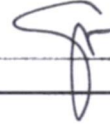


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SENATE

S. No. 186

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Introduced by **SENATOR LEILA M. DE LIMA**

**AN ACT
PROVIDING FOR A COMPREHENSIVE LAW ON STATEMENT OF
ASSETS, LIABILITIES AND NET WORTH AND PROVIDING
PENALTIES FOR VIOLATIONS THEREOF**

EXPLANATORY NOTE

Article XI, Section 16 of the Constitution states that “[a] public officer or employee shall, upon assumption of office and as often thereafter as may be required by law, submit a declaration under oath of his assets, liabilities, and net worth. In the case of the President, the Vice-President, the Members of the Cabinet, the Congress, the Supreme Court, the Constitutional Commissions and other constitutional offices, and officers of the armed forces with general or flag rank, the declaration shall be disclosed to the public in the manner provided by law.”

Section 8 of Republic Act No. 6713, or the Code of Conduct and Ethical Standards for Public Officials and Employees, requires public officials and employees to accomplish and submit Statement of Assets, Liabilities and Net Worth (SALN). It also lays down the guidelines in filing, who are covered, when to file and where to file, among others.

Section 11 of the same provides for the penalties in case of violation of R.A. 6713.

Rule 10, Section 46, subparagraph D.8 of the 2011 Revised Rules on Administrative Cases in the Civil Service provides that “[f]ailure to file sworn statements of assets, liabilities and net worth, and disclosure of business interest and financial connections, including those of their spouses and unmarried

children under 18 years of age living in their households” is an administrative offense and is punishable by suspension of one (1) month and one (1) day to six (6) months for the first offense and by dismissal from service for the second offense.

In May 2018, Former Chief Justice Maria Lourdes Sereno was ousted by a 8-6 vote granting the *quo warranto* petition filed against her before the Supreme Court for failure to file her SALN years prior to her application and appointment as Associate Justice and Chief Justice of the Supreme Court. Such an unfortunate episode in our country’s legal and political history underscores the importance of compliance with the SALN requirements in the case of public officers and employees.

Despite the body of existing rules and regulations regarding the filing of the SALN, there seems to be a lot of loopholes as to the interpretation of the law, thus resulting to the inconsistencies in compliance. A number of concerns or issues were manifested during the 10 April 2018 Oral Arguments before the Supreme Court in the *quo warranto* case against Former Chief Justice Sereno.

One issue raised was whether missing copies of SALN should equate to a presumption of non-filing and therefore should be deemed punishable. The argument raised by the former Chief Justice is that there is a difference between a SALN “not filed” versus “no record on file”.

Another is whether or not R.A. No. 6713 similarly requires covered employees to mandatorily keep copies of filed SALNs throughout their career.

This amendatory bill seeks to fill in the legislative loopholes and to essentially repeal and replace the three (3) governing provisions in the current law. This measure incorporates certain provisions of the Implementing Rules and Regulations of R.A. No. 6713 so as not to leave any more ambiguities in the law.

This proposed comprehensive law governing SALNs aims to:

1. Define who are the covered public officials and employees;
2. Enumerate and highlight all legal obligations of parties concerned in the filing and record keeping of SALNs;

3. Identify the instances when a SALN needs to be filed and when should it be reckoned;
4. Mandate keeping of electronic copies of SALNs;
5. Provide for a schedule when notices should be given to a non-compliant public officer or employee; and
6. Increase corresponding fines in case of a violation of the law.

This piece of legislation shall be the equalizing factor in giving due responsibility and accountability to both the filer and the record keeper of SALNs. Furthermore, this aims to uphold and strengthen what the Framers of the Constitution envisioned SALN to be, as a tool “to promote transparency in the civil service, and operates as a deterrent against government officials bent on enriching themselves through unlawful means.” (*Daplas v. Department of Finance, G.R. No. 22153*)

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


LEILA M. DE LIMA

SENATE

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S. No. 186

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Introduced by **SENATOR LEILA M. DE LIMA**

AN ACT
PROVIDING FOR A COMPREHENSIVE LAW ON STATEMENT OF
ASSETS, LIABILITIES AND NET WORTH AND PROVIDING
PENALTIES FOR VIOLATIONS THEREOF

Be it enacted by the Senate and the House of Representatives of the Philippines in the Congress assembled:

1 Section 1. *Short Title.* – This Act shall be known as “*Comprehensive*
2 *Statement of Assets, Liabilities and Net Worth Act of 2019.*”

3 Sec. 2. *Declaration of Policy.* - It is the policy of the State that public office
4 is public trust. The State has an inherent obligation to promote transparency and
5 curtail corruption in government.

