

CONGRESS OF THE PHILIPPINES  
SIXTEENTH CONGRESS  
First Regular Session

}



Senate  
Office of the Secretary

73 JUL -4 AIO 31

**SENATE**

S. No. 468

RECEIVED BY: *Jai*

---

INTRODUCED BY SENATOR FRANKLIN M. DRILON

---

**EXPLANATORY NOTE**

Executive Order No. 292, otherwise known as the Administrative Code of 1987, has defined the mandate of the Office of the Government Corporate Counsel (OGCC) as the law office of government-owned and controlled corporations (GOCCs), their subsidiaries, other affiliated entities and government-acquired asset corporations. On account of this, the OGCC has been constituted to protect their legal interests with the provision of a competent, swift and adequate legal service, fully-cognizant of its commitment to uphold justice under the rule of law.

At the moment, a growing number of requests for legal advice and supervision of cases are handled by the OGCC, in addition to the performance of its adjudicatory and other functions. To efficiently and effectively address the expanding requirements of these government corporations, this proposed measure seeks to strengthen the OGCC by re-defining, expanding, strengthening, rationalizing and further professionalizing the OGCC as an organization and upgrading the employee benefits.

Foregoing considered, the approval of this proposed bill is earnestly sought.

  
FRANKLIN M. DRILON



13 JUL -4 10:31

SENATE

S. No. 468

BY: *ju*

---

INTRODUCED BY SENATOR FRANKLIN M. DRILON

---

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

*Be it enacted by the Senate and 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 and promote the  
2 welfare, rights and interests of government-owned and -controlled corporations, their subsidiaries, other  
3 corporate offsprings, including government acquired asset corporations, government corporate entities and  
4 government instrumentalities with corporate powers, government financial institutions, and other  
5 government entities, including economic zones and state universities, referred to as “government  
6 corporations”.

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

10 SEC. 2. *Jurisdiction and Mandate.* — Any law to the contrary notwithstanding, the Office of the  
11 Government Corporate Counsel (OGCC) shall be the legal counsel and principal law office of all  
12 government corporations. All government corporations shall refer to the OGCC the following:

- 13 (a) All legal questions for opinion and advice;  
14 (b) Prior to their execution, all contracts for review; and  
15 (c) All cases for representation before regular courts, quasi-judicial bodies, administrative agencies  
16 and arbitral tribunals: *Provided*, That the Government Corporate Counsel (GCC) may thereafter authorize

1 the government corporation's legal department as collaborating counsel to handle cases, as the urgency or  
2 expediency of circumstances may warrant.

3 Moreover, as special and additional duties, the OGCC shall:

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

10 The OGCC shall be an independent and autonomous office attached to the Department of Justice.

11 All opinions and issuances of the OGCC shall be binding on all government corporations.

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

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

21 (a) Twenty (20) Government Corporate Attorney IV (GCA IV) who shall have the rank, salary,  
22 allowances, retirement benefits, and privileges of a Regional Trial Court Judge. No person shall be  
23 appointed GCA IV unless he/she is a natural-born citizen of the Philippines and has been engaged in the  
24 practice of law in the Philippines for at least ten (10) years;

25 (b) Twenty (20) Government Corporate Attorney III (GCA III") who shall have the rank, salary,  
26 allowances, retirement benefits, and privileges of a Metropolitan Trial Court Judge. No person shall be  
27 appointed GCA III unless he/she is a natural-born citizen of the Philippines and has been engaged in the  
28 practice of law in the Philippines for at least five (5) years;

1 (c) Twenty (20) Government Corporate Attorney II (GCA II), who shall have the rank, salary,  
2 allowances, retirement benefits, and privileges of a Municipal Trial Court Judge in Cities. No person shall be  
3 appointed GCA II unless he/she is a natural-born citizen of the Philippines and has been engaged in the  
4 practice of law in the Philippines for at least five (5) years; and

5 (d) Twelve (12) Government Corporate Attorney I (GCA I). No person shall be appointed GCA I  
6 unless he/she is a natural-born citizen of the Philippines and has been admitted to the Philippine Bar.

7 The GCC, DGCC and AGCC shall be appointed by the President of the Philippines. The other  
8 members of the legal staff and administrative personnel shall be appointed by the GCC. Appointments of  
9 the DGCC, AGCC and other members of the legal staff shall be deemed permanent upon compliance with  
10 the prescribed qualification standards under this law.

11 The administrative structure of the OGCC shall be organized into the Finance and Accounting  
12 Services, the Human Resource and Management Services, the Case and Records Management Services, the  
13 Library Management and Information Technology Services and the Property and Supply Services.

