

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

OFFICE OF THE SECRETARY

10 JUL -6 11:15

SENATE

S. No. 299

RECEIVED BY



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Introduced by Senator Antonio "Sonny" F. Trillanes IV

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**EXPLANATORY NOTE**

The Office of the Government Corporate Counsel (OGCC) was found on December 01, 1935 under the DOJ. It was then known as the Government Counsel Division of the DOJ. It acts as the premier law office of government-owned and controlled corporations (GOCCs), their subsidiaries, other corporate offspring and government-acquired asset corporations. As such, the OGCC safeguards the legal interest of all government-owned and controlled corporations (GOCCs), their subsidiaries, other corporate offspring and government-acquired asset corporations.

This bill seeks to strengthen and further professionalize OGCC by re-defining, expanding, strengthening, and rationalizing its organization. This bill also seeks to provide an upgrade to the compensation as well as the benefits being received by the employees of the OGCC.

It is hoped that thru the passage of this bill, we would have a more effective and efficient OGCC, and that we would retain the services of the people in the OGCC, men and women who are committed to providing excellent and professional service for our country.

In view of the foregoing, immediate approval of this measure is earnestly sought.

  
**ANTONIO "SONNY" F. TRILLANES IV**  
Senator


FIFTEENTH CONGRESS OF THE )  
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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**

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

1           **SECTION 1. Declaration of Policy.** - It shall be the policy of the State to protect and  
2 promote the welfare, rights and interests of government-owned and -controlled corporations,  
3 their subsidiaries, other corporate offsprings, including government acquired asset corporations,  
4 government corporate entities and government Instrumentalities with corporate powers,  
5 government financial institutions, and other government entities, agencies and offices hereafter  
6 referred to as "government corporations".

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

11  
12           **SEC. 2. Jurisdiction and mandate.** - Any law to the contrary notwithstanding, the Office  
13 of the Government Corporate Counsel ("OGCC") shall be the legal counsel and principal law  
14 office of all government corporations. All government corporations shall refer to the OGCC the  
15 following:

- 16           a) All legal questions for opinion and advice;
- 17           b) Prior to their execution, all contracts for review; and

1 c) All cases for representation before regular courts, quasi-judicial bodies, administrative  
2 agencies and arbitral tribunals, *Provided* That the Government Corporate Counsel ("GCC") may  
3 thereafter authorize the legal department of the government corporation as collaborating counsel  
4 to handle cases, as the urgency or expediency of circumstances may warrant.

5 In addition, the OGCC shall:

6 a) Conciliate, mediate, arbitrate or adjudicate all disputes or controversies exclusively  
7 between government corporations;

8 b) Exercise control and supervision over the legal departments of all government  
9 corporations;

10 c) Approve the engagement of services of private lawyers by the government  
11 corporations; and

12 d) Enforce the Property Insurance Law pursuant to Republic Act No. 656, as amended by  
13 Presidential Decree No. 245, in domestic or international transactions.

14 The OGCC shall be an independent and autonomous office attached to the Department of  
15 Justice. All opinions and issuances of the OGCC shall be binding on all government  
16 corporations.

17  
18 **SEC. 3. *Expansion and Upgrading of Positions.*** - The GCC shall have a cabinet rank  
19 and the same prerogatives, salary, allowances, benefits and privileges as the Presiding Justice of  
20 the Court of Appeals. He/she shall be assisted by a Deputy Government Corporate Counsel  
21 ("DGCC") and twelve (12) Assistant Government Corporate Counsels ("AGCC") who shall  
22 have the rank, salary, allowances, retirement and benefits, and privileges of an Associate Justice  
23 of the Court of Appeals.

24 No person shall be appointed GCC, DGCC or AGCC unless he/she is a natural-born  
25 citizen of the Philippines and, for at least ten (10) years, has been engaged in the practice of law  
26 in the Philippines.

27 The number, rank, qualifications for appointment, salary, allowances, retirement and  
28 other benefits, and privileges of the other members of the legal staff shall be as follows:

29 a) Twenty (20) Government Corporate Attorney IV (the "GCA IV") who shall have the  
30 rank, salary, allowances, retirement and benefits, and privileges of a Regional Trial Court Judge.

