

SENATE

S. No. 3358

Prepared by the Committees on Justice and Human Rights, Civil Service and
Government Reorganization *and* Finance
with Senators Trillanes, Escudero and Drilon as Authors thereof.

AN ACT
TO STRENGTHEN THE OFFICE OF THE GOVERNMENT CORPORATE
COUNSEL, BY RE-DEFINING, EXPANDING, STRENGTHENING,
RATIONALIZING AND FURTHER PROFESSIONALIZING ITS
ORGANIZATION, UPGRADING EMPLOYEE BENEFITS AND APPROPRIATING
FUNDS THEREFOR

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

1 **SECTION 1.** *Declaration of Policy* - It shall be the policy of the State to protect
2 and promote the welfare, rights and interests of government-owned and -controlled
3 corporations, their subsidiaries, other corporate offsprings, including government
4 acquired asset corporations, government corporate entities and government
5 instrumentalities with corporate powers, government financial institutions, and other
6 government entities, including economic zones and state universities, referred to as
7 "government corporations".

8
9 Toward this end, the State shall require the improvement of legal services to
10 efficiently and effectively address the expanding needs of these government
11 corporations in accordance with its initiative towards an improved fiscal management
12 and good corporate governance.

13
14 **SECTION 2.** *Jurisdiction and Mandate* - Any law to the contrary
15 notwithstanding, the Office of the Government Corporate Counsel ("OGCC") shall be
16 the legal counsel and principal law office of all government corporations. All
17 government corporations shall refer to the OGCC the following:

- 18
19 a) All legal questions for opinion and advice;
20 b) Prior to their execution, all contracts for review; and
21 c) All cases for representation before regular courts, quasi-judicial bodies,
22 administrative agencies and arbitral tribunals, *provided that*, the Government
23 Corporate Counsel ("GCC") may thereafter authorize the government
24 corporation's legal department as collaborating counsel to handle cases, as the
25 urgency or expediency of circumstances may warrant.

26
27 Moreover, as special and additional duties, the OGCC shall:

- 1 a) Conciliate, mediate, act as hearing officers or adjudicate all disputes or
- 2 controversies exclusively between government corporations;
- 3 b) Exercise control and supervision over the legal departments of all government
- 4 corporations;
- 5 c) Approve the engagement of private lawyers by the government corporations;
- 6 d) Serve as Corporate Secretary in all governing boards of government
- 7 corporations; and
- 8 e) Perform such other special duties or functions as may be found necessary in the
- 9 interest of the service.

10
11 The OGCC shall be an independent and autonomous office attached to the
12 Department of Justice. All opinions and issuances of the OGCC shall be binding on all
13 government corporations.

14
15 **SECTION 3. *Expansion and Upgrading of Positions*** - The GCC shall have cabinet
16 rank and the same prerogatives, salary, allowances, benefits and privileges as the
17 Presiding Justice of the Court of Appeals. He/she shall be assisted by a Deputy
18 Government Corporate Counsel ("DGCC") and twelve (12) Assistant Government
19 Corporate Counsels ("AGCC") who shall all have the rank, salary, allowances,
20 retirement benefits, and privileges of an Associate Justice of the Court of Appeals.

21
22 No person shall be appointed GCC, DGCC or AGCC unless he/she is a natural-
23 born citizen of the Philippines and has been engaged in the practice of law in the
24 Philippines for at least fifteen (15) years. The number, rank, qualifications for
25 appointment, salary, allowances, retirement and other benefits, and privileges of the
26 other members of the legal staff shall be as follows:

