

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 5578



INTRODUCED BY REPRESENTATIVES HENEDINA RAZON-ABAD, ARNULFO P.
FUENTEBELLA AND KIMI S. COJUANGCO

EXPLANATORY NOTE

This bill aims to strengthen the National Electrification Administration (NEA) to carry its mandate of total electrification of all puroks and barangays through the electric cooperatives.

Access to electricity service has been provided to nine (9) million consumer connections in the rural areas in response to the total electrification program of the government through the NEA. The beneficiaries represent half of the Philippine population living in areas being served by the 119 electric cooperatives (ECs) nationwide.

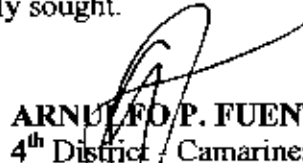
In addition to its powers under Presidential Decree No. 269, as amended by Presidential Decree No. 1645, NEA is mandated under Section 58 of Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act (EPIRA) of 2001 to:

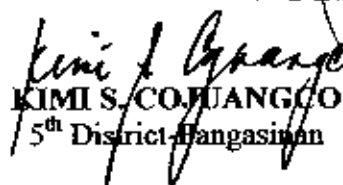
- a) Prepare electric cooperatives in operating and competing under the deregulated electric market in an environment of open access and retail wheeling;
- b) Strengthen the technical capability and financial viability of rural electric cooperatives; and
- c) Review and upgrade regulatory policies with a view to enhancing the viability of rural electric cooperatives as electric utilities.

It is for this reason that this bill is proposed to ensure that the NEA has adequate powers to protect the investments in the ECs and provide them with better options to ensure the continued delivery of adequate and reliable electric service. The bill seeks to establish a framework for introducing structural reforms in the National Electrification Administration and the electric cooperatives.

The immediate passage of the bill is earnestly sought.


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FUENTESELLA AND KIMI S. COLLANGCO

AN ACT
STRENGTHENING THE NATIONAL ELECTRIFICATION ADMINISTRATION,
AMENDING FOR THE PURPOSE PRESIDENTIAL DECREE NO. 269
OTHERWISE KNOWN AS THE "NATIONAL ELECTRIFICATION
ADMINISTRATION DECREE"

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

CHAPTER I – POLICY AND DEFINITIONS

SECTION 1. This Act shall be known as the "National Electrification Administration Reform Act of 2011."

SEC. 2. Section 2 of Presidential Decree No. 269, as amended, is hereby further amended, to read as follows:

IT IS HEREBY DECLARED THE POLICY OF THE STATE TO:

(A) PROMOTE THE SUSTAINABLE DEVELOPMENT IN THE RURAL
AREAS THROUGH RURAL ELECTRIFICATION; AND

(B) EMPOWER AND ENABLE ELECTRIC COOPERATIVES TO COPE
WITH THE CHANGES BROUGHT ABOUT BY THE
RESTRUCTURING OF THE ELECTRIC POWER INDUSTRY
PURSUANT TO THE ELECTRIC POWER INDUSTRY REFORM ACT
OF 2001.

SEC. 3. A new section is hereby inserted to be designated as Section 2-A, to read as follows:

SEC. 2-A. SCOPE. THIS ACT SHALL ESTABLISH A
FRAMEWORK FOR INTRODUCING STRUCTURAL REFORMS IN THE

1 NATIONAL ELECTRIFICATION ADMINISTRATION AND THE
2 ELECTRIC COOPERATIVES.

3 SEC. 4. Five new paragraphs, to be designated as Paragraphs (s), (t), (u), (v) and (w),
4 are hereby inserted under Section 3 of Presidential Decree No. 269, as amended, to read as
5 follows:

6 XXX XXX XXX

7 (s) CDA SHALL REFER TO THE COOPERATIVE DEVELOPMENT
8 AUTHORITY CREATED UNDER REPUBLIC ACT NO. 6939, AS
9 AMENDED;

10 (t) DOE SHALL REFER TO THE DEPARTMENT OF ENERGY
11 CREATED UNDER REPUBLIC ACT NO. 7638;

12 (u) ELECTRIC COOPERATIVE SHALL REFER TO AN ELECTRIC
13 DISTRIBUTION UTILITY ORGANIZED AND REGISTERED
14 PURSUANT TO PRESIDENTIAL DECREE NO. 269, REPUBLIC ACT
15 NO. 9520, AND OTHER RELATED LAWS;

