

S E N A T E

COMMITTEE REPORT NO. 507

Submitted jointly by the Committees on Justice and Human Rights; Civil Service, Government Reorganization and Professional Regulation; and Finance on JAN 25 2022.

Re: Senate Bill No. 2490 Prepared by the Committees

Recommending its approval in substitution of Senate Bill Nos. 912, 963, 1029 , 1310.

Sponsor: Richard J. Gordon

MR. PRESIDENT:

The Committees on Justice & Human Rights; Civil Service, Government Reorganization and Professional Regulation; and Finance to which were referred **Senate Bill No. 912**, by Senator Ramon Bong Revilla, Jr., entitled:

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

Senate Bill No. 963, introduced by Senator Sonny Angara, entitled:

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

Senate Bill No. 1029, introduced by Senator Vicente C. Sotto III, entitled:

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

and **Senate Bill No. 1310**, introduced by Senator Ronald "Bato" Dela Rosa, entitled:

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

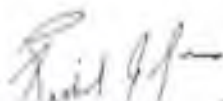
have considered the same and have the honor to report them back to the Senate with the recommendation that the attached **Senate Bill No. 2490**, prepared by the Committees, entitled:

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

be approved in substitution of Senate Bill Nos. 912, 963, 1029, 1310, with Senators Revilla Jr., Angara, Sotto III, Dela Rosa, and Gordon as authors thereof.

Respectfully submitted:

Chairpersons



RICHARD J. GORDON

Committee on Justice and Human Rights
Vice-Chairperson, Committee on Finance



RAMON BONG REVILLA, JR.

Committee on Civil Service,
Government Reorganization and
Professional Regulation
Member, Committee on Finance



SONNY ANGARA

Committee on Finance
Member, Committee on Justice and
Human Rights

Vice-Chairpersons



JOEL VILLANUEVA

Committees on Civil Service, Government Reorganization and Professional Regulation, and Finance

PANFILO M. LACSON

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Senate President

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SENATE

S. NO. 2490



(In Substitution of Senate Bill Nos. 912, 963, 1029, 1310)

Prepared jointly by the Committees on Justice and Human Rights; Civil Service, Government Reorganization and Professional Regulation; and Finance with Senators Ramon Bong Revilla, Jr., Sonny Angara, Vicente C. Sotto III, Ronald "Bato" M. Dela Rosa, and Richard J. Gordon as authors

AN ACT

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

Be it enacted by the Senate and House of Representatives of the Philippines in 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 and
- 3 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), and government corporate entities
- 6 (GCEs) as defined in Republic Act No. 10149 otherwise known as the "GOCC
- 7 Governance Act of 2011", as well as their subsidiaries and corporate off-springs
- 8 including economic zones, and water districts, all collectively referred to in this Act as
- 9 government corporations (GOCCs).

1 Toward this end, the State shall require the improvement of legal services to
2 efficiently address the expanding needs of these government corporations in
3 accordance with its initiative towards an improved fiscal management and good
4 corporate governance. It shall be the mandate of the OGCC to safeguard the legal
5 interest of the government corporations.”

6 **SEC. 3. Power, Jurisdiction and Mandate.** – The Office of the Government
7 Corporate Counsel (OGCC) shall be the statutory counsel and principal law office of all
8 government corporations. All government corporations shall refer to the OGCC the
9 following:

- 10 a. All important legal questions for opinion and advice;
- 11 b. All contracts for review, provided that the GCC may from time to time
12 determine which contract shall no longer be submitted to OGCC; and
- 13 c. All cases for representation before regular courts, quasi-judicial bodies,
14 administrative agencies and arbitral tribunals, provided that, the
15 Government Corporate Counsel (GCC) may thereafter authorize the
16 government corporation's legal department or retained counsel as
17 collaborating counsel to handle cases, as the urgency or expediency of
18 circumstances may warrant.

