

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

13th Congress
First Regular Session

House Bill No. 2745



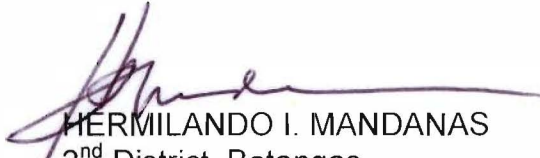
Introduced by Rep. HERMILANDO I. MANDANAS

EXPLANATORY NOTE

The Department of Budget and Management has reported that fifty (50) subsidiaries of government owned and controlled corporations (GOCC) are deficitary. Most if not all of these subsidiaries have been established without an Act of Congress and their budgets are beyond the pale of Congressional supervision, not being included in the consideration and deliberation of the annual General Appropriations Act. These corporations therefore represent a fiscal deficit leak that must immediately be plugged.

The present bill proposes to eliminate any future possibility of establishing GOCC subsidiaries whose budgets are placed beyond Congressional scrutiny. The bill therefore seeks to restore to Congress its power over the public purse insofar as GOCCs are concerned.

Approval of this bill is earnestly urged so that Congress may be able to always exercise its oversight function over the finances of GOCCs.


HERMILANDO I. MANDANAS
2nd District, Batangas

**AN ACT
REQUIRING THE CREATION OR ESTABLISHMENT OF A GOVERNMENT
OWNED AND CONTROLLED CORPORATION (GOCC) AND/OR OF A
SUBSIDIARY OF A GOCC TO BE BY ACT OF CONGRESS**

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

SECTION. 1. – The creation or establishment of a government owned and controlled corporation (GOCC), and/or of a subsidiary of a GOCC, shall require an Act of Congress. Any charter that purports to establish a GOCC and/or subsidiary of a GOCC by executive order, administrative issuance or by any other means other than by Act of Congress shall be null and void.

SEC. 2. - All charter provisions of existing GOCCs authorizing the creation of a subsidiary without an Act of Congress are hereby repealed.

SEC. 3. - All laws, presidential decrees, executive orders, letters of instruction, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 4. - This Act shall take effect fifteen (15) days after its complete publication in at least two (2) newspapers of general circulation.

Approved.