



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

'13 SEP 19 A8:32

S. B. No. 1727

RECEIVED BY. *ja*

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INTRODUCED BY SENATOR SONNY ANGARA

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EXPLANATORY NOTE

From its creation as a mere division under the Department of Justice during the Commonwealth Period, the Office of the Government Corporate Counsel (OGCC) has grown over the years into a distinct and strategic office which oversees and addresses the legal concerns of approximately 600 government-owned and -controlled corporations, government instrumentalities exercising corporate powers, government financial institutions and government corporate entities, their subsidiaries and corporate offsprings.

Executive Order No. 292, otherwise known as the Administrative Code of 1987, has defined the mandate of the OGCC, declaring that the OGCC shall act as the "principal law office" of all government corporations, and shall exercise control and supervision over all legal departments or divisions thereof maintained separately. Subsequent executive issuances further strengthened and enhanced the OGCC's mandate and responsibilities over the legal affairs of the various government corporations.

In fact, the escalating demands of government corporate activities and transactions coupled with legal developments further underscore the importance of the OGCC's mandate. Records show that the OGCC responds to and handles a sizable number of requests for legal advice and cases per year, in addition to the performance of its adjudicatory and other functions. Based on DOJ data, there are only fifty-seven (57) lawyer positions in the OGCC, handling 3,225 cases in 2010.

The proposed measure therefore seeks to strengthen the OGCC by increasing the number of its personnel and, at the same time, adjusting their compensation and benefits correspondingly to ensure that their organization shall be able to adapt to the changing conditions of and increasing demand for legal service. Suffice it to say that government officials and employees entrusted with the legal concerns of government corporations need to be properly equipped with the necessary training and preparations and, at the same time, be adequately compensated to effectively fulfill their duties and obligations to the State and the Filipino people.

In view of the foregoing reasons, the expeditious approval of this proposed bill is earnestly sought.

  
SENATOR SONNY ANGARA



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Republic of the Philippines  
SENATE OF THE PHILIPPINES  
Pasay City

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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 House of Representatives of the Republic of the Philippines in Congress assembled:*

1 **SECTION 1. Declaration of Policy.** - It shall be the State's policy to protect and  
2 promote the welfare, rights and interests of government owned and controlled  
3 corporations, their subsidiaries, other corporate offspring, including government  
4 acquired asset corporations, government corporate entities and government  
5 instrumentalities with corporate powers, government financial institutions, and  
6 other government corporate entities, agencies and offices, referred here as  
7 **GOCCs.**

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

13  
14  
15 **SEC. 2. Jurisdiction and Mandate.** - (a) Any law to the contrary notwithstanding,  
16 the office of the Government Corporate Counsel (OGCC)

1 shall be the legal counsel and principal law office of all GOCCs. All GOCCs  
2 shall refer to the OGCC the following:

3  
4 (1) All legal questions for opinion and advice;

5  
6 (2) Before their execution, all contracts for review; and,

7  
8 (3) All cases for representation before regular courts, quasi-judicial bodies,  
9 administrative agencies and arbitral tribunals, provided that, the Government  
10 Corporate Counsel ("GCC") may thereafter authorize the GOCCs' legal  
11 department as collaborating counsel to handle cases, as the urgency or  
12 expediency of circumstances may warrant.

13  
14 (b) In addition, the OGCC shall perform the following special  
15 functions:

16  
17 (1) conciliate, mediate, act as hearing officers or adjudicate all disputes or  
18 controversies exclusively between GOCCs;

19  
20 (2) Exercise control and supervision over the legal departments of all GOCCs;

21  
22 (3) Approve the engagement of private lawyers by the GOCCs;

23  
24 (4) Enforce the Property Insurance Law pursuant to Republic Act 656, as  
25 amended by Presidential Decree 245, in domestic or international  
26 transactions;

27  
28 (5) Be detailed or assigned to GOCCs upon their request: *Provided, That* the  
29 GCC shall approve the assignment or designation, including attendance in  
30 meetings requested by GOCCs;

