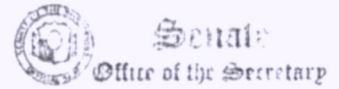


EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



'19 AUG 27 P 4 :04

SENATE
S. B. No. 963

RECEIVED BY:

Introduced by Senator SONNY ANGARA

AN ACT
STRENGTHENING THE OFFICE OF THE GOVERNMENT CORPORATE COUNSEL BY RATIONALIZING AND FURTHER PROFESSIONALIZING ITS ORGANIZATION, UPGRADING POSITIONS AND APPROPRIATING FUNDS THEREFOR

EXPLANATORY NOTE

The Office of the Government Corporate Counsel (OGCC) acts as the statutory counsel of about 714 government-owned or controlled corporations, government instrumentalities exercising corporate powers, government financial institutions and government corporate entities, their subsidiaries and corporate offsprings as well as economic zones, state universities and water districts (which shall all hereinafter be referred collectively as "GOCCs" for brevity) all over the country. Its responsibilities cover all the legal affairs of all the GOCCs and it handles special tasks for them including the exercise of control and supervision over all their legal departments. Its mandate has been further reinforced in subsequent executive issuances to effectively provide legal counsel to the GOCCs in their operations.

The strengthening of the OGCC is long overdue. The existing organizational structure and personnel complement of OGCC was formulated way back in 1978 and has not been amended and improved since then despite the increasing work performed by the OGCC in discharging its mandate. To ensure that OGCC shall be able to adapt to the changing conditions, the increase in the number of its personnel and corresponding adjustment in their compensation and benefits is inevitable.

For decades, the legal guidance and assistance provided by the OGCC by way of legal representations, legal opinions, drafting and review of contracts, performance of special tasks the exercise of control and supervision over its legal

departments, enabled the GOCCs to more efficiently perform their respective mandates within the bounds of the law.

With OGCC as statutory counsel, GOCCs do not need to engage private lawyers to address their legal requirements. The GOCCs are able to generate savings and utilize its much needed funds for its core purposes, which would otherwise be allocated for legal fees of private lawyers if OGCC has not existed.

With the growth in the number of GOCCs coupled with the complexities of their requirements brought by the modern business situations and conditions, the increase in the request for the legal services of OGCC, not only in terms of volume, but also the nature of the services required, call for specialization and expertise in specific fields of law.

The Officials and employees of OGCC who are entrusted with the legal concerns of the GOCCs need to be properly equipped and be adequately compensated to effectively fulfill their duties and responsibilities.

In line with the principle of National Government's thrust to standardize and rationalize the current compensation framework in the bureaucracy, the positions, salaries and benefits of the lawyers and administrative staff of the OGCC should be at par with the salary grades, positions, salaries and benefits of its counterparts in the Department of Justice performing similar functions and providing similar legal services. It is for this reason that the OGCC needs a new Charter upgrading the positions, salaries and benefits of its employees and increasing the number of its legal personnel and administrative staff.

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



SONNY ANGARA



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AN ACT
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ORGANIZATION, UPGRADING POSITIONS AND APPROPRIATING FUNDS
THEREFOR

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

1 Section 1. *Short Title.* – This act shall be known as the "OGCC Charter".

2 Sec. 2. *Declaration of Policy.* – It shall be the policy of the State to protect
3 and promote the welfare, rights and interests of government-owned or controlled
4 corporations (GOCCs), government financial institutions (GFIs), government
5 instrumentalities with corporate powers (GCIPs), government corporate entities
6 (GCEs) as defined in Republic Act 10149 as well as their subsidiaries and corporate
7 offsprings including economic zones, state universities and water districts, all
8 collectively referred to in this Act as government corporations (GOCCs).

9 Toward this end, the State shall require the improvement of legal services to
10 efficiently address the expanding needs of these government corporations in
11 accordance with its initiative towards an improved fiscal management and good
12 corporate governance. It shall be the mandate of the OGCC to safeguard the legal
13 interest of the government corporations.