16 (v) EPIRA SHALL REFER TO REPUBLIC ACT NO. 9136 OR THE
17 ELECTRIC POWER INDUSTRY REFORM ACT OF 2001; AND

18 (w) ERC SHALL REFER TO THE ENERGY REGULATORY
19 COMMISSION CREATED UNDER REPUBLIC ACT NO. 9136;

20 CHAPTER II – THE NATIONAL ELECTRIFICATION ADMINISTRATION

21 SEC. 5. Section 4 of Presidential Decree No. 269, as amended, is hereby further
22 amended to read as follows:

23 SEC. 4. *POWERS AND FUNCTIONS OF THE NATIONAL*
24 *ELECTRIFICATION ADMINISTRATION.* – TO STRENGTHEN THE
25 ELECTRIC COOPERATIVES TO THE CHANGES INTRODUCED BY
26 EPIRA, THE NATIONAL ELECTRIFICATION ADMINISTRATION
27 SHALL:

28 (a) SUPPORT THE CONVERSION OF EXISTING ELECTRIC
29 COOPERATIVES TO STOCK COOPERATIVES TO BE DULY
30 REGISTERED WITH THE CDA OR STOCK CORPORATION TO BE
31 DULY REGISTERED WITH THE SECURITIES AND EXCHANGE
32 COMMISSION;

33 (b) SUPERVISE THE OPERATIONS OF ALL ELECTRIC
34 COOPERATIVES;

- 1 (c) EXERCISE STEP-IN RIGHTS AS HEREIN DEFINED;
- 2 (d) PROVIDE FINANCIAL AND TECHNICAL ASSISTANCE TO
- 3 ELECTRIC COOPERATIVES;
- 4 (e) PURSUE ELECTRIFICATION PROGRAMS THROUGH THE
- 5 ELECTRIC COOPERATIVES;
- 6 (f) ENJOY EXEMPTION FROM ALL TAXES, DUTIES, FEES, IMPOSTS
- 7 AND OTHER CHARGES;
- 8 (g) DEVOTE ALL RETURNS FROM ITS CAPITAL INVESTMENT TO
- 9 ATTAIN THE OBJECTIVES OF THIS ACT;
- 10 (h) RESTRUCTURE AILING ELECTRIC COOPERATIVES WITH THE
- 11 END IN VIEW OF MAKING THEM ECONOMICALLY AND
- 12 FINANCIALLY VIABLE;
- 13 (i) DEVELOP, SET, AND ENFORCE TECHNICAL AND FINANCIAL
- 14 COMPLIANCE STANDARDS FOR THE EFFICIENT OPERATION OF
- 15 ELECTRIC COOPERATIVES SUCH AS THE OBSERVANCE OF
- 16 GOVERNMENT PROCUREMENT PROCEDURE, INCLUDING
- 17 TRANSPARENT AND COMPETITIVE BIDDING AND ENFORCED
- 18 THROUGH A MECHANISM OF INCENTIVES TO COMPLYING
- 19 ELECTRIC COOPERATIVES AND DISINCENTIVES TO NON-
- 20 COMPLYING ELECTRIC COOPERATIVES;
- 21 (j) IMPOSE ADMINISTRATIVE PENALTIES AND WHEN
- 22 WARRANTED, FILE CRIMINAL CASES AGAINST THOSE WHO
- 23 VIOLATE THE PROVISIONS OF THIS ACT AND ITS
- 24 IMPLEMENTING RULES;
- 25 (k) SERVE AS GUARANTOR TO QUALIFIED ELECTRIC
- 26 COOPERATIVES FOR THEIR TRANSACTIONS FOR THE
- 27 PURCHASE OF ELECTRICITY SUCH AS CO-SIGNING IN
- 28 ELECTRIC SALES AGREEMENTS TO COMPLYING ELECTRIC
- 29 COOPERATIVES.
- 30 (l) GRANT LOANS TO ELECTRIC COOPERATIVES, FOR THE
- 31 CONSTRUCTION OR ACQUISITION, OPERATION AND
- 32 MAINTENANCE OF TRANSMISSION AND DISTRIBUTION
- 33 FACILITIES AND ALL RELATED PROPERTIES, EQUIPMENT,
- 34 MACHINERY, FIXTURES, AND MATERIALS FOR THE PURPOSE

1 OF SUPPLYING AREA COVERAGE SERVICE, AND THEREAFTER
2 TO GRANT LOANS FOR THE RESTORATION, IMPROVEMENT OR
3 ENLARGEMENT OF SUCH FACILITIES OR FOR SUCH OTHER
4 PURPOSES AS MAY BE DEEMED NECESSARY;