31  
32 (6) Investigate and, in appropriate cases, hear administrative disciplinary  
33 cases involving all lawyers, officials and employees of GOCCs upon the  
34 latter's request and recommend appropriate administrative or disciplinary  
35 sanctions;

36  
37 (7) Conduct periodic performance audit of the in-house lawyers or legal  
38 departments of the GOCCs and to recommend appropriate actions to GOCCs;

39  
40 (8) Require the in-house lawyers or legal departments of GOCCs to submit  
41 periodic reports of work performed and/or accomplished and to supervise  
42 and control the necessary legal action;

43  
44 (9) Conduct research and/or submit position papers on novel/important  
45 questions or issues affecting GOCCs;

1 (10) Conduct fact-finding and preliminary investigation in appropriately  
2 referred cases;

3  
4 (11) Act as corporate officers of GOCCs upon their request;

5  
6 (12) Be assigned as members of technical working groups, bids and awards  
7 committee, tasks force and other committees in relation to GOCC projects;

8  
9 (13) Represent the OGCC in the Board of GOCCs and management  
10 committees; and such other additional works as may be required by GOCCs;  
11 and

12  
13 The OGCC shall be an independent and autonomous office attached to  
14 the Department of Justice for purposes of policy and program coordination.  
15 All opinions and issuances of the OGCC shall be binding on all GOCCs.

16  
17 **SEC. 3. Expansion, upgrading and creation of positions.** - The GCC  
18 shall have a cabinet rank and the same prerogatives, salary, allowances,  
19 benefits and privileges as the Presiding Justice of the Court of Appeals. He/  
20 She shall be assisted by a Deputy Government Corporate Counsel (DGCC)  
21 and twelve (12) Assistant Government Corporate Counsel (AGCC) who shall  
22 have the rank, salary, allowances, retirement benefits and privileges of an  
23 Associate Justice of the Court of Appeals.

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

30  
31 (a) Twenty (20) Government Corporate Attorney IV (GCA IV) who shall have  
32 the rank, salary, allowances, retirement benefits and privileges of a Regional  
33 Trial Court Judge. No person shall be appointed GCA IV unless he/she is a  
34 natural-born citizen of the Philippines and, for at least ten (10) years, has been  
35 engaged in the practice of law in the Philippines;

36  
37 (b) Twenty (20) Government Corporate Attorney III (GCA III) who shall have  
38 the rank, salary, allowances, retirement benefits and privileges of a  
39 Metropolitan Trial Court Judge. No person shall be appointed GCA III unless  
40 he/she is a natural-born citizen of the Philippines and, for at least five (5)  
41 years, has been engaged in the practice of law in the Philippines;

42  
43 (c) Twenty (20) Government Corporate Attorney II (GCA II) who shall have  
44 the rank, salary, allowances, retirement benefits and privileges of a Municipal  
45 Trial Court Judge in Cities. No person shall be appointed GCA II unless

1 he/she is a natural-born citizen of the Philippines and, for at least five (5)  
2 years, has been engaged in the practice of law in the Philippines;

3  
4 (d) Twelve (12) Government Corporate Attorney I (GCA I). No person shall  
5 be appointed GCA I unless he/she is a natural-born citizen of the Philippines  
6 and, for at least two (2) years, has been engaged in the practice of law in the  
7 Philippines;

8  
9 (e) Twelve (12) Legal Research Associate who must be law graduates;

10  
11 The GCC, DGCC and AGCC shall be appointed by the President of the  
12 Philippines. The other members of the legal staff and administrative  
13 personnel shall be appointed by the GCC. Appointments of the DGCC,  
14 AGCC and other members of the legal staff shall be deemed permanent upon  
15 compliance with the prescribed qualification standards.

16  
17 The administrative structure of the OGCC shall be organized into the  
18 Finance and Accounting Services, the Human Resources and Management  
19 Services, the Case and Records Management Services, the Library  
20 Management and Information Technology Services and the Property and  
21 Supply Services.