31 No person shall be appointed GCA IV unless he/she is a natural-born citizen of the  
32 Philippines and, for at least eight (8) years, has been engaged in the practice of law in the  
33 Philippines;

1           b) Twenty (20) Government Corporate Attorney III (the GCA III) who shall have the  
2 rank, salary, allowances, retirement and benefits, and privileges of a Metropolitan Trial Court  
3 Judge. No person shall be appointed GCA III unless he/she is a natural-born citizen of the  
4 Philippines and, for at least five (5) years, has been engaged in the  
5 practice of law in the Philippines;

6           c) Twenty (20) Government Corporate Attorney II (the "GCA II") who shall have the  
7 rank, salary, allowances, retirement and benefits, and privileges of a Municipal Trial Court Judge  
8 in Cities. No person shall be appointed GCA II unless he/she is a natural-born citizen of  
9 the Philippines and, for at least four (4) years, has been engaged in the practice of law in the  
10 Philippines;

11           d) Ten (10) Government Corporate Attorney I (the "GCA I") who shall have the rank,  
12 salary, allowances, retirement and benefits, and privileges of a Municipal Trial Court Judge. No  
13 person shall be appointed GCA I unless he/she is a natural-born citizen of the Philippines and,  
14 for at least three (3) years, has been engaged in the practice of law in the Philippines;

15           e) Seven (7) Associate Government Corporate Attorney II who must be members of the  
16 Philippine Bar and, for at least two (2) years, has been engaged in the practice of law in the  
17 Philippines; and,

18           f) Five (5) Associate Government Corporate Attorney I who must be members of the  
19 Philippine Bar and, for at least one (1) year, has been engaged in the practice of law in the  
20 Philippines.

21           The GCC shall serve for a fixed term of six (6) years reckoned from the date of his/her  
22 appointment. The fixed term of the GCC shall apply and commence to appointments to the said  
23 position beginning July 1, 2010.

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 qualification standards heretofore stated.

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

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

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**SEC. 4. Compensation.** - The basic monthly compensation of the legal staff shall be as follows:

Position	Salary Grade	
	From	To
Government Corporate Counsel	30	31
Deputy Government Corporate Counsel	29	30
Assistant Government Corporate Counsel	29	30
Government Corporate Attorney IV	28	29
Government Corporate Attorney III	27	28
Government Corporate Attorney II	26	27
Government Corporate Attorney I	25	26
Associate Government Corporate Attorney I	22	24
Associate Government Corporate Attorney II	18	23

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The non-legal personnel shall have the same compensation as that of their counterparts in the Office of the Solicitor General and Court of Appeals.

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

**SEC. 5. Personnel benefits and privileges.** - Provisions of other laws to the contrary notwithstanding, the OGCC may provide its employees the following benefits:

1 a. Health care services through a health maintenance organization (HMO). Expenses for  
2 the mandatory medical annual check-up of the GCC, the DGCC and the AGCC shall be  
3 for the account of the office;

4 b. Accident insurance for all employees to be procured by the office at its own  
5 expense during travels while in the performance of official duties;

6 c. Without prejudice to the efficiency of the service, scholarships for deserving  
7 employees on official time and at the expense of the office to upgrade their knowledge  
8 and skills; Provided That, scholars under this provision shall be selected on the basis of  
9 merit as determined by competitive examination;

10 d. A provident fund which shall consist of, but not be limited to contributions made  
11 by the office and by its lawyers and employees to a common fund for the payment of  
12 benefits to such lawyers or employees or their respective beneficiaries/heirs.

13  
14 **SEC. 6. Seminar and other Professional Fees.** - Subject to availability of funds, fees for  
15 relevant seminars, as well as professional 3 membership fees for lawyers, registration fees and  
16 related miscellaneous 4 expenses incurred in completing the mandatory continuing legal  
17 education (MCLE) shall be borne by the office. Professional membership, registration fees  
18 including those for mandatory continuing professional education (CPE), and related  
19 miscellaneous expenses of other employees holding positions for which a professional license is  
20 required by the office, shall also be borne by the OGCC.

