



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 5233



Introduced by
**Representatives Pantaleon D. Alvarez, Rodolfo C. Fariñas and
Reynaldo V. Umali**

EXPLANATORY NOTE

The Office of the Solicitor General (OSG) is the law office of the Government of the Republic of the Philippines. It represents the Government, its departments, bureaus, agencies and instrumentalities, and its officials and agents in their official capacity, in any litigation, proceeding, investigation, or matter requiring the services of lawyers.

The Office of the Government Corporate Counsel (OGCC) is principal law office of government-owned and controlled corporations (GOCCs) pursuant to Republic Act No. 2327.

The Presidential Commission on Good Government (PCGG), which was created under Executive Order Nos. 1 and 2, s. 1986, is focused on the recovery and preservation of ill-gotten wealth, as well as the proper investigation and prosecution of cases involving them.

In numerous instances, despite the delineation of functions between the OSG and the OGCC, cases and matters requiring the services of a lawyer are still referred by GOCCs to the OSG. Additionally, in cases involving the recovery and preservation of ill-gotten wealth, the OSG has been representing the Republic of the Philippines since the creation of the PCGG. Hence, despite the fact that these functions are not specifically spelled out in the OSG's mandate, the OSG, as the primary law office of the Government, continues to render legal services to GOCCs and the PCGG.

In order to achieve economy, eliminate overlapping of functions, address the expanding needs of GOCCs for legal representation, and enhance government efforts to recover ill-gotten wealth and investigate and prosecute cases relative thereto, the legal services mentioned above must be consolidated into one office. This requires the abolition of the OGCC and the PCGG, and the transfer of their powers and functions to the OSG.

The consolidation of legal services in the OSG will specifically promote the wiser and more prudent use of public funds since this will do away with the practice of the OGCC of billing client GOCCs for legal services rendered.

Given the formidable and sensitive legal duties of the OSG, there is a need to strengthen the institution and provide its lawyers and employees benefits and privileges already being enjoyed by their counterparts in other government offices. This will ensure that the OSG is able to faithfully, effectively, and efficiently perform its mandate to uphold State interest. Towards this end, Congress must amend the present OSG law, R.A. No. 9417.

The significant amendments introduced by this bill pertain to the OSG's organizational structure; its expanded powers and functions; increased compensation, benefits and privileges of its personnel; its funding source; and the effects of the abolition of the OGCC and PCGG.

Organizational Structure

Under the Revised Administrative Code of 1987, the OSG is attached to the Department of Justice (DOJ). Under this bill, however, the OSG shall be attached to the Office of the President (OP) for budgetary purposes. This amendment is necessary to make the OSG a truly independent and autonomous office. Attaching the OSG to the OP would be a recognition of the OSG's distinct function and position in the executive branch.

This bill also increases the number of legal divisions in the OSG from at least thirty (30) to at least fifty (50), with at least ten (10) lawyers in each division. This will result in additional plantilla positions for Solicitors in every division. The present complement of lawyers is not enough to meet the burgeoning need of the

Government for legal services. To illustrate, each Solicitor handles an average of 3,000 cases, a large number of which involve special proceedings, annulment of marriage, land titles, taxation, and criminal cases. These numbers will further increase once the cases being handled by the OGCC are transferred to the OSG. Undoubtedly, the present solicitors are overworked, overburdened, and are decreasing in number as some transfer to the private sector or to other government agencies. The additional Solicitors will ease the work of the present Solicitors, and ultimately contribute to the more efficient discharge of the OSG's functions.

Expanded Powers and Functions

This bill expands the powers and functions of the OSG to include those that were exercised by the OGCC and PCGG. For instance, the OSG shall review all GOCC contracts prior to their execution and enforce the Property Insurance Law. These functions are currently performed by the OGCC as the principal law office of all GOCCs pursuant to Chapter 3, Section 10 of the Revised Administrative Code of 1987. The OSG's exercise of these functions will simply be a necessary offshoot of the abolition of the OGCC and the transfer of all the powers and functions of the latter office to the OSG, as provided in this bill.

