

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

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10 JUL 10 11:23

SENATE

S. No. 183

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TRILLANES IV

Introduced by Senator Antonio "Sonny" F. Trillanes IV

EXPLANATORY NOTE

Article 2, Sections 27 and 28 of the Constitution provides:

SEC. 27. The State shall maintain honesty and integrity in the public service and take positive and effective measures against graft and corruption.

SEC. 28. Subject to reasonable conditions prescribed by law, the State adopts and implements a policy of full public disclosure of all its transactions involving public interest.

Issues on graft and corruption such as the recent revelations of the World Bank regarding the corrupt practices in road projects by contractors at the Department of Public Works and Highways reinforces the need for the public to know how the taxes they paid are being spent.

The government spends millions, if not billions, of pesos a year, yet we do not have any idea on what the management practices of these contractors are nor what is indicated in their financial statements, but their very existence depend on taxpayers money.

This bill requires companies that are privately owned and receive vast majority of their revenues from taxpayers' money to disclose the salaries of their top officers. Transparency is a basic element of good governance, and our people need to know whether or not public funds, which mostly are sourced from their taxes, are being used to unjustly enrich contractors.

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


ANTONIO "SONNY" F. TRILLANES IV
Senator

SENATE

S. NO. 183

PRINTED

Introduced by Senator Antonio "Sonny" F. Trillanes IV

AN ACT
REQUIRING CERTAIN RECIPIENTS OF GOVERNMENT FUNDS TO DISCLOSE
THE NAMES AND TOTAL COMPENSATION OF THEIR MOST HIGHLY
COMPENSATED OFFICERS AND FOR OTHER PURPOSES

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

1 **SECTION 1. *Short Title.*** – This Act may be cited as the “Contractor Accountability
2 Act”.

3
4 **SEC. 2. *Definition of Terms.*** – As used in this Act, the term –

5 (1) “Entity” – the term “entity” –

6 (A) includes –

- 7 (i) a corporation;
- 8 (ii) an association;
- 9 (iii) a partnership;
- 10 (iv) a limited liability company;
- 11 (v) a limited liability partnership;
- 12 (vi) any other legal business entity;
- 13 (vii) any other grantee or contractor that is not included in Subparagraph (2)
- 14 or (3); and
- 15 (viii) Local Government Units; and

16
17 (B) does not include –

- 18 (i) an individual recipient of Government assistance;
- 19 (ii) a Government employee; or
- 20 (iii) a grant or contract of a nature that could be reasonably expected to cause
- 21 damage to national security.

1 (2) "Government Funding" means Government financial assistance and
2 expenditures that include grants, contracts, subgrants, subcontracts, loans,
3 awards and other forms of financial assistance.
4

5 **SEC. 3. Disclosure of Names of Most Highly Compensated Officers of Certain Entities**
6 **That Received Government Funding** – Effective beginning January 1, 2011, the names and
7 total compensation of the five (5) most highly compensated officers of the entity if--

8 (1) the entity in the preceding fiscal year received--

9 (a) eighty percent (80%) or more of its annual gross revenues in government funding;
10 and

11 (b) five hundred million pesos (Php500,000,000.00) or more in annual gross revenues
12 from government funding; and

13 (2) the public does not have access to information about the compensation of the senior
14 executives of the entity;

15
16 shall be disclosed in the website of the entity involved and/ or the website of the government
17 agency that approved the transaction.
18

19 (b) Regulations Required- The Secretary of the Department of Budget and Management
20 shall promulgate regulations to implement the amendment made by this Act. Such regulations
21 shall include a definition of 'total compensation' that is consistent with regulations of the
22 Securities and Exchange Commission.
23

24 **SEC. 4. Agency Responsibility.** - The Secretary of the DBM shall provide guidance to
25 agency heads to ensure compliance with this section.
26

27 **SEC. 5. Appropriations.** -- To carry out the provisions of this Act, such amount as hereby
28 necessary is hereby authorized to be appropriated to the National Treasury.
29

30 **SEC. 6. Separability Clause.** – If any provision of this Act is held invalid by a competent
31 court, any other provision not affected thereby shall continue to be valid and effective.
32

33 **SEC. 7. Repealing Clause.** – Any laws, presidential decrees, executive orders and letters
34 of instruction which are inconsistent with any of the provisions of this Act are hereby repealed or
35 amended accordingly.

1 **SEC. 8. *Effectivity Clause.*** This Act shall take effect fifteen days following its
2 publication in the Official Gazette or in any two newspapers of general circulation.

Approved;