

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



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SENATE
S.B. No. 953

RECEIVED BY: 

Introduced by Senator **SONNY ANGARA**

**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

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 4,211 cases in 2015.

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.



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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 promote the
2 welfare, rights and interests of government owned and controlled corporations, their
3 subsidiaries, other corporate offspring, including government acquired asset corporations,
4 government corporate entities and government instrumentalities with corporate powers,
5 government financial institutions, and other government corporate entities, agencies and offices,
6 referred here as GOCCs.

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

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

- 16
17 1. All legal questions for opinion and advice;
18 2. Before their execution, all contracts for review; and,
19 3. All cases for representation before regular courts, quasi-judicial bodies,
20 administrative agencies and arbitral tribunals, provided that, the Government
21 Corporate Counsel ("GCC") may thereafter authorize the GOCCs' legal
22 department as collaborating counsel to handle cases, as the urgency or
23 expediency of circumstances may warrant.
24
25

1 b) In addition, the OGCC shall perform the following special functions:
2

- 3 1. Conciliate, mediate, act as hearing officers or adjudicate all disputes or
4 controversies exclusively between GOCCs;
- 5 2. Exercise control and supervision over the legal departments of all GOCCs;
- 6 3. Approve the engagement of private lawyers by the GOCCs;
- 7 4. Enforce the Property Insurance Law pursuant to Republic Act 656, as amended
8 by Presidential Decree 245, in domestic or international transactions;
- 9 5. Be detailed or assigned to GOCCs upon their request: *Provided*, That the GCC
10 shall approve the assignment or designation, including attendance in meetings
11 requested by GOCCs;
- 12 6. Investigate and, in appropriate cases, hear administrative disciplinary cases
13 involving all lawyers, officials and employees of GOCCs upon the latter's request
14 and recommend appropriate administrative or disciplinary sanctions;
- 15 7. Conduct periodic performance audit of the in-house lawyers or legal department
16 of the GOCCs and to recommend appropriate actions to GOCCs;
- 17 8. Require the in-house lawyers or legal departments of GOCCs to submit periodic
18 reports of work performed and/or accomplished and to supervise and control the
19 necessary legal action;
- 20 9. Conduct research and/or submit position papers on novel/important questions or
21 issues affecting GOCCs;
- 22 10. Conduct fact-finding and preliminary investigation in appropriately referred cases;
- 23 11. Act as corporate officers of GOCCs upon their request;
- 24 12. Be assigned as members of technical working groups, bids and awards
25 committee, task force and other committees in relation to GOCC projects; and
- 26 13. Represent the OGCC in the Board of GOCCs and management committees; and
27 such other additional works as may be required by GOCCs.
28

29 The OGCC shall be an independent and autonomous office attached to the Department
30 of Justice for purposes of policy and program coordination. All opinions and issuances of the
31 OGCC shall be binding on all GOCCs.
32

33 **SEC. 3. Expansion, Upgrading and Creation of Positions.** The GCC shall have a cabinet
34 rank and the same prerogatives, salary, allowances, benefits and privileges as the Presiding
35 Justice of the Court of Appeals. He/She shall be assisted by a Deputy Government Corporate
36 Counsel (DGCC) and twelve (12) Assistant Government Corporate Counsels (AGCC) who shall
37 have the rank, salary, allowances, retirement benefits and privileges of an Associate Justice for
38 the Court of Appeals.
39

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

1 retirement and other benefits and privileges of other members of the legal staff shall be as
2 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 Judge.
6 No person shall be appointed GCA IV unless he/she is a natural-born citizen of the
7 Philippines and, for at least ten (10) years, has been engaged in the practice of law in
8 the Philippines;
 - 9 b) Twenty (20) Government Corporate Attorney III (GCA III) who shall have the rank,
10 salary, allowances, retirement benefits and privileges of a Metropolitan Trial Court
11 Judge. No person shall be appointed GCA III unless he/she is a natural-born citizen of
12 the Philippines and, for at least five (5) years, has been engaged in the practice of law in
13 the Philippines;
 - 14 c) Twenty (20) Government Corporate Attorney II (GCA II) who shall have the rank, salary,
15 allowances, retirement benefits and privileges of a Municipal Trial Court Judge in Cities.
16 No person shall be appointed GCA II unless he/she is a natural-born citizen of the
17 Philippines and, for at least five (5) years, has been engaged in the practice of law in the
18 Philippines;
 - 19 d) Twelve (12) Government Corporate Attorney I (GCA I). No person shall be appointed
20 GCA I unless he/she is a natural-born citizen of the Philippines and, for at least two (2)
21 years, has been engaged in the practice of law in the Philippines;
 - 22 e) Twelve (12) Legal Research Associate who must be law graduates;
- 23

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

28

29 The administrative structure of the OGCC shall be organized into the Finance and
30 Accounting Services, the Human Resources and Management Services, the Case and Records
31 Management Service, the Library Management and Information Technology Services and the
32 Property and Supply Services.