In line with the State's policy of ensuring efficiency and economy in the operations of government, including the effective legal representation of GOCCs, it is also important that the OSG take a more proactive stance in the handling of government transactions. This means ensuring that GOCC contracts strictly conform to existing laws and regulations to avoid future litigations, which are not only costly but also have an adverse effect on the country's investment climate and reputation.

Likewise, the OSG shall have the power to grant immunity from criminal prosecution to any person who provides information or testifies in any investigation previously conducted by the PCGG or future cases investigated by the OSG, to establish the unlawful manner in which any respondent, defendant or accused has acquired or accumulated ill-gotten wealth, in any case where such information or testimony is necessary to ascertain or prove the latter's guilt or his civil liability. The PCGG is vested with this power pursuant to Section 5 of Executive Order No. 14, as amended by E.O. 14-A, s. 1986. The OSG's exercise of this power

will simply be a necessary offshoot of the abolition of the PCGG and the transfer of all its powers and functions to the OSG, as provided in this bill. Moreover, this immunity shall pertain only to cases involving ill-gotten wealth. Hence, it will not unduly interfere with the DOJ's power to grant immunity from criminal prosecution under the Witness Protection Program.

The bill also seeks to grant the OSG with new powers. For instance, subject to the President's approval, the OSG may engage the service of outside counsel to assist in the discharge of its duties and responsibilities in cases requiring highly specialized legal skills, knowledge or expertise, including but not limited to foreign arbitrations and litigations. Due to the fiduciary nature of the relationship between the OSG and the counsel, the engagement shall be exempt from Republic Act No. 9184 (Government Procurement Reform Act).

The engagement of outside counsel shall be exempt from the competitive bidding process under R.A. 9184 due to the nature of the services procured. The OSG is in the best position to determine which counsel to hire, taking into consideration the nature and complexity of the case(s) to be handled, as well as the counsel's qualifications and expertise.

In keeping with this bill's thrust to make the OSG an independent and autonomous office, the Solicitor General is vested with the power to perform and discharge certain proprietary functions that may be necessary to carry out the provisions of the this bill. For instance, to accommodate the fifty (50) divisions composed of at least tens (10) lawyers, it would be necessary to acquire a new building or to lease additional office space. This can be done most efficiently and expeditiously if the OSG is granted the powers stated in Section 5(q) of this bill.

Compensation, Benefits and Privileges

This bill upgrades the qualifications for appointment, rank, category, prerogatives, salaries, allowances, emoluments, benefits, and privileges of the Solicitor General to that of an Associate Justice of the Supreme Court. While this provision does not change the Solicitor General's present salary grade of 31, it serves to enhance the prestige and honor of the position.

While R.A. No. 9417 already provides that Senior State Solicitors and State Solicitors of the OSG shall have the same rank,

salaries, and privileges of trial court judges, the benefits provided for under R.A. No. 9946, such as additional retirement, survivorship, and other perquisites, are enjoyed by the members of the Judiciary only. The counterparts of senior OSG lawyers in the National Prosecution Service (NPS) and the Public Attorney's Office (PAO) also enjoy these benefits which are not available to Senior State Solicitors. There is a need to equalize the benefits and privileges received by Solicitors with that of their counterparts in the Judiciary, the NPS, and the PAO. At present, the OSG merely serves as a training ground for lawyers, as they are being lured to higher paying positions in the private sector or in other government offices. The government must provide incentives for lawyers to build their careers in the OSG, and reward those who choose to climb up the ranks and devote the best years of their working life to the OSG.

More important, given the complexity and significance of the cases they handle, Solicitors face hazards to life and limb. The brutal killing of Assistant Solicitor General Nestor J. Ballacillo, a Civil Service Dangal ng Bayan awardee and his son Benedict, is proof of this.