6 **ARTICLE I**

7 **Definition of Terms**

8 Sec. 3. *Definition of Terms.* -

9 (a) *Government* - the National Government, the local governments, and all
10 other instrumentalities, agencies or branches of the Republic of the
11 Philippines, including government-owned or controlled corporations, and
12 their subsidiaries, as defined in Republic Act No. 6713;

13 (b) *Notary Public* - any person commissioned to perform official acts under the
14 Rules on Notarial Practice;

15 (c) *Office Custodian* - an officer designated by the Head of Agency, preferably
16 from the human resources unit or department, to keep track of, and
17 maintain, the files of each public officer and employed individual;

1 (d) *Public Officials and Employees* - elective and appointive officials and
2 employees, permanent or temporary, whether in the career or non-career
3 service, including military and police personnel, whether or not they receive
4 compensation, regardless of amount, as defined in Republic Act No. 6713;

5 (e) *Statement of Assets, Liabilities and Net Worth and Disclosure of Business*
6 *Interests and Financial Connections (SALN)* - this document shall contain
7 information on the following:

8 (i) Statement of Assets, Liabilities and Net Worth, which shall include
9 but shall not be limited to:

10 (1) real property, its improvements, acquisition costs, assessed
11 value and current fair market value;

12 (2) personal property and acquisition cost;

13 (3) all other assets such as investments, cash on hand or in banks,
14 stocks, bonds, and the like;

15 (4) liabilities; and

16 (5) all business interests and financial connections.

17 (ii) Disclosure of Business Interest and Financial Connections, which
18 shall contain information on any existing interest in, or any existing
19 connection with, any business enterprises or entities, whether as
20 proprietor, investor, promoter, partner, shareholder, officer,
21 managing director, executive, creditor, lawyer, legal consultant or
22 adviser, financial or business consultant, accountant, auditor, and
23 the like, the name and addresses of the business enterprises or
24 entities, the dates when such interests or connections were
25 established, and such other details as will show the nature of the
26 interests of connections.

27 **ARTICLE II**

28 **Public Officials and Employees Covered**

29 *Sec. 4. Public Officials and Employees Covered; Where to File.* - The
30 Statement of Assets, Liabilities and Net Worth (SALN) and Disclosure of Business
31 Interests and Financial Connections shall be filed by:

32 (a) Constitutional and national elective officials, with the national office of the
33 Ombudsman;

- 1 (b) Senators and Congressmen, with the Secretaries of the Senate and the
2 House of Representatives, respectively; Justices, with the Clerk of Court of
3 the Supreme Court; Judges, with the Court Administrator; and all national
4 executive officials with the Office of the President;
- 5 (c) Regional and local officials and employees, with the Deputy Ombudsman in
6 their respective regions;
- 7 (d) Officers of the armed forces from the rank of colonel or naval captain, with
8 the Office of the President, and those below said ranks, with the Deputy
9 Ombudsman (OMB) in their respective regions;
- 10 (e) Those applying for, appointed to, or otherwise assuming the office of the
11 above-mentioned high-ranking positions, with the designated Office
12 Custodian in their respective offices;
- 13 (f) All other public officials and employees, defined in Republic Act No. 3019,
14 as amended, with the Civil Service Commission, except those who serve in
15 an honorary capacity, laborers and casual or temporary workers.

16 **ARTICLE III**

17 **Obligation of Parties**

18 *Sec. 5. Duties of Public Officials and Employees.* - All public officials and
19 employees are under obligation:

- 20 (a) to accomplish and submit declarations under oath of their assets, liabilities,
21 net worth and financial and business interests, including those of their
22 spouses and of unmarried children under eighteen (18) years of age living in
23 their households;
- 24 (b) to execute, within thirty (30) days from the date of their assumption of
25 office, the necessary authority in favor of the Ombudsman to obtain from all
26 appropriate government agencies, including the Bureau of Internal
27 Revenue, such documents as may show their assets, liabilities, net worth,
28 and also their business interests and financial connections in previous years,
29 including, if possible, the year when they first assumed any office in the
30 Government;
- 31 (c) to identify and disclose, to the best of his knowledge and information, his
32 relatives in the Government in the form, manner and frequency prescribed
33 by the Civil Service Commission;

1 (d) in case both husband and wife are both public officials or employees, to
2 either file the required SALN jointly or separately.