14 Sec. 3. *Power, Jurisdiction and Mandate.* – Any law to the contrary
15 notwithstanding, the Office of the Government Corporate Counsel ("OGCC") shall be

1 the statutory counsel and principal law office of all government corporations. All
2 government corporations shall refer to the OGCC the following:

- 3 a) All important legal questions for opinion and advice;
- 4 b) All contracts for review: *Provided*, That the GCC may, from time to time,
5 determine which contract shall no longer be submitted to OGCC; and
- 6 c) All cases for representation before regular courts, quasi-judicial bodies,
7 administrative agencies and arbitral tribunals: *Provided*, That the Government
8 Corporate Counsel (GCC) may thereafter authorize the government
9 corporation's legal department or retained counsel as collaborating counsel to
10 handle cases, as the urgency or expediency of circumstances may warrant.

11 The OGCC shall:

- 12 a) Exercise control and supervision over the legal departments of all government
13 corporations and conduct periodic performance audit of the in-house lawyers
14 or legal departments of government corporations and to recommend
15 appropriate actions to them;
- 16 b) Conciliate, mediate, act as hearing officers or adjudicate all disputes on
17 controversies exclusively between government corporations;
- 18 c) Investigate and, in appropriate cases, hear administrative disciplinary cases
19 involving all lawyers, officials and employees of government corporations
20 upon the latter's request and recommend appropriate administrative or
21 disciplinary sanctions;
- 22 d) Conduct fact-finding and preliminary investigation in appropriately referred
23 cases;
- 24 e) Act as Corporate Secretary or any other officer of government corporations
25 upon their request;
- 26 f) Be assigned as members of technical working groups, bids and awards
27 committee, task force and other committees in relation to government
28 corporations' projects;
- 29 g) Be detailed or assigned to government corporations upon their request:
30 *Provided*, That GCC approves the assignment or designation, including
31 attendance in meetings requested by government corporations;

- 1 h) Represent the OGCC in the Governing Board and management committees of
2 government corporations;
- 3 i) Approve the engagement of private lawyers by the government corporations;
4 and
- 5 j) Perform such other functions necessary in the interest of the service.

6 *Sec. 4. Expansion and Upgrading of Positions. –*

7 A. The Government Corporate Counsel ("GCC") shall have the rank, salary,
8 allowances, retirement and pension benefits, emoluments, prerogatives and
9 privileges as the Presiding Justice of the Court of Appeals. He/she shall be assisted
10 by a Deputy Government Corporate Counsel ("DGCC") and twelve (12) Assistant
11 Government Corporate Counsels ("AGCC") who shall have the rank, salary,
12 allowances, retirement and pension benefits, emoluments, prerogatives and
13 privileges of an Associate Justice of the Court of Appeals.

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

17 B. The number, rank, salary, allowances, retirement and pension benefits,
18 emoluments, prerogatives and privileges of the other members of the legal staff
19 shall be as follows:

20 1) The present ten (10) Government Corporate Attorney IV ("GCA IV")
21 shall be increased to sixteen (16) and they shall have the rank, salary,
22 allowances, retirement and pension benefits, emoluments, prerogatives
23 and privileges of a Regional Trial Court Judge. No person shall be
24 appointed as GCA IV unless he/she is a natural-born citizen in the
25 Philippines and, for at least ten (10) years, has been engaged in the
26 practice of law in the Philippines;

27 2) The present fourteen (14) Government Corporate Attorney III ("GCA
28 III") shall be increased to nineteen (19) and they shall have the rank,
29 salary, allowances, retirement and pension benefits, emoluments,
30 prerogatives and privileges of a Metropolitan Trial Court Judge. No
31 person shall be appointed GCA III unless he/she is a natural-born

1 citizen of the Philippines and, for at least five (5) years, has been
2 engaged in the practice of law in the Philippines.