The provision on retroactivity of the law will clarify the ambiguities in R.A. No. 9417 on the entitlement of Solicitors who have judicial ranks to the retirement benefits under related laws.

Funding Source

The increase in the OSG's share in monetary awards or assets granted by courts or tribunals to client departments and assets adjudged to the government in forfeiture proceedings will significantly augment the office's funds to ensure proper implementation of the proposed law, particularly the expanded benefits provided therein, without being overly dependent on the annual appropriations. This can, in the long run, enhance the proposed fiscal autonomy for the office and lessen the need for appropriations from the national government's budget. Moreover, the twenty percent (20%) share provided in this bill conforms to the present rate of success fees recovered by private law firms.

Furthermore, the grant of the authority to borrow addresses the urgent need of the OSG to acquire and construct its own office

building, and improve working conditions and capacity development.

Effects of the Abolition of the OGCC and PCGG

This bill aims to streamline government legal services. Providing for the automatic absorption of OGCC and PCGG officials and employees would defeat this purpose, for streamlining does not only entail consolidating all government services in one office; more important, it requires a careful assessment of the optimal number of lawyers and staff that can effectively discharge the functions of the office to promote economy and efficiency in the service.

During the holdover period, the Solicitor General can determine the actual number of additional lawyers and administrative personnel required to handle the office's increased workload. OGCC and PCGG lawyers and personnel may apply for the needed positions, without prejudice to their entitlement to full retirement gratuity and pension pursuant to applicable laws, or separation pay, as the case may be, as provided in this bill.

Moreover, this would be in consonance with the OSG's present policy of upholding meritocracy in the selection and promotion of lawyers and administrative personnel. Additional lawyers and staff will be selected and hired based on their qualifications and performance, the latter being most applicable to OGCC and PCGG officials and employees.

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



PANTALEON D. ALVAREZ



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REYNALDO V. UMALI



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Introduced by
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1 **AN ACT**
2 **TO FURTHER STRENGTHEN THE OFFICE OF THE**
3 **SOLICITOR GENERAL BY PROVIDING FOR ITS POWERS**
4 **AND FUNCTIONS, AND REDEFINING, EXPANDING, AND**
5 **RATIONALIZING ITS ORGANIZATION, THEREBY**
6 **AMENDING REPUBLIC ACT NO. 9417 AND REPEALING**
7 **REPUBLIC ACT NO. 2327, EXECUTIVE ORDER NOS. 1 AND 2,**
8 **S. 1986, AND ALL RELATED LAWS, AND APPROPRIATING**
9 **FUNDS THEREFOR AND FOR OTHER RELATED PURPOSES**

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

10 **SECTION 1. Short Title.** – This Act shall be known as the
11 “OSG Charter.” (n)

12 **SECTION 2. Declaration of Policy.** – It is the declared
13 policy of the State to strengthen the Office of the Solicitor General
14 (OSG) in order to fulfill its role of upholding the best interest of the
15 government as the Tribune of the People, as well as to perform its
16 mandate as the principal law office of the Government of the
17 Republic of the Philippines representing the Government, its
18 departments, bureaus, agencies, and instrumentalities, and its
19 officials and agents in their official capacity, in any litigation,
20 proceeding, investigation, or matter requiring the services of
21 lawyers.

1 It is also the policy of the State to ensure efficiency and
2 economy in the operations of government, eliminate the
3 overlapping of functions, consolidate the legal services in the
4 government into one office, effectively address the expanding
5 needs of government-owned and -controlled corporations
6 (GOCCs) towards the improvement of fiscal management and
7 good corporate governance, and concentrate and enhance
8 government efforts for the full and effective recovery of ill-gotten
9 wealth and properties, including the efficient investigation and
10 prosecution of cases relative thereto. Towards this end, the Office
11 of the Government Corporate Counsel (OGCC) and the
12 Presidential Commission on Good Government (PCGG) are hereby
13 abolished and their respective powers and functions are
14 transferred to the OSG.