3 Sec. 6. *Duties of the Office Custodian.* - The Office Custodian is under
4 obligation:

5 (a) upon receipt of SALN, to stamp it has received and thereafter, keep one (1)
6 copy of original statement stamped received in the respective files of each public
7 officer or employee;

8 (b) return to filer copies of the filed SALN stamped as received in triplicate; and

9 (c) keep an electronic copy of the original SALN stamped received of every
10 public officer or employee in the Agency.

11 Provided that, statements under the custody of the Office Custodian, shall
12 be made available:

- 13 i. for inspection at reasonable hours;
- 14 ii. for copying or reproduction after ten (10) working days from the time
15 they are filed as required by law; Provided that, any person
16 requesting a copy of a statement shall be required to pay a reasonable
17 fee to cover the costs of reproduction and mailing of such statement,
18 as well as the cost of certification; and
- 19 iii. for public scrutiny for a period of ten (10) years after receipt of the
20 statement.

21 Provided further that, the Office Custodian shall be required to transmit
22 certified digital copies of statements stamped received to relevant agencies, such
23 as, but not limited to:

- 24 (a) Civil Service Commission (CSC);
- 25 (b) Office of the Ombudsman;
- 26 (c) Bureau of Internal Revenue (BIR).

27 The Department of Information and Communications Technology (DICT)
28 shall assist in establishing secure databases for the electronic copies of the SALN
29 in all government offices required to receive and maintain the same under this Act.

30 Sec. 7. *Duties of the Notary Public and Authorized Officials with Limited*
31 *Capacity.* - In cases when a Notary Public is not available, Heads of Agencies may

1 authorize competent officials in their respective agencies, by written authority, to
2 administer oaths in a limited capacity for purposes of the statements filed in this
3 Act.

4 Provided that, authorized officials are bound to comply with notarial
5 requirements such as, but not limited to:

6 (a) keeping, maintaining, protecting and providing for lawful inspection a book
7 containing chronological entries of acts pertaining to, including the
8 requester's name, address, signature, thumbmark or other recognized
9 identifier and evidence of identity; and

10 (b) keeping an original copy and electronic copy of the sworn statements.

11 Aside from complying with the obligations provided in the notarial law, the
12 Notary Public shall keep the original copies of the sworn statements filed in this
13 Act for a period not exceeding ten (10) years and shall make available copies of such
14 upon lawful order of concerned government agencies or the court. Authorized
15 officials with limited capacity to administer the oaths for purposes of statements
16 filed in this Act shall also be bound by the same notarial requirements.

17 Provided further that, statements under the custody of the Notary Public
18 and the authorized officials with limited capacity shall be made available:

19 (a) for inspection at reasonable hours;

20 (b) for copying or reproduction after ten (10) working days from the time
21 they are filed as required by law; Provided that, any person
22 requesting a copy of a statement shall be required to pay a reasonable
23 fee to cover the cost of reproduction and mailing of such statement,
24 as well as the cost of certification; and

25 (c) for public scrutiny for a period of ten (10) years after receipt of the
26 statement.

27 *Sec. 8. Duties of Heads of Agencies.* - Heads of Agencies shall adopt positive
28 measures to promote observance of the timely and correct filing of the statements
29 including dissemination of information and implementation of programs and
30 workshops on how to file statements according to the provisions of this Act.

31 **ARTICLE IV**

32 **Filing and Record Keeping**

1 Sec. 9. *Filing of SALNs.* - Under oath, covered public officials and employees
2 must accomplish and submit declarations of their assets, liabilities, net worth and
3 financial and business interests.

4 Sec. 10. *When to File.* -

5 (a) Within thirty (30) days after assumption of office, statements of
6 which must be reckoned as of his first day of service;

7 (b) On or before April 30, of every year thereafter, statements of which
8 must be reckoned as of the end of the preceding year; and

9 (c) within thirty (30) days after separation from the service, statements
10 of which must be reckoned as of his last day of office.