3 3) The present seventeen (17) Government Corporate Attorney II ("GCA
4 II") shall be increased to twenty (20) who shall be natural-born citizens
5 of the Philippines and have been engaged in the practice of law in the
6 Philippines for at least three (3) years;

7 4) The present four (4) Government Corporate Attorney I ("GCA I") shall
8 be increased to twelve (12) who shall be natural-born citizens of the
9 Philippines and have been engaged in the practice of law in the
10 Philippines for at least one (1) year.

11 The GCC, DGCC and AGCCs shall be appointed by the President of the
12 Philippines. The other members of the legal and administrative personnel shall be
13 appointed by the GCC. Except for the GCC, the appointments of the DGCC and
14 AGCCs shall be permanent upon compliance with the prescribed qualification
15 standards under this law.

16 The GCC may appoint in coterminous capacity two (2) lawyers with the same
17 rank, salary, allowances and other benefits of an AGCC and two (2) lawyers with the
18 same rank, salary, allowances and other benefits of a GCA IV, who shall form part of
19 his confidential staff.

20 *Sec. 5. Organizational Structure.* – The OGCC shall be headed by the GCC,
21 who is the principal law officer and legal defender of all the government
22 corporations. He shall have the authority and responsibility for the exercise of the
23 OGCC's mandate and for the discharge of its duties and functions, and shall have
24 supervision and control over the OGCC and its constituent units. The GCC shall
25 promulgate necessary rules & regulations for the implementation of the provisions of
26 this law.

27 The GCC shall be assisted by the DGCC, AGCCs and such number of GCAs as
28 may be necessary to operate the OGCC.

29 Unless otherwise determined by the GCC, the legal staff shall be divided into
30 teams, each to be headed by an AGCC.

31 The administrative structure of the OGCC shall be composed of the Secretarial
32 and Legal Support Services, Finance and Accounting Services, Human Resource and

1 Management Services, Case and Records Management Services, Library
2 Management and Information Technology Services, Corporate Planning Services and
3 Property and Supply Services.

4 The legal and non-legal personnel of the OGCC occupying the positions
5 affected by the changes embodied in this Act at the time of its approval shall
6 thereafter occupy and discharge the duties and functions of the upgraded positions
7 and receive the corresponding salary, benefits and privileges without necessity of
8 new appointments.

9 Sec. 6. *Compensation.* – The salary grades for the basic monthly
10 compensation of the OGCC legal personnel shall be as follows:

Position	Salary Grade
Government Corporate Counsel	31
Deputy Government Corporate Counsel	30
Assistant Government Corporate Counsel	30
Government Corporate Attorney IV	29
Government Corporate Attorney III	28
Government Corporate Attorney II	27
Government Corporate Attorney I	26

11 The 150 non-legal personnel shall be composed of the following: two (2)
12 Chief Administrative Officers; one (1) Budget Officer V; one (1) Executive Assistant
13 (EA) V; two (2) EA IV; one (1) EA III; one (1) Accountant IV; four (4) Supervising
14 Administrative Officers; one (1) Planning Officer IV; eleven (11) Administrative
15 Officers (AO) V; one (1) Librarian IV; one (1) Information Technology Officer; one
16 (1) Computer Main Technician; one (1) Librarian III; four (4) AOs III; three (3) AOs
17 II; twelve (12) Senior Administrative Assistant III; one (1) Planning Analyst II;
18 twenty (20) Administrative Assistant (ADAS) VI; one (1) Computer Operator III;
19 twelve (12) ADAS V; twelve (12) ADAS III; one (1) Bookkeeper III; three (3)
20 Records Officer I; fourteen (14) ADAS II; five (5) ADAS I; one (1) Chauffeur IV; one

1 (1) Security Guard III; ten (10) ADA VI; one (1) Driver IV; one (1) Buyer II;
2 fourteen (14) ADA IV; and six (6) ADA III.

3 The non-legal personnel shall have the same salaries and benefits as that of
4 their counterparts in the Office of the Solicitor General.

5 The salaries, benefits and privileges of the personnel of the OGCC granted
6 under this Act shall automatically be increased to keep in step with any
7 corresponding increase in salaries and privileges subsequently granted to their
8 respective counterparts in the judiciary, the Office of the Solicitor General and the
9 Court of Appeals.