15 With the transfer of the powers and functions of the OGCC
16 and the PCGG to the OSG, and to ensure the efficient and effective
17 legal representation of the Government, its departments, bureaus,
18 agencies, and instrumentalities, GOCCs, and its officials and
19 agents in their official capacity, the members of the legal and
20 administrative staff of the OSG shall be increased and their
21 positions upgraded to adequately meet the Republic's burgeoning
22 need for legal services. The skills of OSG lawyers shall be further
23 improved, and the benefits of all OSG employees augmented. The
24 professional growth of these employees shall be encouraged. (n)

25 **SECTION 3. *Definition.*** – For purposes of this Act, the
26 term –

27 (a) “Capacity development” shall refer to the process
28 whereby the OSG, as an organization, develops its capability over
29 time to achieve development goals while enhancing its ability to
30 achieve measurable and sustainable results, through improvement
31 of knowledge, skills, and systems.

32 (b) “GOCCs” shall refer to government-owned and -
33 controlled corporations, their subsidiaries, other corporate
34 offsprings, including government-acquired asset corporations,
35 government corporate entities and government instrumentalities
36 with corporate powers, government financial institutions, and
37 other government corporate entities, agencies and offices.

1 (c) "Ill-gotten wealth" shall refer to any asset, property,
2 business enterprise or material possession of the persons referred
3 to in Executive Orders Nos. 1 and 2, s. 1986, acquired by them
4 directly, or indirectly through dummies, nominees, agents,
5 subordinates, and/or business associates by any of the following
6 means or similar schemes:

- 7 (1) Through misappropriation, conversion,
8 misuse, or malversation of public funds or
9 raids on the public treasury;
- 10 (2) Through the receipt, directly or indirectly,
11 of any commission, gift, share, percentage,
12 kickbacks, or any other form of pecuniary
13 benefit from any person and/or entity in
14 connection with any government contract
15 or project or by reason of the office or
16 position of the official concerned;
- 17 (3) By the illegal or fraudulent conveyance or
18 disposition of assets belonging to the
19 government or any of its subdivisions,
20 agencies or instrumentalities, or
21 government-owned or controlled
22 corporations;
- 23 (4) By obtaining, receiving, or accepting
24 directly or indirectly any shares of stock,
25 equity, or any other form of interest or
26 participation in any business enterprise or
27 undertaking;
- 28 (5) Through the establishment of agricultural,
29 industrial, or commercial monopolies or
30 other combination and/or by the issuance,
31 promulgation, and/or implementation of
32 decrees and orders intended to benefit
33 particular persons or special interests; and
- 34 (6) By taking undue advantage of official
35 position, authority, relationship, or
36 influence for personal gain or benefit. (n)

37 **SECTION 4. Organizational Structure.** – The Office of the
38 Solicitor General shall be an independent and autonomous office
39 attached to the Office of the President for budgetary purposes.

1 The OSG shall be headed by the Solicitor General, who is the
2 principal law officer and legal defender of the Government. He
3 shall have the authority and responsibility for the exercise of the
4 OSG's mandate and for the discharge of its duties and functions,
5 and shall have supervision and control over the OSG and its
6 constituent units.

7 The Solicitor General shall be assisted by a Legal Staff
8 composed of Assistant Solicitors General and such number of
9 Solicitors as may be necessary to operate the OSG.

10 There shall be at least fifty (50) legal divisions in the OSG.
11 Each division, headed by an Assistant Solicitor General, shall
12 consist of at least ten (10) lawyers and such other personnel as may
13 be necessary for the OSG to effectively carry out its functions.

14
15 The administrative structure of the OSG shall be organized
16 into the Financial Management Service, Docket Management
17 Service, Case Management Service, Human Resources
18 Management and Administrative Service, and Budget and
19 Planning Service, which shall be composed of the necessary
20 divisions and sections. Each Service shall be headed by a Director,
21 who shall be appointed by the President.