5 (m) BORROW FUNDS FROM ANY SOURCE, PRIVATE OR
6 GOVERNMENT, FOREIGN OR DOMESTIC, AND TO SECURE THE
7 LENDERS THEREOF BY PLEDGING, SHARING OR
8 SUBORDINATING ONE OR MORE OF THE NEA'S OWN LOAN
9 SECURITIES; AND

10 (n) EXERCISE SUCH POWERS AND DO SUCH THINGS AS MAY BE
11 NECESSARY TO CARRY OUT THE BUSINESS AND PURPOSES OF
12 WHICH THE NEA WAS ESTABLISHED, OR WHICH FROM TIME
13 TO TIME MAY BE DECLARED BY THE BOARD OF
14 ADMINISTRATORS AS NECESSARY, USEFUL, INCIDENTAL OR
15 AUXILIARY TO ACCOMPLISH SUCH PURPOSES; AND
16 GENERALLY, TO EXERCISE ALL THE POWERS OF A
17 CORPORATION UNDER THE CORPORATION LAW INsofar AS
18 THEY ARE NOT INCONSISTENT WITH THE PROVISIONS OF THIS
19 ACT.

20 SEC. 6. A new section, to be designated as Section 4-A, is hereby inserted, to read as
21 follows:

22 SEC. 4-A. SUPERVISORY POWERS OF THE NATIONAL
23 ELECTRIFICATION ADMINISTRATION OVER ELECTRIC
24 COOPERATIVES - IN THE EXERCISE OF ITS POWER OF
25 SUPERVISION OVER ELECTRIC COOPERATIVES, NEA SHALL HAVE
26 THE FOLLOWING POWERS:

27 (a) ISSUE ORDERS, RULES AND REGULATIONS, *MOTU PROPRIO* OR
28 UPON PETITION OF THIRD PARTIES, TO CONDUCT
29 INVESTIGATIONS, REFERENDA AND OTHER SIMILAR ACTIONS
30 IN ALL MATTERS AFFECTING THE ELECTRIC COOPERATIVES;
31 AND

32 (b) ISSUE PREVENTIVE AND/OR DISCIPLINARY MEASURES,
33 INCLUDING BUT NOT LIMITED, TO SUSPENSION AND/OR
34 REMOVAL AND REPLACEMENT OF ANY OF ALL OF THE

1 MEMBERS OF THE BOARD OF DIRECTORS, OFFICERS OR
2 EMPLOYEES OF THE ELECTRIC COOPERATIVE, AS THE NEA
3 MAY DEEM FIT AND NECESSARY AND TO TAKE ANY OTHER
4 REMEDIAL MEASURES AS THE LAW OR ANY AGREEMENT OR
5 ARRANGEMENT WITH NEA MAY PROVIDE, TO ATTAIN THE
6 OBJECTIVES OF THIS ACT.

7 THE NEA SHALL, IN THE EXERCISE OF ITS SUPERVISORY
8 AND DISCIPLINARY POWERS UNDER THIS ACT, STRICTLY
9 OBSERVE DUE PROCESS.

10 SEC. 7. A new section, to be designated as Section 4-B, is hereby inserted, to read as
11 follows:

12 SEC. 4-B. *STEP-IN RIGHTS IN CASES OF AILING*
13 *COOPERATIVES.* - THE NEA SHALL IMMEDIATELY STEP-IN AND
14 TAKE OVER FROM ITS BOARD THE OPERATIONS OF ANY AILING
15 ELECTRIC COOPERATIVE. WITHIN A REASONABLE PERIOD AFTER
16 TAKE-OVER, THE NEA MAY CONVERT THE AILING COOPERATIVE
17 TO EITHER A STOCK COOPERATIVE REGISTERED WITH THE CDA
18 OR A STOCK CORPORATION REGISTERED WITH THE SECURITIES
19 AND EXCHANGE COMMISSION.

20 THE NEA SHALL, IN DETERMINING THE PROPRIETY OF THE
21 CONVERSION, BE GUIDED BY THE ABILITY TO PAY OF THE
22 MEMBER-CONSUMERS OF SAID ELECTRIC COOPERATIVE FOR
23 THEIR SHARES IN THE STOCK COOPERATIVE OR STOCK
24 CORPORATION.