33

34 The legal and non-legal staff of the OGCC occupying the positions affected by the
35 charges embodied in this Act at the time of its approval shall thereafter occupy and discharge
36 the duties and functions of the upgraded positions and receive the corresponding salary and
37 benefits without necessity of new appointment.

1 **SEC. 4. Compensation.** The basic monthly compensation of the OGCC officials and
2 employees shall be as follows:

3	4 Position	5 Salary Grade	
		6 From	7 To
8	Government Corporate Counsel	30	31
9	Deputy Government Corporate Counsel	29	30
10	Assistant Government Corporate Counsel	29	30
11	Government Corporate Attorney IV	28	29
12	Government Corporate Attorney III	27	28
13	Government Corporate Attorney II	26	27
14	Government Corporate Attorney I	25	26
15	Legal Research Associate	22	24

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

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

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

- 25
26 1. Health care services through a health maintenance organization. Expenses for the
27 mandatory medical annual check-up of the GCC, the DGCC and the AGCC shall be for
28 the account of the OGCC;
- 29 2. Accident insurance for all officials and employees to be procured by the OGCC at its
30 own expense during travels while in the performance of the official duties;
- 31 3. Without prejudice to the efficiency of the service, scholarships for the deserving
32 employees on official time and at the expense of the OGCC to upgrade their knowledge
33 and skills: *Provided*, That scholars under this provision shall be selected on the basis of
34 merit as determined by competitive examination; and
- 35 4. A provident fund which shall consist of, but not be limited to contributions made by the
36 OGCC and by its lawyers and employees to a common fund for the payment of benefits
37 to such lawyers or employees or their respective beneficiaries/heirs.

38
39 **SEC. 6. Seminar and other Professional Fees.** Subject to availability of funds, fees for
40 relevant seminars, as well as professional membership fee for lawyers, registration fees and
41 related miscellaneous expenses incurred in completing the mandatory continuing legal
42 education shall be borne by the OGCC.

1 Professional membership, registration fees including those for mandatory continuing
2 professional education, and related miscellaneous expenses of other employees holding
3 positions for which a professional license is required by the office, shall also be borne by the
4 OGCC.

5
6 **SEC. 7. *Transportation Benefits.*** Subject to availability of funds, employees shall be provided
7 with contracted transportation services until such time that the OGCC can procure additional
8 motor vehicles for this purpose.

9
10 **SEC. 8. *Other Benefits.*** Provisions of other laws to the contrary notwithstanding, the legal staff
11 of the OGCC are allowed to receive allowances and honoraria from the GOCCs. Employees of
12 the OGCC may likewise be extended such benefits and privileges as are given to the
13 employees of their clients.

14
15 When the exigency of the service so requires, any member of the legal staff, may be
16 designated by the GCC to act in concurrent capacity as corporate officer of, or assigned to
17 perform special or additional tasks in, any of the GOCCs and by virtue of such, designation or
18 assignment, receive such additional compensation and privileges as may be granted them by
19 the concerned GOCC.

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

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

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

40
41 **SEC. 10. *Special Allowance.*** The GCC, DGCC, AGCC and other members of the legal staff
42 may be granted special allowances in such amounts to be determined by the GCC to implement

1 the salary increase. The grant of special allowances shall be implemented uniformly in such
2 amounts and up to the extent only that can be supported by the funding source specified in Sec.
3 11 hereof: *Provided*, That such said special allowances shall not exceed one hundred percent
4 (100%) of their basic salary as provided under the Salary Standardization Law (Republic Act
5 6758).

6
7 **SEC. 11. *Funding.*** The funds required for the implementation of this Act including additional
8 employee benefits under Section 5 shall be taken from:

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

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

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

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

31
32 **SEC. 14. *Implementing Rules and Regulations.*** Within sixty (60) days from the approval of
33 this Act, the GCC, in consultation with the Secretary of Justice and Secretary of Budget and
34 Management, shall promulgate such rules and regulations as may be necessary to carry out the
35 provisions of this Act.

36
37 **SEC. 15. *Repealing Clause.*** Provisions of Executive Order 292 or the Revised Administrative
38 Code of 1987, as amended, Executive Order 878 dated March 4, 1983, Presidential Decree
39 1415 dated June 9, 1978, Republic Act No. 6000 dated August 4, 1969 and other pertinent
40 laws, rules and regulations shall remain in force and effect unless otherwise contrary or
41 inconsistent with the provisions of this Act.

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

3

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

6

7 Approved,