22 There shall be an Office of Legal Services (OLS) within the
23 OSG to be headed by a Chief Legal Officer, who shall be a lawyer,
24 appointed by the Solicitor General and serve at the latter's
25 pleasure. The qualifications, salary grade, and benefits of the Chief
26 Legal Officer and his/her legal staff shall be determined by the
27 Solicitor General. The Chief Legal Officer shall be assisted by such
28 other personnel as may be necessary to effectively carry out the
29 functions of the OLS.

30 **SECTION 5. Powers and Functions.** - The OSG shall
31 represent the Government of the Philippines, its agencies and
32 instrumentalities, including GOCCs, and its officials and agents
33 acting in their official capacity, in any litigation, proceeding,
34 investigation, or matter requiring the services of a lawyer. The
35 OSG shall constitute the principal law office of the Government
36 and, as such, shall discharge duties requiring the services of a
37 lawyer. It shall have the following specific powers and functions:

- 1 (a) Represent the Government and the People of the
2 Philippines in the Supreme Court and the Court of Appeals in all
3 criminal proceedings; represent the Government and its officers in
4 the Supreme Court, the Court of Appeals, and all other courts or
5 tribunals in all civil actions and special proceedings in which the
6 Government has been impleaded as a party, or any official of the
7 Government sued in the lawful performance of duty.
- 8 (b) Investigate, initiate court action, or in any manner
9 proceed against any person, corporation, or firm for the
10 enforcement of any contract, bond, guarantee, mortgage, pledge, or
11 other collateral executed in favor of the Government.
- 12 (c) Appear in any court in any action involving the
13 validity of any treaty, law, executive order or proclamation, or rule
14 or regulation when in his judgment his intervention is necessary or
15 when requested by the Court.
- 16 (d) Appear in all proceedings involving the acquisition or
17 loss of Philippine citizenship.
- 18 (e) Represent the Government in all land registration and
19 related proceedings. Institute actions for the reversion to the
20 Government of lands of the public domain and improvements
21 thereon as well as lands held in violation of the Constitution.
22
- 23 (f) Conciliate, mediate, settle, or adjudicate all disputes,
24 claims, and controversies solely between or among the
25 departments, bureaus, offices, agencies, and instrumentalities of
26 the National Government, including GOCCs.
- 27 (g) Render opinion and advice on matters referred by the
28 departments, bureaus, offices, agencies, and instrumentalities of
29 the National Government, including GOCCs.
- 30 (h) Prepare, upon request of the President or other proper
31 officer of the National Government, rules and guidelines for
32 government entities governing the preparation of contracts,
33 making of investments, undertaking of transactions, and drafting
34 of forms or other documents needed for official use, for the
35 purpose of facilitating their enforcement and ensuring that they are
36 entered into or prepared conformably to law and for the best
37 interests of the public.

1 (i) Deputize, whenever in the opinion of the Solicitor
2 General the public interest requires, any provincial or city
3 prosecutor to assist him in the performance of any function or
4 discharge of any duty incumbent upon him, within the jurisdiction
5 of the aforesaid provincial or city prosecutor. When so deputized,
6 the prosecutor shall be under the control and supervision of the
7 Solicitor General with regard to the conduct of the proceedings
8 assigned to the prosecutor, and he may be required to render
9 reports or furnish information regarding the assignment.

10 (j) Any law to the contrary notwithstanding, the OSG
11 shall be the legal counsel and principal law office of all GOCCs. All
12 GOCCs shall refer to the OSG the following:

13 (i) Before their execution, all contracts for review;
14 and

15 (ii) All cases for representation before regular courts,
16 quasi-judicial bodies, administrative agencies,
17 and arbitral tribunals, *Provided That* the Solicitor
18 General may thereafter authorize the GOCC's
19 legal department because of urgency or
20 expediency to appear as collaborating counsel to
21 handle GOCC's cases.