21  
22 **SEC. 7. Transportation Benefits.** - Subject to availability of funds, employees shall be  
23 provided with contracted transportation services until such time as the office can procure  
24 additional motor vehicles for this purpose.

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26 **SEC. 8. Other Benefits.** - Provisions of other laws to the contrary notwithstanding, the  
27 legal staff of the OGCC are allowed to receive allowances and honoraria from its client-  
28 government corporations. Employees of the OGCC may likewise be extended such benefits and  
29 privileges as are given to the employees of their clients.

30 When the exigency of the service so require, any member of the legal staff may be  
31 designated by the GCC to act in concurrent capacity as corporate officer of, or assigned to  
32 perform special or additional tasks in any of the client government corporations of the OGCC  
33 and by virtue of such designation or assignment, receive such additional compensation and  
34 privileges as may be granted them by the government corporation concerned.

1           **SEC. 9. *Attorney's fees and Special Assessment.*** - The OGCC is authorized to receive  
2 twenty percent (20%) of all the money claims collected by or awarded/adjudged to dent-  
3 government corporations in addition to the attorney's fees awarded by a court, tribunal or panel,  
4 including awards/judgments, stipulated under court-approved compromise agreements. The  
5 OGCC is hereby utilized to use such awards and attorneys fees to meet contingencies,  
6 obligations and undertakings, or for employee salaries, allowances, other benefits and incentives,  
7 necessary or proper to promote efficiency in the service as determined by the GCC subject to the  
8 rules and regulations of the Commission on Audit and the Department of Budget and  
9 Management may authorize.

10           The GCC is likewise authorized to make special assessments upon its client government  
11 corporations to similarly meet such contingencies, obligations and undertakings, or to provide for  
12 employee salaries, allowances, other benefits and incentives, as may be warranted or proper as  
13 determined by the GCC.

14  
15           **SEC. 10. *Special Allowance.*** - The GCC, DGCC, AGCC and other members of the legal  
16 staff may be granted special allowances in such amounts to be determined by the GCC to  
17 implement the salary increases. The grant of special allowances shall be implemented uniformly  
18 in such amounts and up to extent only that can be supported by the funding source specified in  
19 Section 11 hereof.

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21           **SEC. 11. *Funding.*** - The funds required for the implementation of this Act including  
22 employee benefits shall be taken from:

- 23 I. The Twenty percent (20%) share of the money claims collected or awarded in judgments in  
24 favor of government corporations and all Attorney's fees authorized to be received by the OGCC  
25 pursuant to this Act and Executive Order No. 292 or the Revised Administrative Code of 1987;  
26 II. Special assessments made by the GCC upon client government corporations; and  
27 III. Other revenues, savings, fees generated and collected and donations received by the OGCC.

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29           **SEC. 12. *Franking Privilege.*** - All official matters and telegrams of the OGCC  
30 addressed for delivery within the Philippines shall be received, transmitted and delivered free of  
31 charge, *Provided*, That such mail matters when addressed to private persons or non- government  
32 offices shall not exceed one hundred and twenty (120) grams.

1           **SEC. 13. *Appropriations.*** - The amount needed for employees' salaries, mandatory  
2 allowances and benefits under other laws and office expansion shall be appropriated in the  
3 budget of the OGCC under the annual General Appropriations Act.

4  
5           **SEC. 14. *Implementing Rules and Regulations.*** -Within sixty (60) days from the  
6 approval of this Act, the GCC in consultation with the Secretary of the Justice and Secretary of  
7 Budget and Management, shall promulgate such rules and regulations as may be necessary to  
8 carry out the provisions of this Act.

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

15  
16           **SEC. 16. *Separability Clause.*** - If any of the provisions of this Act is declared invalid or  
17 unconstitutional, the provisions not affected thereby shall continue to be in full force and effect.

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

Approved,