19 The OGCC shall:

- 20 d. Exercise control and supervision over the legal departments of all
21 government corporations and conduct periodic performance audit of the in-
22 house lawyers or legal departments of government corporations and to
23 recommend appropriate actions to them;

- 1 e. Conciliate, mediate, act as hearing officers or adjudicate all disputes on
2 controversies exclusively between government corporations;
- 3 f. Investigate and, in appropriate cases, hear administrative disciplinary cases
4 involving all lawyers, officials and employees of government corporations
5 upon the latter's request and recommend appropriate administrative or
6 disciplinary sanctions;
- 7 g. Conduct fact-finding and preliminary investigation in appropriately referred
8 cases;
- 9 h. Act as Corporate Secretary or any other officer of government corporations
10 upon their request;
- 11 i. Be assigned as members of technical working groups, bids and awards
12 committee, task force and other committees in relation to government
13 corporations' projects, upon the request of the government corporation
14 concerned;
- 15 j. Be detailed or assigned to government corporations upon their request
16 provided, that the GCC approves the assignment or designation, including
17 attendance in meetings requested by government corporations;
- 18 k. Approve the engagement of private lawyers by the government
19 corporations; and
- 20 l. Perform such other functions necessary in the interest of the service.

21 **SEC. 4. Expansion and Upgrading of Positions. –**

- 22 (a) The Government Corporate Counsel (GCC) shall have the rank,
23 salary, allowances, retirement and pension benefits, emoluments,
24 prerogatives and privileges as the Presiding Justice of the Court of

1 Appeals. He/she shall be assisted by a Deputy Government Corporate
2 Counsel (DGCC) and twelve (12) Assistant Government Corporate
3 Counsels (AGCC) who shall have the rank, salary, allowances, retirement
4 and pension benefits, emoluments, prerogatives and privileges of an
5 Associate Justice of the Court of Appeals.

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

6 (b) The number, rank, salary, allowances, retirement and pension benefits,
7 emoluments, prerogatives and privileges of the other members of the
8 legal staff shall be as follows:

9 1. The present ten (10) Government Corporate Attorney IV (GCA IV)
10 shall be increased to fourteen (14) and they shall have the rank,
11 salary, allowances, retirement and pension benefits, emoluments,
12 prerogatives and privileges of a Regional Trial Court Judge. No person
13 shall be appointed as GCA IV unless he/she is a natural-born citizen
14 of the Philippines and, for at least ten (10) years, has been engaged
15 in the practice of law in the Philippines;

16 2. The present fourteen (14) Government Corporate Attorney III (GCA
17 III) shall be increased to nineteen (19) and they shall have the rank,
18 salary, allowances, retirement and pension benefits, emoluments,
19 prerogatives and privileges of a Metropolitan Trial Court Judge. No
20 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 ten (10) 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 AGCCs
14 shall be permanent upon compliance with the prescribed qualification standards under
15 this law.

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

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

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

3 The administrative structure of the OGCC shall be composed of the Secretarial
4 and Legal Support Services, Finance and Accounting Services, Human Resource and
5 Management Services, Case and Records Management Services, Library Management
6 and Information Technology Services, Corporate Planning Services and Property and
7 Supply Services.

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

12 **SEC. 6. Compensation.** -The salary grades for the basic monthly compensation
13 of the OGCC legal personnel shall be as follows:

14	Position	Salary Grade
15	Government Corporate Counsel	31
16	Deputy Government Corporate Counsel	30
17	Assistant Government Corporate Counsel	30
18	Government Corporate Attorney IV	29
19	Government Corporate Attorney III	28
20	Government Corporate Attorney II	26
21	Government Corporate Attorney I	25

22 The OGCC shall be supported by as much number of non-legal personnel as
23 necessary, commensurate to their current workload, as recommended by the OGCC
24 and as approved by the Department of Budget and Management.

1 Non-legal personnel shall have the same salaries and benefits as that of their
2 counterparts in the Office of the Solicitor General.