22 As legal counsel of all GOCCs, the OSG shall also perform
23 the following functions:

24 (1) Exercise control and supervision over the legal
25 departments of all GOCCs through designated Assistant
26 Solicitors General and Solicitors;

27 (2) Exercise visitorial powers over GOCCs;

28 (3) Replace the OGCC as ex-officio member in the
29 Property Insurance Fund and enforce the Property Insurance
30 Law pursuant to Republic Act No. 656, as amended by
31 Presidential Decree 245, in domestic or international
32 transactions;

33 (4) Conduct periodic performance audits of the in-
34 house lawyers or legal departments of the GOCCs and to
35 recommend appropriate actions to GOCCs;

1 (5) Require the in-house lawyers or legal
2 departments of GOCCs to submit periodic reports of work
3 performed and/or accomplished and to supervise and
4 control the necessary legal action; and

5 (6) Perform other functions as maybe provided by
6 law and such additional tasks as may be required by the
7 GOCCs, with the conformity of the Solicitor General. (n)

8 (k) Deputize legal officers of government departments,
9 bureaus, agencies, offices, and GOCCs to assist the Solicitor
10 General and appear or represent the Government in cases
11 involving their respective offices, brought before the courts, and
12 exercise supervision and control over such legal officers with
13 respect to such cases.

14 (l) Call on any department, bureau, office, agency, or
15 instrumentality of the Government, including any GOCC, for such
16 service, assistance, and cooperation as may be necessary in
17 fulfilling its functions and responsibilities and for this purpose
18 enlist the services of any government official or employee in the
19 pursuit of his tasks.

20 Departments, bureaus, agencies, offices, instrumentalities,
21 and GOCCs to whom the OSG renders legal services are
22 authorized to disburse funds from their sundry operating and
23 other funds for the OSG. For this purpose, the Solicitor General,
24 Assistant Solicitors General, Senior State Solicitors, State Solicitors,
25 and Associate Solicitors are specifically authorized to receive
26 allowances as may be provided by the Government offices,
27 instrumentalities, and GOCCs concerned, in addition to their
28 regular compensation. (rf. 1987 Administrative Code, Book IV,
29 Title III, Chapter 12, Sec. 35 (9))

30 (m) The powers and functions of the PCGG are hereby
31 transferred to the OSG which include the following:

32 (1) To file and prosecute all cases investigated by the
33 PCGG under Executive Order No. 1, dated 28
34 February 1986, Executive Order No. 2, dated 12
35 March 1986, and Executive Order No. 432, dated
36 26 May 2005, as may be warranted by its findings;

- 1 (2) To continue handling cases relative to the
2 recovery of ill-gotten wealth and behest loans;
- 3 (3) To grant immunity from criminal prosecution to
4 any person who provides information or testifies
5 in any investigation previously conducted by the
6 PCGG or future cases investigated by the OSG
7 involving ill-gotten wealth, to establish the
8 unlawful manner in which any respondent,
9 defendant or accused has acquired or
10 accumulated the property or properties in
11 question in any case where such information or
12 testimony is necessary to ascertain or prove the
13 latter's guilt or his civil liability. The immunity
14 thereby granted shall be continued to protect the
15 witness who repeats such testimony before the
16 Sandiganbayan when required to do so; and
- 17 (4) To call upon any department, bureau, office,
18 agency, instrumentality or corporation of the
19 government, or any officer or employee thereof,
20 for such assistance as it may need in the
21 discharge of its functions relative to recovery of
22 ill-gotten wealth and behest loans.
- 23 (n) Represent, upon the instructions of the President, the
24 Republic of the Philippines in international litigations,
25 negotiations, or conferences where the legal position of
26 the Republic must be defended or presented.
- 27 (o) Subject to the approval of the President, engage the
28 services of counsel to assist in the discharge of his
29 duties and responsibilities in cases requiring highly
30 specialized legal skills, knowledge or expertise,
31 including but not limited to foreign arbitrations and
32 litigations. However, due to the fiduciary nature of the
33 relationship between the OSG and the counsel, the
34 engagement of the latter shall be exempt from Republic
35 Act No. 9184 (Government Procurement Reform Act).
36 ~~[and Presidential Decree 1445 (Government Auditing~~
37 ~~Code of the Philippines).]~~
- 38 (p) Act and represent the Republic and/or the people
39 before any court, tribunal, body, or commission in any

