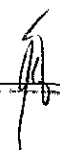


FOURTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

8 AUG 26 1976

Senate Bill No. 2559

RECEIVED BY: 

Introduced by Sen. Juan Ponce Enrile

EXPLANATORY NOTE

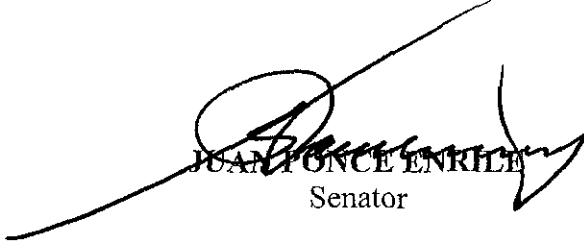
From its creation as a mere division under the Department of Justice during the Commonwealth Period, the Office of the Government Corporate Counsel (OGCC) has grown over the years into a distinct and strategic office which oversees and addresses the legal concerns of approximately 600 government-owned and -controlled corporations, government instrumentalities exercising corporate powers, government financial institutions and government corporate entities, their subsidiaries and corporate offsprings.

Executive Order No. 292, otherwise known as the Administrative Code of 1987, has defined the mandate of the OGCC, declaring that the OGCC shall act as the "principal law office" of all government corporations, and shall exercise control and supervision over all legal departments or divisions thereof maintained separately. Subsequent executive issuances further strengthened and enhanced the OGCC's mandate and responsibilities over the legal affairs of the various government corporations.

In the recent case of Land Bank of the Philippines vs. Luciano-Panlilio, the Supreme Court ruled that the statutory role of OGCC as principal law office of government corporations is a core pillar of public policy management. In fact, the escalating demands of government corporate activities and transactions coupled with the foregoing legal developments further underscore the importance of the OGCC's mandate. Records would show that the OGCC responds to and handles an increasing number of requests for legal advice and cases per year, in addition to the performance of its adjudicatory and other functions. In reality, however, the work that the OGCC does is currently performed by its present complement of only fifty-seven (57) lawyers -- which includes the Government Corporate Counsel himself -- and augmented by administrative support personnel of sixty-nine (69) employees.

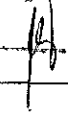
The proposed measure therefore seeks to strengthen the OGCC by increasing the number of its personnel and, at the same time, adjusting their compensation and benefits correspondingly to ensure that their organization shall be able to adapt to the changing conditions of and increasing demand for legal service. Suffice it to say that government officials and employees entrusted with the legal concerns of government corporations need to be properly equipped with the necessary training and preparations and, at the same time, be adequately compensated to effectively fulfill their duties and obligations to the State and the Filipino people.

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


JUAN PONCE ENRILE
Senator

FOURTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

8 AUG 26 21:14

Senate Bill No. 2559 RECEIVED BY: 

Introduced by Sen. Juan Ponce Enrile

**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 AND FOR OTHER
PURPOSES**

Be it enacted by the Senate and the 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 **SECTION 2. Jurisdiction and mandate** - Any law to the contrary notwithstanding, the
12 Office of the Government Corporate Counsel, hereafter referred to as "OGCC", shall be the legal
13 counsel and principal law office of all government corporations. All government corporations
14 shall refer to the OGCC the following:

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

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

6 The OGCC shall exercise control and supervision over the legal departments of all
7 government corporations without exception. No government corporation shall engage the
8 services of a private lawyer without the prior approval of the GCC and only in exceptional cases
9 as may be determined by the GCC.

10 All disputes or controversies exclusively between government corporations shall be
11 brought before the OGCC for conciliation, mediation, arbitration or adjudication.

12 **SECTION 3. *Expansion and Upgrading of Positions*** - The GCC shall have a cabinet
13 rank and the same prerogatives, salary, allowances, benefits and privileges as the Presiding
14 Justice of the Court of Appeals. He/she shall be assisted by a Deputy Government Corporate
15 Counsel, hereafter referred to as “DGCC”, and twelve (12) Assistant Government Corporate
16 Counsel, hereafter referred to as “AGCC”, who shall have the rank, salary, allowances, benefits
17 and privileges of an Associate Justice of the Court of Appeals.

