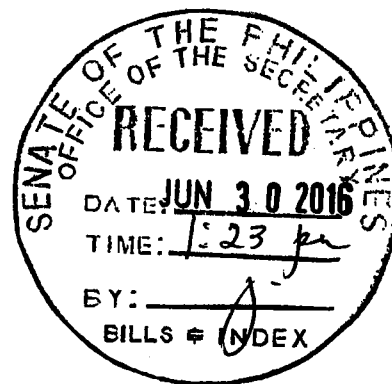


SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



SENATE
S. B. No. 18

Introduced by SENATOR FRANKLIN M. DRILON

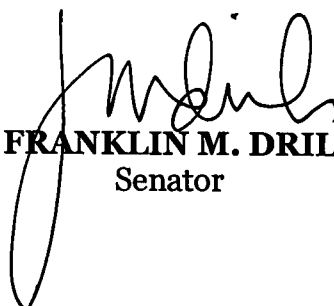
AN ACT TO STRENGTHEN THE OFFICE OF THE GOVERNMENT CORPORATE COUNSEL BY REDEFINING, EXPANDING, STRENGTHENING, RATIONALIZING AND FURTHER PROFESSIONALIZING ITS ORGANIZATION, UPGRADING EMPLOYEE BENEFITS AND APPROPRIATING FUNDS THEREFOR

EXPLANATORY NOTE

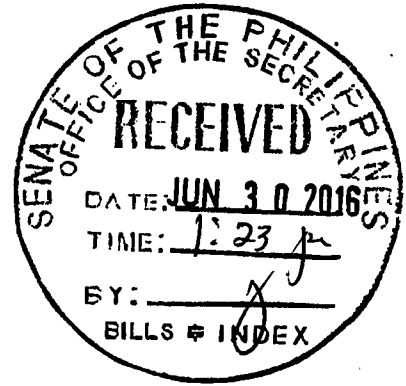
The Office of the Government Corporate Counsel (OGCC) serves as the law office of government-owned and controlled corporations (GOCCs), their subsidiaries, other affiliated entities and government-acquired asset corporations. As such, the OGCC must protect the legal interests of these entities with utmost competence and efficiency at all times.

Considering the expanding legal requirements of the GOCCs, this proposed measure seeks to equip the OGCC with tools to effectively render legal services by redefining, expanding, strengthening, rationalizing and further professionalizing such institution.

In view of the foregoing, the immediate passage of this bill is earnestly sought.


FRANKLIN M. DRILON
Senator

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

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

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

- 16 (a) All legal questions for opinion and advice;
- 17 (b) Prior to their execution, all contracts for review; and

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

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

8 (a) Conciliate, mediate, act as hearing officers or adjudicate all disputes or
9 controversies exclusively between government corporations;

10 (b) Exercise control and supervision over the legal departments of all
11 government corporations;

12 (c) Serve as Corporate Secretary in all boards of government corporations;
13 and

14 (d) Perform such other special works or functions necessary in the interest of
15 the service.

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

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

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

1 appointment, salary, allowances, retirement and other benefits, and privileges of the
2 other members of the legal staff shall be as follows:

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

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

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

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

22 The GCC, DGCC and AGCC shall be appointed by the President of the
23 Philippines. The other members of the legal staff and administrative personnel shall
24 be appointed by the GCC. Appointments of the DGCC, AGCC and other members of
25 the legal staff shall be deemed permanent upon compliance with the prescribed
26 qualification standards under this law,

27 The administrative structure of the OGCC shall be organized into the Finance
28 and Accounting Services, the Human Resource and Management Services, the Case
29 and Records Management Services, the Library and Information Technology
30 Services, and the Property and Supply Services.

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

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

7	8	9	10	
			11	12
13	14	15	16	17
	Position		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

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

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

22 **SEC. 5. Personnel Benefits and Privileges.** - Provisions of other laws to
23 the contrary notwithstanding, the OGCC may provide its employees the following
24 benefits:

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

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

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

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

12 **SEC. 6. Seminar and other Professional Fees.** - Subject to availability
13 of funds, fees for relevant seminars, as well as professional membership fees for
14 lawyers, registration fees and related miscellaneous expenses incurred in completing
15 the Mandatory Continuing Legal Education (MCLE) shall be borne by the office.
16 Professional membership, registration fees including those for required Continuing
17 Professional Education (CPE), and related miscellaneous expenses of other
18 employees holding positions for which a professional license is required by the office,
19 shall also be borne by the OGCC.

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

23 **SEC. 8. Other Benefits.** - Provisions of other laws to the contrary
24 notwithstanding, the legal staff of the OGCC are allowed to receive allowances,
25 honoraria and reimbursement of reasonable expenses from the government
26 corporations. Employees of the OGCC may likewise be extended such benefits and
27 privileges as are given to the employees of their clients: *Provided*, That such
28 allowances or honoraria shall not exceed one hundred percent (100%) of their basic
29 salary as provided under the Salary Standardization Law.

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

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

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

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

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

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

29 **SEC. 11. Appropriations.** - The amount needed for employees' salaries,
30 mandatory allowances and benefits under other laws, maintenance and other

1 operating expenses and capital outlay shall be appropriated in the budget of the
2 OGCC under the annual General Appropriations Act.

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

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

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

16 **SEC. 15. *Effectivity.*** - This Act shall take effect within fifteen (15) days
17 after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,