10 *Sec. 7. Personnel Benefits and Privileges.* – Provisions of other laws to the
11 contrary notwithstanding, and subject to availability of funds, the OGCC may provide
12 its employees the following benefits:

- 13 i. Health care services through a health maintenance organization (HMO).
- 14 ii. Accident insurance for all employees for approved travels while in the
15 performance of official duties;
- 16 iii. Provided the efficiency of the service is not prejudiced, scholarships for the
17 deserving employees on official time to upgrade their knowledge and skills.
18 *Provided further,* That scholars under this provision shall be selected on the
19 basis of merit as determined by competitive examination; and
- 20 iv. A Provident Fund which shall consist of, but not be limited to contributions
21 made by the OGCC and by its employees;
- 22 v. Reimbursement of registration fees and expenses for trainings and seminars,
23 Mandatory Continuing Legal Education fees and professional license fees.

24 *Sec. 8. Other Benefits.* – Provisions of other laws to the contrary
25 notwithstanding, the legal personnel of the OGCC are authorized and shall continue
26 to receive allowances and honoraria from government corporations which shall not
27 exceed One Hundred Percent (100%) of their annual basic salary. The employees
28 of the OGCC may likewise be extended such benefits and privileges as are given to
29 the employees of government corporations.

30 *Sec. 9. Retirement Benefits.* – Any law to the contrary notwithstanding, and
31 consistent with Section 4 of this Act granting them the same retirement benefits and
32 privileges of their counterparts in the judiciary, the retirement benefits of the GCC,

1 DGCC, AGCC, GCA IV and GCA III shall be automatically increased whenever there is
2 an increase in the salaries and allowances of the same positions from which he or
3 she retired.

4 Sec. 10. *Attorney's Fees and Special Assessment.* – The OGCC is authorized to
5 receive twenty percent (20%) of the money claims collected by, or
6 awarded/adjudged to government corporations, in addition to the attorney's fees
7 awarded by a court, tribunal, or panel, including awards/judgments, stipulated under
8 court-approved compromise agreements. The OGCC is hereby authorized to use
9 such awards and attorney's fees to meet contingencies, obligations and undertakings
10 and/ or for employee benefits and incentives, necessary or proper to promote
11 efficiency in the service as determined by the GCC.

12 The GCC is likewise authorized to make special assessments upon
13 government corporations and to disburse and use the same for such contingencies,
14 obligations and undertakings, and to provide for employees' benefits and incentives
15 allowed under the law.

16 Attorney's fees and special assessments shall be deposited in an authorized
17 government depository and shall be made available for expenditure without the
18 need for a cash disbursement ceiling for purposes of meeting obligations and
19 contingencies, upgrading facilities and equipment, granting of employees' benefits
20 and incentives and defraying such other expenses not provided for in the General
21 Appropriations Act subject to accounting and auditing procedures.

22 Sec. 11. *Franking Privilege.* – All official matters and telegrams of the OGCC
23 addressed for delivery within the Philippines shall be received, transmitted and
24 delivered free of charge.

25 Sec. 12. *Appropriations.* – The amount needed for employees' salaries,
26 mandatory allowances and benefits under other laws, maintenance and other
27 operating expenses and capital outlay shall be appropriated in the budget of the
28 OGCC under the annual General Appropriations Act.

29 Sec. 13. *Separability Clause.* – If any portion or provision of this Act is
30 subsequently declared invalid or unconstitutional, other provisions hereof which are
31 not affected thereby shall remain in full force and effect.

32 Sec. 14. *Repealing Clause.* – All other laws, acts, presidential decrees,

1 executive orders, presidential proclamations, issuances, rules and regulations, or
2 parts thereof which are contrary to or inconsistent with any of the provisions of this
3 Act are hereby repealed, amended, or modified accordingly.

4 Sec. 15. *Effectivity.* – This Act shall take effect fifteen (15) days after its
5 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,