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

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

23 a) Twenty (20) Government Corporate Attorney IV, hereafter referred to as “GCA
24 IV”, who shall have the rank, salary, allowances, benefits and privileges of a
25 Regional Trial Court Judge. No person shall be appointed GCA IV unless he/she
26 is a natural-born citizen of the Philippines and, for at least eight (8) years, has
27 been engaged in the practice of law in the Philippines;

- 1 b) Twenty (20) Government Corporate Attorney III, hereafter referred to as “GCA
2 III”, who shall have the rank, salary, allowances, benefits and privileges of a
3 Metropolitan Trial Court Judge. No person shall be appointed GCA III unless
4 he/she is a natural-born citizen of the Philippines and, for at least five (5) years,
5 has been engaged in the practice of law in the Philippines;
- 6 c) Twenty (20) Government Corporate Attorney II, hereafter referred to as “GCA
7 II”, who shall have the rank, salary, allowances, benefits and privileges of a
8 Municipal Trial Court Judge in Cities. No person shall be appointed GCA II
9 unless he/she is a natural-born citizen of the Philippines and, for at least four (4)
10 years, has been engaged in the practice of law in the Philippines;
- 11 d) Ten (10) Government Corporate Attorney I, hereafter referred to as “GCA I”, who
12 shall have the rank, salary, allowances, benefits and privileges of a Municipal
13 Trial Court Judge. No person shall be appointed GCA I unless he/she is a natural-
14 born citizen of the Philippines and, for at least three (3) years, has been engaged
15 in the practice of law in the Philippines;
- 16 e) Seven (7) Associate Government Corporate Attorney II who must be members of
17 the Philippine Bar and, for at least two (2) years, has been engaged in the practice
18 of law in the Philippines; and,
- 19 f) Five (5) Associate Government Corporate Attorney I who must be members of
20 the Philippine Bar and, for at least one (1) year, has been engaged in the practice
21 of law in the Philippines.

22 The GCC shall serve for a fixed term of seven (7) years reckoned from the date of his/her
23 appointment. This provision will apply to appointments to the position of the GCC after the
24 effectivity of this Act.

25 The GCC, DGCC and AGCC shall be appointed by the President of the Philippines. The
26 other members of the legal staff and administrative personnel shall be appointed by the GCC.
27 Appointments of the DGCC, AGCC and other members of the legal staff shall be deemed
28 permanent upon compliance with the qualification standards heretofore stated.

1 The administrative structure of the OGCC shall be organized into the Finance and
2 Accounting Services, the Human Resource and Management Services, the Case and Records
3 Management Services, the Library Management and Information Technology Services and the
4 Property and Supply Services.

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

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

<u>Position</u>	<u>Salary</u>	<u>Grade</u>
	<u>From</u>	<u>To</u>
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

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

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

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

- 1 a) Health care services through a health maintenance organization (HMO).
2 Expenses for the mandatory medical annual check-up of the GCC, the DGCC and
3 the AGCC shall be 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
8 knowledge and skills; Provided That, scholars under this provision shall be
9 selected on the basis of merit as determined by competitive examination; and,
- 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
12 payment of benefits to such lawyers or employees or their respective
13 beneficiaries/heirs.

14 **SECTION 6. *Seminar and other Professional Fees*** - Subject to availability of funds,
15 fees for relevant seminars, as well as professional membership fees for lawyers, registration fees
16 and related miscellaneous 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 **SECTION 7. *Transportation Benefits*** - Subject to availability of funds, employees shall be
22 provided with contracted transportation services until such time as the office can procure
23 additional motor vehicles for this purpose.

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

28 When the exigency of the service so require, any member of the legal staff may be
29 designated by the GCC to act in concurrent capacity as corporate officer of, or assigned to

1 perform special or additional tasks in any of the client government corporations of the OGCC
2 and by virtue of such designation or assignment, receive such additional compensation and
3 privileges as may be granted them by the government corporation concerned.

4 **SECTION 9. *Attorney's fees and Special Assessment*** - The OGCC is authorized to
5 receive twenty percent (20%) of all the money claims collected by or awarded/adjudged to
6 client-government corporations in addition to the attorney's fees awarded by a court, tribunal or
7 panel, including awards/judgments, stipulated under court-approved compromise agreements,
8 which award and attorneys fees may be used by the OGCC to meet contingencies, obligations
9 and undertakings, or for employee salaries, allowances, other benefits and incentives, necessary
10 or proper to promote efficiency in the service as determined by the GCC.

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

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

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

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

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

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

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

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

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

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

22 Approved ,

23