22  
23 The legal and non-legal staff of the OGCC occupying the positions  
24 affected by the changes embodied in this Act at the time of its approval shall  
25 thereafter occupy and discharge the duties and functions of the upgraded  
26 positions and receive the corresponding salary and benefits without necessity  
27 of new appointment.

28  
29 **SEC. 4. Compensation.** - The basic monthly compensation of the  
30 OGCC officials and employees shall be as follows:

31

Position	Salary Grade	
	From	To
32 Government Corporate Counsel	30	31
33 Deputy Government Corporate Counsel	29	30
34 Assistant Government Corporate Counsel	29	30
35 Government Corporate Attorney IV	28	29
36 Government Corporate Attorney III	27	28
37 Government Corporate Attorney II	26	27
38 Government Corporate Attorney I	25	26
39 Legal Research Associate	22	24

40  
41 Except for the Legal Research Associate positions created under the  
42 foregoing Section, all the other non-legal personnel shall have the same  
43 compensation as that of their counterparts in the Office of the Solicitor  
44 General and Court of Appeals.

45  
46

1 The salaries and privileges of the personnel of the OGCC granted  
2 under this Act may further be increased to match any corresponding increase  
3 in salaries and privileges subsequently granted to their respective  
4 counterparts in the Judiciary.

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

- 9  
10 1. Health care services through a health maintenance organization.  
11 Expenses for the mandatory medical annual check-up of the GCC, the  
12 DGCC and the AGCC shall be for the account of the OGCC;  
13  
14 2. Accident insurance for all officials and employees to be procured by  
15 the OGCC at its own expense during travels while in the performance  
16 of the official duties;  
17  
18 3. Without prejudice to the efficiency of the service, scholarships for the  
19 deserving employees on official time and at the expense of the OGCC  
20 to upgrade their knowledge and skills: *Provided*, That scholars under  
21 this provision shall be selected on the basis of merit as determined by  
22 competitive examination; and  
23  
24 4. A provident fund which shall consist of, but not be limited to  
25 contributions made by the OGCC and by its lawyers and employees to  
26 a common fund for the payment of benefits to such lawyers or  
27 employees or their respective beneficiaries/heirs.

28  
29 **SEC. 6. *Seminar and other Professional Fees.*** - Subject to availability of  
30 funds, fees for relevant seminars, as well as professional membership fees for  
31 lawyers, registration fees and related miscellaneous expenses incurred in  
32 completing the mandatory continuing legal education shall be borne by the  
33 OGCC.  
34

35  
36 Professional membership, registration fees including those for  
37 mandatory continuing professional education, and related miscellaneous  
38 expenses of other employees holding positions for which a professional  
39 license is required by the office, shall also be borne by the OGCC.  
40

41 **SEC. 7. *Transportation Benefits.*** - Subject to availability of funds,  
42 employees shall be provided with contracted transportation services until  
43 such time that the OGCC can procure additional motor vehicles for this  
44 purpose.  
45

1           **SEC. 8. Other benefits.** - Provisions of other laws to the contrary  
2 notwithstanding, the legal staff of the OGCC are allowed to receive  
3 allowances and honoraria from the GOCCs. Employees of the OGCC may  
4 likewise be extended such benefits and privileges as are given to the  
5 employees of their clients.  
6

7           When the exigency of the service so requires, any member of the legal  
8 staff may be designated by the GCC to act in concurrent capacity as corporate  
9 officer of, or assigned to perform special or additional tasks in, any of the  
10 GOCCs and by virtue of such designation or assignment, receive such  
11 additional compensation and privileges as may be granted them by the  
12 concerned GOCC.  
13

14           **SEC. 9. Attorney's Fees and special Assessment.** - The OGCC is  
15 authorized to receive twenty percent (20%) of all the money claims collected  
16 by, or awarded/adjudged to GOCCs, in addition to the attorney's fees  
17 awarded by a court, tribunal or panel, including awards/judgments,  
18 stipulated under court-approved compromise agreements. The OGCC is  
19 hereby authorized to use such awards and attorney's fees to meet  
20 contingencies, obligations and undertakings, or for employee salaries,  
21 allowances, other benefits and incentives, necessary or proper to promote  
22 efficiency in the service as determined by the GCC.  
23