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

18 SEC. 4. *Compensation.* – The basic monthly compensation of the OGCC employees shall be as  
19 follows:

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

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

3           The salaries, benefits and privileges of the personnel of the OGCC granted under this Act shall  
4 further be increased to match any corresponding increase in salaries and privileges subsequently granted to  
5 their respective counterparts in the judiciary.

6           SEC. 5. *Personnel Benefits and Privileges.* – Provisions of other laws to the contrary  
7 notwithstanding, the OGCC may provide its employees the following benefits:

8           (a) Health care services through a health maintenance organization (HMO). Expenses for the  
9 mandatory medical annual check-up of the GCC, the DGCC and the AGCC shall be for the account of the  
10 office.

11           (b) Accident insurance for all employees to be procured by the office at its own expense for travels  
12 while in the performance of official duties;

13           (c) Without prejudice to the efficiency of the service, scholarships for deserving employees on official  
14 time and at the expense of the office to upgrade their knowledge and skills: *Provided That*, scholars under  
15 this provision shall be selected on the basis of merit as determined by competitive examination;

16           (d) A provident fund which shall consist of, but not be limited to, contributions made by the office  
17 and by its lawyers and employees to a common fund for the payment of benefits to such lawyers or  
18 employees or their respective beneficiaries/heirs.

19           SEC. 6. *Seminar and other Professional Fees.* – Subject to availability of funds, fees for relevant  
20 seminars, as well as professional membership fees for lawyers, registration fees and related miscellaneous  
21 expenses incurred in completing the mandatory continuing legal education (MCLE) shall be borne by the  
22 office. Professional membership, registration fees including those for mandatory continuing professional  
23 education (CPE), and related miscellaneous expenses of other employees holding positions for which a  
24 professional license is required by the office, shall also be borne by the OGCC.

25           SEC. 7. *Transportation Benefits.* – Subject to availability of funds, employees shall be provided with  
26 contracted transportation services until such time that the office can procure additional motor vehicles for  
27 this purpose.

1           SEC. 8. *Other Benefits.* – Provisions of other laws to the contrary notwithstanding, the legal staff of  
2 the OGCC are allowed to receive allowances, honoraria and reimbursement of reasonable expenses from the  
3 government corporations. Employees of the OGCC may likewise be extended such benefits and privileges as  
4 are given to the employees of their clients: *Provided,* That such allowances or honoraria shall not exceed  
5 one hundred percent (100%) of their basic salary as provided under the Salary Standardization Law  
6 (Republic Act No. 6758).

7           In addition, any member of the legal staff may be designated by the GCC to act in a concurrent  
8 capacity as Corporate Secretary of, or assigned to perform special or additional tasks in, any of the  
9 government corporations and by virtue of such designation or assignment, receive such additional  
10 compensation and privileges as maybe granted them by the concerned government corporation.

11           SEC. 9. *Attorney's fees and Special Assessment.* – The OGCC is authorized to receive twenty  
12 percent (20%) of all the money claims collected by, or awarded/adjudged to government corporations in  
13 addition to the attorney's fees awarded by a court, tribunal or panel, including awards/judgments, stipulated  
14 under court-approved compromises.

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

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

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

26           SEC. 10. *Franking Privilege.* – All official matters and telegrams of the OGCC addressed for  
27 delivery within the Philippines shall be received, transmitted and delivered free of charge.

1           SEC. 11. *Appropriations.* – The amount needed for employees' salaries, mandatory allowances and  
2 benefits under other laws, maintenance and other operating expenses and capital outlay shall be appropriated  
3 in the budget of the OGCC under the annual General Appropriations Act.

4           SEC. 12. *Implementing Rules and Regulations.* – Within sixty (60) days from the approval of this  
5 Act, the GCC, in consultation with the Secretary of the Justice and Secretary of Budget and Management,  
6 shall promulgate such rules and regulations as may be necessary to carry out the provisions of this Act.

7           SEC. 13. *Repealing Clause.* – Provisions of Presidential Decree No. 1415 dated June 9, 1978, other  
8 provisions of Presidential Decree 1415, Executive Order 292 or the Revised Administrative Code of 1987,  
9 as amended, Executive Order 878 dated March 4, 1983, Republic Act No. 6000 dated August 4, 1969, and  
10 other pertinent laws, rules and regulations shall remain in force and effect unless otherwise contrary or  
11 inconsistent with the provisions of this Act.

12           SEC. 14. *Separability Clause.* – If any of the provisions of this Act is declared invalid or  
13 unconstitutional, the provisions not affected thereby shall continue to be in full force and effect.

14           SEC. 15. *Effectivity.* – This Act shall take effect after fifteen (15) days from its publication in the  
15 *Official Gazette* or in a national newspaper of general circulation.

16        Approved,