25 THE NEA MAY APPOINT OR ASSIGN THIRD PERSONS TO
26 THE BOARD OF THE ELECTRIC COOPERATIVE UNTIL THE NEA
27 DECIDES THAT THE ELECTION OF A NEW BOARD OF DIRECTORS
28 TO MANAGE THE ELECTRIC COOPERATIVE IS NECESSARY. THE
29 NEA MAY CREATE A MANAGEMENT TEAM FOR THE PURPOSE.

30 THE NEA SHALL, IN THE EXERCISE OF ITS STEP-IN RIGHTS
31 UNDER THIS ACT, STRICTLY OBSERVE DUE PROCESS. THE STEP-
32 IN RIGHTS MAY ONLY BE EXERCISED BY THE NEA IN CASE OF
33 FAILURE OF THE ELECTRIC COOPERATIVE TO MEET
34 OPERATIONAL AND FINANCIAL STANDARDS SET BY THE NEA OR

1 IN OTHER ANALAGOUS INSTANCES SET FORTH IN THE
2 IMPLEMENTING RULES AND REGULATIONS OF THIS ACT.

3 SEC. 8. A new section, to be designated as Section 4-C, is hereby inserted, to read as
4 follows:

5 SEC. 4-C. *INJUNCTION OR TEMPORARY RESTRAINING ORDER*
6 – NO INJUNCTION OR TEMPORARY RESTRAINING ORDER SHALL
7 BE ISSUED AGAINST THE IMPLEMENTATION OF ANY ORDER,
8 RULING OR DECISION OF THE NEA, EXCEPT BY THE COURT OF
9 APPEALS, AND ONLY UPON THE POSTING OF A BOND SUFFICIENT
10 TO COVER THE LIABILITIES AND EXPENDITURES ARISING
11 DURING THE PENDENCY OF THE WRIT OR INJUNCTION OR
12 TEMPORARY RESTRAINING ORDER: *PROVIDED*, THAT THE
13 INJUNCTION WILL ONLY BE FOR A PERIOD OF SIXTY (60) DAYS.

14 **CHAPTER III – THE ELECTRIC COOPERATIVE**

15 SEC. 9. A new section, to be designated as Section 26-A, is hereby inserted, to read
16 as follows:

17 SEC. 26-A. *INDEPENDENCE OF THE BOARD OF DIRECTORS*
18 *AND OFFICERS OF ELECTRIC COOPERATIVES.* – TO ENSURE THE
19 LONG-TERM BUSINESS AND ECONOMIC VIABILITY OF ELECTRIC
20 COOPERATIVES, THE OPERATIONS AND STRATEGIC PLANNING OF
21 ELECTRIC COOPERATIVES SHALL, AS MUCH AS PRACTICABLE, BE
22 INSULATED FROM LOCAL POLITICS.

23 TOWARDS THIS END, NO PERSON SHALL BE
24 ELECTED/APPOINTED AS AN OFFICER OR BE ELIGIBLE TO RUN AS
25 A BOARD MEMBER OF AN ELECTRIC COOPERATIVE IF:

- 26 1) HE WAS A CANDIDATE IN THE LOCAL OR NATIONAL
27 ELECTIONS IMMEDIATELY PRECEDING THE APPOINTMENT OR
28 FILING OF CANDIDACY FOR THE BOARD, WHICH DISABILITY
29 SHALL SUBSIST FOR A PERIOD OF TWO YEARS COUNTED
30 FROM THE DATE OF THE ELECTION;
31 2) HE IS A RELATIVE UP TO THE FOURTH DEGREE BY AFFINITY
32 OR CONSANGUINITY OF AN INCUMBENT ELECTED {OR
33 APPOINTED} OFFICIAL OF GOVERNMENT; OR,

1 3) HE IS ELECTED/APPOINTED TO A POSITION HIGHER THAN THE
2 LEVEL OF A BARANGAY CHAIRMAN

3 SEC. 10. A new section, to be designated as Section 26-B, is hereby inserted, to read
4 as follows:

5 SEC. 26-B. *FIT AND PROPER RULE*. – TO ENSURE THAT THE
6 MANAGEMENT AND OPERATIONS OF ELECTRIC COOPERATIVES
7 ARE CARRIED OUT WITH DUE REGARD TO ITS ECONOMIC
8 VIABILITY, THE NEA SHALL PRESCRIBE, PASS UPON AND REVIEW
9 THE QUALIFICATIONS AND DISQUALIFICATIONS OF INDIVIDUALS
10 APPOINTED OR ELECTED TO ELECTRIC COOPERATIVES AND
11 DISQUALIFY THOSE FOUND UNFIT.