24           The GCC is likewise authorized to make special assessments upon  
25 GOCCs to similarly meet such contingencies, obligations and undertakings,  
26 or to provide for employee salaries, allowances, other benefits and incentives,  
27 as may be warranted or proper as determined by the GCC.  
28

29           Attorney's fees and special assessments shall be deposited in an  
30 authorized government depository as a trust liability and shall be made  
31 available for expenditure without the need for a cash disbursement ceiling,  
32 for purposes of upgrading facilities and equipment, granting of employees'  
33 incentive pay and other benefits, and defraying such other incentive expenses  
34 not provided for in the General Appropriations Act as may be determined by  
35 the GCC. In both cases, the usual accounting and auditing procedures shall  
36 apply.  
37

38           **SEC. 10. Special Allowance.** - The GCC, DGCC, AGCC and other  
39 members of the legal staff may be granted special allowances in such amounts  
40 to be determined by the GCC to implement the salary increase. The grant of  
41 special allowances shall be implemented uniformly in such amounts and up  
42 to the extent only that can be supported by the funding source specified in  
43 Section 11 hereof: *Provided*, That such said special allowances shall not exceed  
44 One Hundred Percent (100%) of their basic salary as provided under the  
45 Salary Standardization Law (Republic Act 6758).  
46

1           **SEC. 11. Funding.** - The funds required for the implementation of this  
2 Act including additional employee benefits under Section 5 shall be taken  
3 from:

- 4
- 5       1. The twenty percent (20%) share of the money claims collected or  
6       awarded in judgments in favor of GOCCs and all attorney's fees  
7       authorized to be received by the OGCC pursuant to this Act and  
8       Executive Order 292 or the Revised Administrative Code of 1987;  
9
  - 10      2. Special Assessments made by the GCC upon GOCCs; and
  - 11
  - 12      3. Other revenues, savings, fees generated and collected and donations  
13      received by the OGCC.  
14

15           **SEC. 12. Franking Privilege.** - The OGCC may transmit through  
16 ordinary mail and/or registered mail with return card, free of charge, all  
17 official communications and papers directly connected with the conduct of its  
18 duties, functions and/or its exercise of administrative supervision over its  
19 personnel.  
20

21           The envelope or wrapper of the privileged mail matter shall bear on  
22 the left upper corner "Office of Government Corporate Counsel" together  
23 with its address and on the right upper corner, the word "Private or  
24 unauthorized use to avoid payment of postage is penalized by fine or  
25 imprisonment or both."  
26

27           **SEC. 13. Appropriations.** - The amount needed for employees' salaries,  
28 mandatory allowances and benefits under other laws and office expenses and  
29 capital outlay shall be appropriated in the budget of the OGCC under the  
30 annual General Appropriations Act.  
31

32           **SEC. 14. Implementing Rules and Regulations.** - Within sixty (60) days  
33 from the approval of this Act, the GCC, in consultation with the Secretary of  
34 Justice and Secretary of Budget and Management, shall promulgate such rules  
35 and regulations as may be necessary to carry out the provisions of this Act.  
36

37           **SEC. 15. Repealing Clause.** - Provisions of Executive Order 292 or the  
38 Revised administrative Code of 1987, as amended, Executive Order 878 dated  
39 March 4, 1983, Presidential Decree 1415 dated June 9, 1978, Republic Act No.  
40 6000 dated August 4, 1969 and other pertinent laws, rules and regulations  
41 shall remain in force and effect unless otherwise contrary or inconsistent with  
42 the provisions of this Act.  
43

44           **SEC. 16. Separability Clause.** - If any of the Provisions of this Act is  
45 declared invalid or unconstitutional, the provisions not affected thereby shall  
46 continue to be in full force and effect.



1  
2       **SEC. 17. Effectivity.** - This Act shall take effect after fifteen (15) days  
3 from its publication in a national newspaper of general circulation.