1 matter, action, or proceeding which, in his opinion,
2 affects the welfare of the people as the ends of justice
3 may require;

4 (q) Acquire, own, hold, or lease real and personal
5 property; sell or otherwise dispose of the same; enter
6 into contracts including loan agreements and joint
7 venture agreements; and do and perform any and all
8 acts that may be necessary or proper to carry out the
9 purposes of this Act; (n)

10 (r) Provide a Legal Internship Program to help law
11 students prepare and train for and experience legal
12 practice in public service. (n)

13 (s) Perform such other functions as may be provided by
14 law.

15 **SECTION 6. *Abolition of the Office of the Government***
16 ***Corporate Counsel and the Presidential Commission on Good***
17 ***Government.*** - The legal representation of the Government, its
18 agencies, and instrumentalities, including GOCCs, and officials
19 and agents acting in their official capacity, and the powers and
20 functions of the PCGG shall be consolidated in the OSG, the
21 principal law office and legal defender of the Government. For this
22 purpose, the OGCC and the PCGG are hereby abolished, and all
23 the powers and functions of said Offices which are not inconsistent
24 with the provisions of this Act are hereby transferred to the OSG.

25 After settlement of its liabilities, if any, all budgetary
26 appropriations, funds, properties, records, equipment, rights,
27 choses in action, and other assets of the OGCC and the PCGG are
28 hereby transferred to the OSG. (n)

29 **SECTION 7. *Appointments.*** - The Solicitor General shall be
30 appointed by the President.

31 The Assistant Solicitors General, Senior State Solicitors, and
32 State Solicitors shall be appointed by the President upon
33 recommendation of the Solicitor General. Associate Solicitors shall
34 be appointed by the Solicitor General.

1 The Financial Management Service, Docket Management
2 Service, Case Management Service, Human Resources
3 Management and Administrative Service, and Budget and
4 Planning Service shall each be headed by a Director to be
5 appointed by the President upon the recommendation of the
6 Solicitor General. The Service Heads shall possess the necessary
7 CES eligibility and qualifications for the position prescribed under
8 pertinent civil service laws, rules, and regulations: *Provided*, that if
9 a Service Head who does not possess the necessary eligibility and
10 qualifications is occupying the position at the time of the effectivity
11 of this Act, he or she shall continue to perform such functions as
12 officer-in-charge and shall have a maximum of two (2) years to
13 comply with the said eligibility and qualifications: *Provided, further*,
14 that if the Service Head fails or is unable to meet the eligibility and
15 qualifications for the position after the lapse of two (2) years from
16 effectivity of this Act, he or she shall be *ipso jure* removed from said
17 position. (n)

18 Administrative personnel in the OSG shall be appointed by
19 the Solicitor General.

20 **SECTION 8. *Standards.*** – The Solicitor General shall have
21 the rank of a Cabinet Secretary and the same qualifications for
22 appointment, rank, category, prerogatives, salaries, allowances,
23 emoluments, privileges, retirement—and all other benefits of an
24 Associate Justice of the Supreme Court; an Assistant Solicitor
25 General, those of an Associate Justice of the Court of Appeals.

26 The qualifications for appointment, rank, category,
27 prerogatives, salaries, allowances, emoluments, privileges,
28 retirement and all other benefits of Solicitors shall be the same as
29 judges, specified as follows:

Senior State Solicitor – Regional Trial Court Judge

State Solicitor II – Metropolitan Trial Court Judge

30 State Solicitor I – Municipal Trial Court in Cities Judge

31 The Solicitor General shall be entitled to the same retirement
32 benefits and privileges as an Associate Justice of the Supreme
33 Court, provided he has served in such capacity for at least two (2)

1 years. Such retirement benefits and privileges shall accrue to him
2 or her upon reaching the age of sixty (60) years.