11 Sec. 11. *Electronic copies.* - All Office Custodians are mandated to digitize
12 statements under their custody for the purposes of easy retrieval.

13 **ARTICLE V**

14 **Non-filing and Notice**

15 Sec. 12. *Notice.* - In the following instances, the Office Custodian shall issue
16 notices, as follows:

17 (a) Not later than one (1) month before the deadline of filing, general
18 notices or memorandum should be posed in prominent places of the
19 place of work;

20 (b) In case of failure to file on the deadline, an initial written notice shall
21 be issued to the concerned public officer or employee; and

22 (c) Ninety (90) days after the initial written notice was issued but still no
23 compliance, a final notice shall be made expressly stating that the
24 concerned public officer or employee has violated the provisions of
25 this Act. The OMB, CSC, and other disciplinary authorities shall
26 likewise be furnished a copy of the notice sent to the concerned public
27 officer or employee.

28 Sec. 13. *Proof of Non-filing.* - If after a total of three (3) notices were issued
29 but still no compliance, the Office Custodian will:

30 (a) Issue a certification that no sworn statement was filed;

1 (b) Forward the Certification to the concerned public officer or employee
2 and have it stamped received by the concerned public officer or
3 employee; and

4 (c) Keep the said certification stamped received by the concerned public
5 officer or employee in their respective files.

6 **ARTICLE VI**

7 **Review and Compliance Procedure**

8 *Sec. 14. Review and Compliance.* - Heads of Agencies, insofar as their
9 respective offices are concerned, shall:

10 (a) establish procedures for the review of statements to determine whether said
11 statements which have been submitted on time, are complete, and are in
12 proper form; Provided, that in the event a determination is made that a
13 statement is not so filed, they shall so inform the reporting individual and
14 direct him to take the necessary corrective action; and

15 (b) render any opinion, in writing, interpreting this Act, to persons covered by
16 this Act, subject in each instance to the approval by affirmative vote of the
17 majority of the particular House concerned, in the case of the Legislative
18 Department; or the Secretary of Justice, in the case of the Executive
19 Department; and the Chief Justice of the Supreme Court, in the case of the
20 Judicial Department.

21 **ARTICLE VII**

22 **Unlawful Acts and Penalties**

23 *Sec. 15. Unlawful Act and Penalties.* - Violations of this Act shall be
24 punishable with imprisonment not exceeding five (5) years, or a fine not exceeding
25 fifty thousand pesos (P50,000), or both, and, in the discretion of the court of
26 competent jurisdiction, disqualification to hold public office. If the violation is
27 punishable by a heavier penalty under another law, he shall be prosecuted under
28 the latter statute.

29 Provided, a public official or employee concerned may bring an action against
30 any person who obtains a copy of the statement for any purpose contrary to this
31 Act. The court in which such action is brought may assess against such person a
32 penalty in any amount not to exceed fifty thousand pesos (P50,000). If another
33 sanction hereunder or under any other law is heavier, the latter shall apply.

1 Sec. 16. *Promulgation of Rules and Regulations, Administration and*
2 *Enforcement of this Act.* - The Civil Service Commission shall have the primary
3 responsibility in the administration and enforcement of this Act. It shall transmit
4 all cases for prosecution arising from violations of this Act to the proper
5 authorities for appropriate action; Provided, however, that it may institute such
6 administrative actions and disciplinary measures as may be warranted in
7 accordance with law. Nothing in this provision shall be construed as a deprivation
8 of the right of each House of Congress to discipline its Members upon a proper
9 ground.

10 The Civil Service Commission is hereby authorized to promulgate rules and
11 regulations necessary to carry out the provisions of this Act.

12 Sec. 17. *Repealing Clause.* - All laws, executive orders, presidential decrees,
13 presidential proclamations, letters of instruction, rules and regulations or parts
14 thereof which are inconsistent with the provisions of this Act are hereby repealed
15 or modified accordingly.

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

19 Sec. 19. *Effectivity.* - This Act shall take effect fifteen (15) days following its
20 publication in the Official Gazette or in two (2) newspapers of general circulation
21 in the Philippines.

Approved,