12 A CANDIDATE'S INTEGRITY, EXPERIENCE, EDUCATION,
13 COMPETENCE AND PROBITY SHALL BE CONSIDERED IN
14 DETERMINING WHETHER HE SHALL BE FIT AND PROPER TO
15 BECOME A DIRECTOR OR OFFICER OF THE ELECTRIC
16 COOPERATIVE.

17 NEA MAY, AFTER DUE NOTICE TO THE BOARD OF
18 DIRECTORS AND OFFICERS OF THE ELECTRIC COOPERATIVE,
19 DISQUALIFY, SUSPEND OR REMOVE ANY DIRECTOR OR OFFICER,
20 WHO COMMITS ANY ACT WHICH RENDER HIM UNFIT FOR THE
21 POSITION.

22 SEC. 11. Section 32 of Presidential Decree No. 269, as amended, is hereby further
23 amended, to read as follows:

24 SEC. 32. *REGISTRATION AS STOCK COOPERATIVES*. – ALL
25 ELECTRIC COOPERATIVES MAY OPT TO REGISTER WITH THE CDA
26 AND SUCH REGISTRATION SHALL BE FOR THE SOLE PURPOSE OF
27 AVAILING THE TAX INCENTIVES CONTAINED IN THE
28 COOPERATIVE CODE OF THE PHILIPPINES: *PROVIDED, HOWEVER,*
29 THAT ELECTRIC COOPERATIVES SHALL NEVERTHELESS COMPLY
30 WITH THE REPORTORIAL AND DOCUMENTARY REQUIREMENTS
31 OF THE CDA

32 ELECTRIC COOPERATIVES WHICH REGISTER WITH THE
33 CDA SHALL CONTINUE TO ENJOY THE BENEFITS UNDER THIS
34 ACT.

1 EXISTING ELECTRIC COOPERATIVES MAY LIKEWISE OPT
2 TO REGISTER AS STOCK CORPORATIONS WITH THE SECURITIES
3 AND EXCHANGE COMMISSION: *PROVIDED, HOWEVER, THAT*
4 ELECTRIC COOPERATIVES REGISTERED WITH THE SECURITIES
5 AND EXCHANGE COMMISSION SHALL NO LONGER ENJOY THE
6 INCENTIVES CONTAINED UNDER THIS ACT.

7 DESPITE THE REGISTRATION OF THE ELECTRIC
8 COOPERATIVES UNDER THE CDA OR CONVERSION INTO A STOCK
9 CORPORATION, THE NEA SHALL RETAIN ITS SUPERVISORY AND
10 DISCIPLINARY POWER OVER THE ELECTRIC COOPERATIVE OR
11 CORPORATION IN THE CONDUCT OF ITS OPERATION AS AN
12 ELECTRIC DISTRIBUTION UTILITY.

13 SEC. 12. A new section, to be designated as Section 32-A, is hereby inserted, to read
14 as follows.

15 SEC. 15-B. *ROLE OF THE COOPERATIVE DEVELOPMENT*
16 *AUTHORITY OVER ELECTRIC COOPERATIVES.* - THE CDA SHALL
17 SERVE AS A REGISTRY OF ELECTRIC COOPERATIVES. THE
18 RESOLUTION OF INTRA-COOPERATIVE DISPUTES INVOLVING THE
19 OPERATIONS AND FINANCIALS OF ELECTRIC COOPERATIVES,
20 INCLUDING MANAGEMENT CONCERNS RELATED THERETO,
21 SHALL REMAIN WITH THE NEA.

22 SEC. 13. A new section, to be designated as Section 32-B, is hereby inserted to read
23 as follows:

24 SEC. 32-B. *INCENTIVES OF ELECTRIC COOPERATIVES.* -
25 CONSISTENT WITH THE DECLARED POLICY OF THIS ACT,
26 ELECTRIC COOPERATIVES WHICH COMPLY WITH THE FINANCIAL
27 AND OPERATIONAL STANDARDS SET BY THE NEA SHALL ENJOY
28 THE FOLLOWING INCENTIVES.

