships, associations, legal entities or persons or any alteration in the membership in their boards of directors.

The president, chief executive officer, manager, administrative officer, directors, or any other officer who were involved in the proscribed acts either in their personal capacity or as officer(s) of the corporations, construction firms, companies, partnerships,

associations or legal entities as the persons-in-charge of the management and administration of the business or businesses concerned shall likewise be banned as provided under the first paragraph of this section.

(C) The prohibition on the persons or individuals mentioned in this section shall likewise apply to them personally and to the corporations, construction companies, firms, partnerships, associations, legal entities or persons in which they are stock or share holders, counsel, consultants or investors, officers or employees in any capacity. The prohibition also applies where the individual spouses, children or relatives by consanguinity or affinity of the persons or individuals mentioned in the preceding sentence up to the third civil degree are connected in any of the capacities above mentioned with the aforementioned banned corporations, construction companies, firms, partnerships, associations, legal entities or persons.

SECTION 3. *Rescission of Contract.* Contracts of private corporations, construction firms, companies, partnerships, associations, legal entities or persons entered into with the government which are officially declared by international funding agencies to be impaired by acts of bribery, rigging of bids or any similar corrupt acts or irregularities shall be rescinded by the government within one (1) month from such declaration. Thereafter, the Office of the Solicitor General shall initiate within ten (10) days from the rescission thereof, proper cases for the recovery of funds previously paid to the offending corporations, construction firms, companies, partnerships, legal entities or persons and file the appropriate criminal and civil cases against them.

SECTION 4. *Penalty Clause.* In case of violations of this Act committed by corporations, construction firms, companies, partnerships, associations, or legal entities, the president, chief executive officer, manager, administrator, directors of the board, any other officer in charge of the management and administration of, or the individual running the business or businesses concerned shall suffer the penalty of imprisonment of not less than six (6) years and one (1) day to ten years and a fine of not less than One Million (P1,000,000.00) Pesos or more than Five Million (P5,000,000.00) Pesos. Likewise, the person concerned shall be held civilly and criminally liable under other applicable laws.

In the case of government officials violating the provisions of this Act, they shall suffer the penalty of imprisonment of not less than six (6) years and one (1) day, but not more than twelve (12) years and a fine of not less than Five Hundred Thousand (P500,000.00)

Pesos nor more than Two Million (P2,000,000.00) Pesos. In addition, the public officer involved shall also suffer the penalty of perpetual absolute disqualification from public office. The penalties above mentioned shall be without prejudice to other civil, criminal and administrative cases that may be filed against them.

SECTION 5. *Implementing Rules and Regulations.* – Within sixty (60) days from the approval of this bill, the National Economic Development Authority (NEDA) shall issue such guidelines, orders or rules and regulations as may be necessary to facilitate the implementation of the provisions of this Act.

SECTION 6. *Repealing Clause.* All laws, orders, decrees, proclamations, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 7. *Separability Clause.* If, for any reason, any section or provision of this Act is held unconstitutional or invalid, the other sections or provisions hereof shall not be affected and thereby remain in full force and effect.

SECTION 8. *Effectivity Clause.* This Act shall take effect fifteen (15) days after its complete publication in at least two (2) newspapers of general circulation.

Approved,