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

8 **SEC. 7. *Personnel Benefits and Privileges.*** - Provisions of other laws to the
9 contrary notwithstanding, and subject to availability of funds, the OGCC may provide
10 its employees the following benefits:

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

23 **SEC. 8. *Other Benefits.*** - Provisions of other laws to the contrary
24 notwithstanding, the legal personnel of the OGCC are authorized and shall continue

1 to receive allowances and honoraria from government corporations which shall not
2 exceed One Hundred Percent (100%) of their annual basic salary.

3 **SEC. 9. *Retirement Benefits*** - Any law to the contrary notwithstanding, and
4 consistent with Section 4 of this Act granting them the same retirement benefits and
5 privileges of their counterparts in the judiciary, the retirement benefits of the GCC,
6 DGCC, AGCC, GCA IV and GCA III shall be automatically increased whenever there is
7 an increase in the salaries and allowances of the same positions from which he or she
8 retired.

9 **SEC. 10. *Attorney's Fees and Special Assessment*** - The OGCC is authorized to
10 receive attorney's fees awarded by a court, tribunal, or panel, including
11 awards/judgments, stipulated under court-approved compromise agreements. The
12 OGCC is hereby authorized to use such awards and attorney's fees to meet
13 contingencies, obligations and undertakings and/or for employee benefits and
14 incentives, necessary or proper to promote efficiency in the service as determined by
15 the GCC.

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

20 Attorney's fees and special assessments shall be deposited in an authorized
21 government depository and shall be made available for expenditure without the need
22 for a cash disbursement ceiling for purposes of meeting obligations and contingencies,
23 upgrading facilities and equipment, granting of employees' benefits and incentives and

1 defraying such other expenses not provided for in the General Appropriations Act
2 subject to accounting and auditing procedures.

3 **SEC. 11. *Franking Privilege.*** - All official matters and telegrams of the OGCC
4 addressed for delivery within the Philippines shall be received, transmitted and
5 delivered free of charge: *Provided,* That such mail matters when addressed to private
6 persons or nongovernment offices shall not exceed one hundred and twenty (120)
7 grams.

8 **SEC. 12. *Funding.*** - The funds required for health care services, insurance
9 premiums, professional, educational, registration fees, and contracted transportation
10 benefits shall be taken from:

11 (i) Five percent (5%) attorney's fees given by the courts to client government
12 corporations, including those under court-approved compromise
13 agreements, actually assisted by the OGCC and not delegated to private
14 lawyers: *Provided That,* in cases where both OGCC and private lawyers
15 jointly worked on the resolution of a case/compromise agreement, the
16 OGCC shall be entitled to as much attorney's fees on a quantum meruit
17 basis not exceeding that attorney's fees actually awarded by the court;

18 (ii) Fifty percent (50%) special assessments collected from government
19 corporations; and

20 (iii) All other income, fees and revenues earned and collected by the OGCC.

21 The amounts collected pursuant to this section shall constitute a trust fund in
22 the name of the OGCC to be managed and used by the government corporate counsel
23 to carry out the provisions of this act.

1 **SEC. 13. Appropriations.** - The amount needed to implement upgrading of
2 positions, salaries and wages, office right-sizing, physical expansion, and payment of
3 retirement benefits provided in this act shall be taken from the funds and budget of
4 the OGCC under the annual general appropriations act.

5 **SEC. 14. Repealing Clause.** - All other laws, acts, presidential decrees,
6 executive orders, presidential proclamations, issuances, rules and regulations, or parts
7 thereof which are contrary to or inconsistent with any of the provisions of this Act are
8 hereby repealed, amended, or modified accordingly.

9 **SEC. 15. Separability Clause.** - If any portion or provision of this Act is
10 subsequently declared invalid or unconstitutional, other provisions hereof which are
11 not affected thereby shall remain in full force and effect.

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

Approved,