- 27
28 (a) Twenty (20) Government Corporate Attorney IV ("GCA IV") who shall have
29 the rank, salary, allowances, retirement benefits, and privileges of a Regional
30 Trial Court Judge. No person shall be appointed GCA IV unless he/she is a
31 natural-born citizen of the Philippines and has been engaged in the practice
32 of law in the Philippines for at least ten (10) years;
- 33
34 (b) Twenty (20) Government Corporate Attorney III ("GCA III") who shall have
35 the rank, salary, allowances, retirement benefits, and privileges of a
36 Metropolitan Trial Court Judge. No person shall be appointed GCA III
37 unless he/she is a natural-born citizen of the Philippines and has been
38 engaged in the practice of law in the Philippines for at least five (5) years;
- 39
40 (c) Twenty (20) Government Corporate Attorney II ("GCA II"), who shall have
41 the rank, salary, allowances, retirement benefits, and privileges of a
42 Municipal Trial Court Judge in Cities. No person shall be appointed GCA II
43 unless he/she is a natural-born citizen of the Philippines and has been
44 engaged in the practice of law in the Philippines; for at least five (5) years.
- 45
46 (d) Twelve (12) Government Corporate Attorney I ("GCA I"). No person shall
47 be appointed GCA I unless he/she is a natural-born citizen of the
48 Philippines and has been admitted to the Philippine Bar;

49
50
51 The GCC, DGCC and AGCC shall be appointed by the President of the
52 Philippines. The other members of the legal staff and administrative personnel shall
53 be appointed by the GCC. Appointments of the DGCC, AGCC and other members of

1 the legal staff shall be deemed permanent upon compliance with the prescribed
2 qualification standards under this law.

3
4 The administrative structure of the OGCC shall be organized into the Finance
5 and Accounting Services, the Human Resource and Management Services, the Case
6 and Records Management Services, the Library Management and Information
7 Technology Services and the Property and Supply Services.

8
9 The legal and non-legal staff of the OGCC occupying the positions affected by
10 the changes embodied in this Act at the time of its approval shall thereafter occupy
11 and discharge the duties and functions of the upgraded positions and receive and
12 receive the corresponding salary, benefits and privileges without necessity of new
13 appointment.

14
15 **SECTION 4.** Compensation - The basic monthly compensation of the OGCC
16 employees shall be as follows:

17

Position	Salary Grade	
	From	To
Government Corporate Counsel	30	31
Deputy Government Corporate Counsel	29	30
Assistant Government Corporate Counsel	29	30
Government Corporate Attorney IV	28	29
Government Corporate Attorney III	27	28
Government Corporate Attorney II	26	27
Government Corporate Attorney I	25	26

18
19 The non-legal personnel shall have the same compensation as that of their
20 counterparts in the Office of the Solicitor General and Court of Appeals.

21
22 The salaries, benefits and privileges of the personnel of the OGCC granted
23 under this Act shall be further increased to match any corresponding increase in
24 salaries and privileges subsequently granted to their respective counterparts in the
25 judiciary.

26
27 **SECTION 5.** *Personnel benefits and privileges* - Provisions of other laws to the
28 contrary notwithstanding, the OGCC may provide its employees the following
29 benefits:

- 30 I. Health care services through a health maintenance organization (HMO).
31 Expenses for the mandatory medical annual check-up of the GCC, the
32 DGCC and the AGCC shall be for the account of the office.
- 33 II. Accident insurance for all employees to be procured by the office at its own
34 expense for travels while in the performance of official duties;
- 35 III. Without prejudice to the efficiency of the service, scholarships for deserving
36 employees on official time and at the expense of the office to upgrade their
37 knowledge and skills; *provided that*, scholars under this provision shall be
38 selected on the basis of merit as determined by competitive examination;
- 39 IV. A provident fund which shall consist of, but not limited to contributions
40 made by the office and by its lawyers and employees to a common fund for
41 the payment of benefits to such lawyers or employees or their respective
42 beneficiaries/heirs.

1 **SECTION 6. Seminar and other Professional Fees** - Subject to availability of funds,
2 fees for relevant seminars, as well as professional membership fees for lawyers,
3 registration fees and related miscellaneous expenses incurred in completing the
4 mandatory continuing legal education (MCLE) shall be borne by the office.
5 Professional membership, registration fees including those for mandatory continuing
6 professional education (CPE), and related miscellaneous expenses of other employees
7 holding positions for which a professional license is required by the office, shall also
8 be borne by the OGCC.

