

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

8 AUG 26 9:35Z

SENATE  
S.B. No. 2563

RECEIVED BY: \_\_\_\_\_

---

Introduced by Senator Miriam Defensor Santiago

---

EXPLANATORY NOTE

The Constitution, Article II, Section 27 provides that:

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

Graft and corruption has placed a heavy burden in our country throughout our history. In 2000, the World Bank estimated that the Philippines had lost \$48 billion (P1.968 trillion) to corruption from 1977 to 1997. That amount would have addressed most of our current problems not the very least of them poverty. Each administration has had its own program in fighting graft and corruption. Although each has resulted into certain levels of success, we have yet to accomplish a truly significant step in fighting corruption. Economist Alejandro Lichauco has said the Philippines is perennially in crisis because of “the mortal mix of corruption and poverty and a consequent loss of popular confidence in government and the electoral process as instruments of change.” The fatal mix, he said, is poverty so massive and so intense as to have degenerated into a problem of mass hunger, and corruption that is as massive as the massive poverty.<sup>1</sup>

A World Bank study released last June said that corruption in the Philippines is perceived to be the worst among East Asia’s leading economies. The Philippines is now at the bottom of the list of East Asia’s 10 largest economies when it comes to control of

---

<sup>1</sup> Cost of corruption. Philippine Daily Inquirer. 12 February 2008.

corruption, edged out by Indonesia, which scored the worst in the region in the 2007 survey.<sup>2</sup>

President Gloria Macapagal Arroyo herself recognizes the need to intensify the fight against graft and corruption. Early this year, she has allocated more than three billion pesos in funds to fight graft and corruption in our country. In her State of the Nation address this year, she asked the Congress to enact a more stringent Anti-Graft Act.

We need to build on our experience in our fight against graft and corruption in order to capitalize in what we have so far achieved.

This bill seeks to provide our anti-graft and corruption agencies with a better tool against graft and corruption by addressing the weaknesses of R.A. No. 3019, otherwise known as the “Anti-Graft and Corrupt Practices Act.”

  
MIRIAM DEFENSOR SANTIAGO


---

<sup>2</sup> Dumlao, Doris. WB: Corruption in RP worst in East Asia. Philippine Daily Inquirer. 25 June 2008.

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

8 AUG 26 P3:52

SENATE  
S. No. 2563

RECEIVED BY: 

---

Introduced by Senator Miriam Defensor Santiago

---

1 AN ACT  
2 STRENGTHENING THE REPUBLIC ACT NUMBER THREE THOUSAND  
3 NINETEEN, OTHERWISE KNOWN AS THE ANTI-GRAFT AND CORRUPT  
4 PRACTICES ACT  
5

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

8  
9 SECTION 1. Section 2 of RA 3019, otherwise known as the Anti-Graft and  
10 Corrupt Practices Act, is hereby amended to read as follows:

11 SEC. 2. Definition of terms. - As used in this Act, that term -

12 (a) "Government" includes the national government, the local  
13 governments, the government-owned and government-controlled  
14 corporations, and all other instrumentalities or agencies of the  
15 Republic of the Philippines and their branches.

16 (b) "Public officer" includes elective and appointive officials and  
17 employees, permanent or temporary, whether in the classified or  
18 unclassified or exempt service, **WHETHER OR NOT** receiving  
19 compensation [, even nominal,] from the government as defined in  
20 the preceding subparagraph.

21 (c) "Receiving any gift" includes the act of accepting directly or  
22 indirectly a gift from a person other than a member of the public  
23 officer's immediate family, in behalf of himself or of any member  
24 of his family or relative within the fourth civil degree, either by

1 consanguinity or affinity, even on the occasion of a family  
2 celebration or national festivity like Christmas[, if the value of the  
3 gift is under the circumstances manifestly excessive].

4 (d) "Person" includes natural and juridical persons, unless the context  
5 indicates otherwise.

6 SECTION 2. Section 3 (b) of RA 3019 is hereby amended to read as follows:

7 (b) Directly or indirectly requesting or receiving any gift, present,  
8 share, percentage, or benefit, for himself or for any other person,  
9 in connection with any contract, [or] transaction, **OR**  
10 **PROCEEDING** between the Government and any other part,  
11 wherein the public officer in his official capacity has to intervene  
12 under the law.

13 SECTION 3. Section 3 (e) of RA 3019 is hereby amended to read as follows:

14 (e) Causing any undue injury to any party, including the  
15 Government, or giving any private party any unwarranted  
16 benefits, advantage or preference in the discharge of his official  
17 administrative or judicial functions through **SIMPLE** [manifest]  
18 partiality, [evident] bad faith or gross **OR** inexcusable  
19 negligence. This provision shall apply to officers and employees  
20 of offices or government corporations charged with the grant of  
21 licenses or permits or other concessions.

22 SECTION 4. Section 3 (g) of RA 3019 is hereby amended to read as follows:

23 (g) Entering, on behalf of the Government, into any contract or  
24 transaction [manifestly and grossly] disadvantageous to the  
25 same, whether or not the public officer profited or will profit  
26 thereby.

