

SIXTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



Senate
Office of the Secretary

'13 JUL -4 A11 :05

SENATE

RECEIVED BY: *ji*

S. No. 474

Introduced by Sen. Antonio "Sonny" F. Trillanes IV

Explanatory Note

The Office of the Government Corporate Counsel (OGCC) was found on December 1, 1935 under the DOJ. It was then known as the Government Counsel Division of the DOJ. It acts as the premier law office of government-owned and controlled corporations (GOCCs), their subsidiaries, other corporate offspring and government acquired asset corporations. As such, the OGCC safeguards the legal interest of all GOCCs, their subsidiaries, other corporate offspring and government acquired asset corporations.

This bill seeks to strengthen and further professionalize OGCC by re-defining, expanding, strengthening, and rationalizing its organization. This bill also seeks to provide an upgrade to the compensation as well as the benefits being received by the employees of the OGCC.

It is hoped that thru the passage of this bill, we would have a more effective and efficient OGCC, and that we would retain the services of the people in the OGCC, men and women who are committed to providing excellent and professional service for our country.

In view of the foregoing, immediate approval of this measure is earnestly sought.

ANTONIO "SONNY" F. TRILLANES IV
Senator

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

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

10

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

- 15 A) All legal questions for opinion and advice;
16 B) Prior to their execution, all contracts for review; and

1 C) All cases for representation before regular courts, quasi-judicial bodies, administrative
2 agencies and arbitral tribunals, provided that, the Government Corporate Counsel (GCC) may
3 thereafter authorize the government corporation's legal department as collaborating counsel to
4 handle cases, as the urgency or expediency of circumstances may warrant.

5

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

7 A) Conciliate, mediate, act as hearing officers or adjudicate all disputes or controversies
8 exclusively between government corporations;

9 B) Exercise control and supervision over the legal departments of all government corporations;

10 C) Approve the engagement of private lawyers by the government corporations;

11 D) Serve as Corporate Secretary in all governing boards of government corporations; and

12 E) Perform such other special duties or functions as may be found necessary in the interest of the
13 service.

14 The OGCC shall be an independent and autonomous office attached to the Department
15 of Justice. All opinions and issuances of the OGCC shall be binding on all government
16 corporations.

17

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

24 No person shall be appointed GCC, DGCC or AGCC unless he/she is a natural-born
25 citizen of the Philippines and has been engaged in the practice of law in the Philippines for at
26 least fifteen (15) years.

27 The number, rank, qualifications for appointment, salary, allowances, retirement and
28 other benefits, and privileges of the other members of the legal staff shall be as follows:

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

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

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

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

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

20 The administrative structure of the OGCC shall be organized into the Finance and
21 Accounting Services, the Human Resource and Management Services, the Case and Records
22 Management Services, the Library Management and Information Technology Services and the
23 Property and Supply Services.

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

28

1 **SEC. 4. Compensation.-** The basic monthly compensation of the OGCC employees
2 shall be as 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

3
4 The non-legal personnel shall have the same compensation as that of their counterparts in
5 the Office of the Solicitor General and Court of Appeals.

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

9

10 **SEC. 5. Personnel benefits and privileges.-** Provisions of other laws to the contrary
11 notwithstanding, the OGCC may provide its employees the following benefits:

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

15 II. Accident insurance for all employees to be procured by the office at its own expense for
16 travels while in the performance of official duties;

17 III. Without prejudice to the efficiency of the service, scholarships for deserving employees on
18 official time and at the expense of the office to upgrade their knowledge and skills; *Provided*
19 that, scholars under this provision shall be selected on the basis of merit as determined by
20 competitive examination;

21 IV. A provident fund which shall consist of, but not limited to contributions made by the office
22 and by its lawyers and employees to a common fund for the payment of benefits to such lawyers
23 or employees or their respective beneficiaries/heirs.

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

8
9 **SEC. 7. Transportation Benefits.-** Subject to availability of funds, employees shall be
10 provided with contracted transportation services until such time that the office can procure
11 additional motor vehicles for this purpose.

12
13 **SEC. 8. Other Benefits.-** Provisions of other laws to the contrary notwithstanding, the
14 legal staff of the -OGCC are allowed to receive allowances, honoraria and reimbursement of
15 reasonable expenses from the government corporations. Employees of the OGCC may likewise
16 be extended such benefits and privileges as are given to the employees of their clients. *Provided,*
17 that such allowances or honoraria shall not exceed one hundred percent (100%) of their basic
18 salary as provided under the Salary Standardization Law (Republic Act 6758).

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

24
25 **SEC. 9. Attorney's fees and Special Assessment.-** The OGCC is authorized to receive
26 twenty percent (20%) of all the money claims collected by, or awarded/adjudged to government
27 corporations in addition to the attorney's fees awarded by a court, tribunal or panel, including
28 awards/judgments, stipulated under court-approved compromises.

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

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

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

15
16 **SEC. 10. *Franking Privilege.***- All official matters and telegrams of the OGCC addressed
17 for delivery within the Philippines shall be received, transmitted and delivered free of charge.

18
19 **SEC. 11. *Appropriations.***- The amount needed for employees' salaries, mandatory
20 allowances and benefits under other laws, maintenance and other operating expenses and capital
21 outlay shall be appropriated in the budget of the OGCC under the annual General Appropriations
22 Act.

23
24 **SEC. 12. *Implementing Rules and Regulations.***- Within sixty (60) days from the
25 approval of this Act, the GCC, in consultation with the Secretary of the Justice and Secretary of
26 Budget and Management, shall promulgate such rules and regulations as may be necessary to
27 carry out the provisions of this Act.

1 **SEC. 13. *Repealing Clause.***- Provisions of Presidential Decree No. 1415 dated June 9,
2 1978 Other provisions of Presidential Decree 1415, Executive Order 292 or the Revised
3 Administrative Code of 1987, as amended, Executive Order 878 dated March 4,1983, Republic
4 Act 6000 dated August 4,1969 and other pertinent laws rules and regulations shall remain in
5 force and effect unless otherwise contrary or inconsistent with the provisions of this Act.

6
7 **SEC. 14. *Separability Clause.***- If any of the provisions of this Act is declared invalid or
8 unconstitutional, the provisions not affected thereby shall continue to be in full force and effect.

9
10 **SEC. 15. *Effectivity.***- This Act shall take effect after fifteen (15) days from its
11 publication in the Official Gazette or in a national newspaper of general circulation.

Approved,
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