- 29 (a) TO BE ENTITLED TO CONGRESSIONAL ALLOCATIONS,
30 GRANTS, SUBSIDARIES AND OTHER FINANCIAL ASSISTANCE
31 FOR RURAL ELECTRIFICATION;
32 (b) TO AVAIL OF PREFERENTIAL RIGHTS GRANTED TO
33 COOPERATIVES UNDER REPUBLIC ACT NO. 7160 OTHERWISE

1 KNOWN AS THE LOCAL GOVERNMENT CODE, AND OTHER
2 RELATED LAWS; AND,

3 (c) TO RECEIVE, ALL SUBSIDIES, GRANTS, AND OTHER
4 ASSISTANCE WHICH SHALL FORM PART OF THE DONATED
5 CAPITAL AND FUNDS OF THE ELECTRIC COOPERATIVES, AND
6 AS SUCH, IT SHALL NOT BE SOLD, TRADED NOR BE DIVIDED
7 INTO SHARE HOLDINGS AT ANY TIME, THESE DONATED
8 CAPITAL/FUND SHALL BE APPRAISED AND VALUED FOR THE
9 SOLE PURPOSE OF DETERMINING THE EQUITY,
10 PARTICIPATION OF THE MEMBERS: *PROVIDED*, THAT IN CASE
11 OF DISSOLUTION/CONVERSION OF THE ELECTRIC
12 COOPERATIVE, SAID DONATED CAPITAL SHALL BE SUBJECT
13 TO ESCHEAT.

14 AS A FURTHER INCENTIVE, THE NEA MAY PRIOTITIZE THE
15 GRANT OF INCENTIVES IN FAVOR OF ELECTRIC COOPERATIVES
16 THAT COMPLY WITH ITS MANDATES AND DIRECTIVES OR ARE
17 MANAGED EFFECTIVELY AND EFFICIENTLY.

18 **CHAPTER IV – FINAL PROVISIONS:**

19 **SEC. 14.** A new section, to be designated as Section 64-A, is hereby inserted, to read
20 as follows.

21 **SEC. 64-A. RULES AND REGULATIONS.** – WITHIN SIXTY (60)
22 DAYS FROM THE EFFECTIVITY OF THIS ACT, THE DOE SHALL, IN
23 COORDINATION WITH THE NEA AND THE CDA, AND AFTER THE
24 CONDUCT OF PUBLIC HEARINGS, ISSUE SUCH RULES AND
25 REGULATIONS AS MAY BE NECESSARY TO IMPLEMENT THIS ACT.

26 **SEC. 15.** A new section, to be designated as Section 64-B, is hereby inserted, to read
27 as follows:

28 **SEC. 64-B. PENALTIES.** – ANY PERSON WHO WILLFULLY
29 VIOLATES ANY RULE OR REGULATION~~S~~ PROMULGATED
30 PURSUANT TO THE AUTHORITY GRANTED IN THIS ACT SHALL,
31 UPON CONVICTION, BE PUNISHED BY A FINE NOT LESS THAN
32 FIFTY THOUSAND PESOS (P50,000.00) BUT NOT MORE THAN FIVE
33 HUNDRED THOUSAND PESOS (P500,000.00) OR BY IMPRISONMENT
34 OF NOT LESS THAN SIX (6) MONTHS BUT NOT MORE THAN ONE (1)

1 YEAR, OR BOTH, AT THE DISCRETION OF THE COURT: *PROVIDED*,
2 THAT IF THE VIOLATION IS COMMITTED BY A JURIDICAL
3 PERSON, THE PENALTY HEREIN SHALL BE IMPOSED UPON THE
4 OFFICIAL AND/OR EMPLOYEE THEREOF RESPONSIBLE FOR THE
5 VIOLATION: *PROVIDED, FURTHER*, THAT IF THE VIOLATION IS
6 COMMITTED BY A GOVERNMENT OFFICIAL OR EMPLOYEE,
7 INCLUDING THOSE IN GOVERNMENT-OWNED OR CONTROLLED
8 CORPORATIONS, HE SHALL, IN ADDITION TO THE PENALTY AS
9 PROVIDED HEREIN, BE SUBJECTED TO ADMINISTRATIVE
10 DISCIPLINARY ACTION.

11 **SEC. 16. *Repealing Clause.*** – Any provision of law, presidential decree, executive
12 order, or rules and regulations inconsistent with the provisions of this Act or with the rules
13 and regulations issued pursuant thereto is hereby repealed or modified accordingly.

14 **SEC. 17. *Separability Clause.*** – If any provision of this Act is declared invalid or
15 unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

16 **SEC. 18. *Effectivity.*** – This Act shall take effect immediately upon its publication in
17 at least two (2) newspapers of general circulation.

18 Approved,