1 SECTION 5. Section 4 (a) of RA 3019 is hereby amended to read as follows:

2 SEC. 4. Prohibition on private individuals. -

3 (a) It shall be unlawful for any person having family or close personal  
4 relation with any public official to capitalize or exploit or take  
5 advantage of such family or close personal relation by directly or  
6 indirectly requesting or receiving any present, gift or material or  
7 pecuniary advantage from any other person having some business,  
8 transaction, application, request or contract with the government,  
9 in which such public official has to intervene. Family relation shall  
10 include the spouse or relatives by consanguinity or affinity in the  
11 **FOURTH** [third] civil degree. The word "close personal relation"  
12 shall include close personal friendship, social and fraternal  
13 connections, and professional employment all giving rise to  
14 intimacy which assures free access to such public officer.

15 SECTION 6. Section 5 of RA 3019 is hereby amended to read as follows:

16 SEC. 4. Prohibition on certain relatives. - It shall be unlawful for the  
17 spouse or for any relative, by consanguinity or affinity, within the  
18 **FOURTH** [third] civil degree, of the President of the Philippines, the  
19 Vice-President of the Philippines, the President of the Senate, or the  
20 Speaker of the House of Representatives, to intervene, directly or  
21 indirectly, in any business, transaction, contract or application with the  
22 Government: Provided, That this section shall not apply to any person  
23 who, prior to the assumption of office of any of the above officials to  
24 whom he is related, has been already dealing with the Government  
25 along the same line of business, nor to any transaction, contract or  
26 application already existing or pending at the time of such assumption  
27 of public office, nor to any application filed by him the approval of

1 which is not discretionary on the part of the official or officials  
2 concerned but depends upon compliance with requisites provided by  
3 law, or rules or regulations issued pursuant to law, nor to any act  
4 lawfully performed in an official capacity or in the exercise of a  
5 profession.

6 SECTION 7. Section 7 of RA 3019 is hereby deleted.

7 SECTION 8. Section 9 (b) of RA 3019 is hereby deleted.

8 SECTION 9. Section 11 of RA 3019 is hereby amended to read as follows:

9 SEC. 11. Prescription of offenses. - All offenses punishable under this  
10 Act shall prescribe in **TWENTY** [fifteen] years.

11 SECTION 10. Section 12 of RA 3019 is hereby amended to read as follows:

12 SEC. 12. Termination of office. – **ANY PROVISION OF LAW TO**  
13 **THE CONTRARY, NOTWITHSTANDING,** No public officer shall  
14 be allowed to **RECEIVE OR CLAIM RETIREMENT BENEFITS**  
15 [resign or retire] pending an investigation, criminal or administrative,  
16 or pending a prosecution against him, for any offense under this Act,  
17 **R.A. No. 7080 “AN ACT DEFINING AND PENALIZING THE**  
18 **CRIME OF PLUNDER”** or under the provisions of the Revised  
19 Penal Code on bribery. **RESIGNATION OF A RESPONDENT**  
20 **PENDING ADMINISTRATIVE INVESTIGATION ARISING**  
21 **FROM ANY VIOLATION OF THIS ACT, R.A. NO. 7080, OR**  
22 **PROVISIONS OF THE REVISED PENAL CODE (RPC) ON**  
23 **BRIBERY SHALL NOT PREJUDICE THE SAID**  
24 **ADMINISTRATIVE CASE AND SHALL PROCEED UNTIL**  
25 **FINALLY RESOLVED.**

26 SECTION 11. Section 14 of RA 3019 is hereby amended to read as follows:

1 SEC. 14. Exception. -- [Unsolicited gifts or presents of small or  
2 insignificant value offered or given as a mere ordinary token of  
3 gratitude or friendship according to local customs or usage, shall be  
4 excepted from the provisions of this Act.] Nothing in this Act shall be  
5 interpreted to prejudice or prohibit the practice of any profession,  
6 lawful trade or occupation by any private person or by any public  
7 officer who under the law may legitimately practice his profession,  
8 trade or occupation, during his incumbency, except where the practice  
9 of such profession, trade or occupation involves conspiracy with any  
10 other person or public official to commit any of the violations  
11 penalized in this Act.

12 SECTION 12. *Separability Clause.* -- If any provision, or part hereof is held  
13 invalid or unconstitutional, the remainder of the law or the provision not otherwise  
14 affected shall remain valid and subsisting.

15 SECTION 13. *Repealing Clause.* -- Any law, presidential decree or issuance,  
16 executive order, letter of instruction, administrative order, rule or regulation contrary to  
17 or inconsistent with, the provisions of this Act is hereby repealed, modified, or amended  
18 accordingly.

19 SECTION 14. *Effectivity Clause.* -- This Act shall take effect fifteen (15) days  
20 after its publication in at least two (2) newspapers of general circulation.

21 Approved.