9
10 **SECTION 7. Transportation Benefits** - Subject to availability of funds, employees
11 shall be provided with contracted transportation services until such time that the
12 office can procure additional motor vehicles for this purpose.

13
14 **SECTION 8. Other Benefits** - Provisions of other laws to the contrary
15 notwithstanding, the legal staff of the OGCC are allowed to receive allowances,
16 honoraria, and reimbursement of reasonable expenses from the government
17 corporations. Employees of the OGCC may likewise be extended such benefits and
18 privileges as are given to the employees of their clients. *Provided*, That such
19 allowances or honoraria shall not exceed one hundred percent (100%) of their basic
20 salary as provided under the Salary Standardization Law (Republic Act 6758).

21
22 In addition, any member of the legal staff may be designated by the GCC to act
23 in a concurrent capacity as corporate secretary of, or assigned to perform special or
24 additional tasks in, any of the government corporations and by virtue of such
25 designation or assignment, receive such additional compensation and privileges as
26 maybe granted them by the concerned government corporation.

27
28 **SECTION 9. Attorney's fees and Special Assessment.** - The OGCC is authorized to
29 receive twenty percent (20%) of all the money claims collected by, or
30 awarded/adjudged to government corporations in addition to the attorney's fees
31 awarded by a court, tribunal or panel, including awards/judgments, stipulated under
32 court-approved compromises.

33
34 The OGCC is hereby authorized to use such awards and attorneys fees to meet
35 contingencies, obligations and undertakings, or for employee salaries, allowances,
36 other benefits and incentives in Section 5 hereof, necessary or proper to promote
37 efficiency in the service as determined by the GCC.

38
39 The GCC is likewise authorized to make special assessments upon GOCCs to
40 similarly meet such contingencies, obligations and undertakings, or to provide for
41 employee salaries, allowances, other benefits and incentives, as may be warranted or
42 proper as determined by the GCC.

43
44 Attorney's fees and special assessments shall be deposited in an authorized
45 government depository as a trust liability and shall be made available for expenditure
46 without the need for a Cash Disbursement Ceiling, for purposes of upgrading facilities
47 and equipment, granting of employees' incentive pay and other benefits, and
48 defraying such other incentive expenses not provided for in the General
49 Appropriations Act as may be determined by the GCC. In both cases, the usual
50 accounting and auditing procedures shall apply.

1 **SECTION 10. *Franking Privilege*** - All official matters and telegrams of the
2 OGCC addressed for delivery within the Philippines shall be received, transmitted
3 and delivered free of charge.
4

5 **SECTION 11. *Appropriations*** - The amount needed for employees' salaries,
6 mandatory allowances and benefits under other laws, maintenance and other
7 operating expenses and capital outlay shall be appropriated in the budget of the
8 OGCC under the annual General Appropriations Act.
9

10 **SECTION 12. *Implementing Rules and Regulations*** -Within sixty (60) days from
11 the approval of this Act, the GCC, in consultation with the Secretary of the Justice and
12 Secretary of Budget and Management, shall promulgate such rules and regulations as
13 may be necessary to carry out the provisions of this Act.
14

15 **SECTION 13. *Repealing Clause***- Provisions of Presidential Decree No. 1415
16 dated June 9, 1978 Other provisions of Presidential Decree 1415, Executive Order 292
17 or the Revised Administrative Code of 1987, as amended, Executive Order 878 dated
18 March 4, 1983, Republic Act 6000 dated August 4, 1969 and other pertinent laws rules
19 and regulations shall remain in force and effect unless otherwise contrary or
20 inconsistent with the provisions of this Act.
21

22 **SECTION 14. *Separability Clause*** -If any of the provisions of this Act is declared
23 invalid or unconstitutional, the provisions not affected thereby shall continue to be in
24 full force and effect.
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26 **SECTION 15. *Effectivity*** - This Act shall take effect after fifteen (15) days from
27 its publication in the Official Gazette or in a national newspaper of general circulation.
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29 *Approved,*