

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

Office of the Secretary

16 JUL 19 AM 10

SENATE

S. No. 458

Introduced by Senator Antonio "Sonny" F. Trillanes IV

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

EXPLANATORY NOTE

The Office of the Government Corporate Counsel (OGCC) was found on December 1, 1935 under the Department of Justice (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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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
2 promote the welfare, rights and interests of government-owned and -controlled corporations,
3 their subsidiaries, other corporate offsprings, including government acquired asset
4 corporations, government corporate entities and government instrumentalities with corporate
5 powers, government financial institutions, and other government entities, including economic
6 zones and state universities, referred to as "government corporations".
7

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 corporations in
10 accordance with its initiative towards an improved fiscal management and good corporate
11 governance.
12

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

- 18 A) All legal questions for opinion and advice;
- 19 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 Government
3 Corporate Counsel (GCC) may thereafter authorize the government corporation's
4 legal department as collaborating counsel to handle cases, as the urgency or
5 expediency of circumstances may warrant.

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

- 8
9 A) Conciliate, mediate, act as hearing officers or adjudicate all disputes or
10 controversies exclusively between government corporations;
11 B) Exercise control and supervision over the legal departments of all government
12 corporations;
13 C) Approve the engagement of private lawyers by the government corporations;
14 D) Serve as Corporate Secretary in all governing boards of government corporations;
15 and
16 E) Perform such other special duties or functions as may be found necessary in the
17 interest of the service.

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

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

29
30 No person shall be appointed GCC, DGCC or AGCC unless he/she is a natural-born
31 citizen of the Philippines and has been engaged in the practice of law in the Philippines for at
32 least fifteen (15) years.

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

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

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

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

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

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

31 The administrative structure of the OGCC shall be organized into the Finance and
32 Accounting Services, the Human Resource and Management Services, the Case and Records
33 Management Services, the Library Management and Information Technology Services and
34 the Property and Supply Services.

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

5
6 **SEC. 4. Compensation.**- The basic monthly compensation of the OGCC employees
7 shall be as follows:
8

| 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 |

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

11
12 The salaries, benefits and privileges of the personnel of the OGCC granted under this
13 Act shall be further increased to match any corresponding increase in salaries and privileges
14 subsequently granted to their respective counterparts in the judiciary.

15
16 **SEC. 5. Personnel benefits and privileges.**- Provisions of other laws to the contrary
17 notwithstanding, the OGCC may provide its employees the following benefits:

- 18
19 I. Health care services through a health maintenance organization (HMO).
20 Expenses for the mandatory medical annual check-up of the GCC, the DGCC
21 and the AGCC shall be for the account the office.

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

3
4 III. Without prejudice to the efficiency of the service, scholarships for deserving
5 employees on official time and at the expense of the office to upgrade their
6 knowledge and skills; Provided that, scholars under this provision shall be
7 selected on the basis of merit as determined by competitive examination; and
8

9 IV. A provident fund which shall consist of, but not limited to contributions made
10 by the office and by its lawyers and employees to a common fund for the
11 payment of benefits to such lawyer or employees or their respective
12 beneficiaries/heirs.
13

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

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

26 **SEC. 8. Other Benefits.**- Provisions of other laws to the contrary notwithstanding, the
27 legal staff of the OGCC are allowed to receive allowances, honoraria and reimbursement of
28 reasonable expenses from the government corporations. Employees of the OGCC may
29 likewise be extended such benefits and privileges as are given to the employees of their
30 clients. *Provided*, that such allowances or honoraria shall not exceed one hundred percent
31 (100%) of their basic salary as provided under the Salary Standardization Law (Republic Act
32 6758).

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

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

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

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

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

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

32
33 **SEC. 11. *Appropriations.***- The amount needed for employees' salaries, mandatory
34 allowances and benefits under other laws, maintenance and other operating expenses and

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

3'

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

8

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

15

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

19

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

Approved,