3 Assistant Solicitor Generals, Senior State Solicitors, State
4 Solicitors II, and State Solicitors I shall be entitled to the same
5 retirement benefits and privileges as their counterparts in the
6 Judiciary upon reaching the age of sixty (60) years, provided that
7 they have served in such capacities for at least five years. An
8 Assistant Solicitor General, Senior State Solicitor, State Solicitor II,
9 and State Solicitor I may opt to serve up to the age of seventy (70)
10 years.

11 The Solicitor General shall determine the qualifications,
12 prerogatives, and responsibilities of the Associate Solicitors.

13
14 (a) **SECTION 9. *Office of Legal Services.*** – The OLS shall
15 perform such functions and duties as may be assigned by the
16 Solicitor General, which may include drafting proposed legislative
17 measures to strengthen the OSG and enable it to efficiently and
18 effectively discharge its mandate for submission by the Solicitor
19 General to Congress and/or to the President of the Philippines;
20 conducting research on legal issues that may be assigned by the
21 Solicitor General; and assisting the Solicitor General, Assistant
22 Solicitors General, State Solicitors, Associate Solicitors, and all
23 other employees of the OSG who are impleaded in their official
24 capacity in any litigation, proceeding, investigation, or matter
25 requiring the services of a lawyer. (n)
26

27 **SECTION 10. *Capacity Development.*** – In order to build and
28 develop the capability of the OSG as an organization to achieve
29 development goals, as well as enhance its abilities to achieve
30 measurable and sustainable results, the Solicitor General, in
31 consultation with the Assistant Solicitors General, shall formulate,
32 develop, and implement plans, activities, and programs towards
33 the improvement of knowledge, skills, and systems. To achieve
34 this objective, the Solicitor General may by himself authorize OSG
35 lawyers to travel anywhere in the Philippines and abroad to attend
36 seminars, fora, conferences, or lectures on different areas of law,
37 pleadings and practice in international courts and tribunals,
38 public-private partnerships, and public corporate governance,
39 among others. The Solicitor General may also authorize the
40 administrative staff of the OSG to undergo relevant training to
41 improve their skills.

1 **SECTION 11. *Compensation.*** – The salary grades of the
2 Solicitor General, Assistant Solicitors General, Senior State
3 Solicitors, State Solicitors, and Associate Solicitors shall be as
4 follows:

POSITION	SALARY GRADE
Solicitor General	31
Assistant Solicitor General	30
Senior State Solicitor	29
State Solicitor II	28
State Solicitor I	27
Associate Solicitor III	26
Associate Solicitor II	25
Associate Solicitor I	24

5 The Solicitor General, Assistant Solicitor General, and
6 Solicitors shall be entitled to step increments and longevity pay
7 which shall be equivalent to those being received by their
8 counterparts in the judiciary.

9
10 The positions and salaries of non-legal personnel in the OSG
11 shall be in the level of their counterparts in the Court of Appeals.

12 **SECTION 12. *Benefits and Privileges.*** – The OSG shall
13 provide its employees with the following benefits:

14 (1) Health care services through a health maintenance
15 organization (HMO). Expenses for the mandatory annual executive
16 check-up of the Solicitor General, the Assistant Solicitors General
17 and OSG officials whose positions correspond to Salary Grade 28
18 and above shall be for the account of the OSG;

19 (2) Hazard pay, as well as accident insurance policies
20 procured by the OSG at its own expense to protect its officials
21 while they are in the performance of their official duties and
22 functions;

23 (3) Without prejudice to efficiency in the service, scholarships
24 to deserving employees on official time and at the expense of the
25 OSG to enhance their academic growth and upgrade their

1 knowledge and skills. Scholarships under this provision shall be
2 granted on the basis of competitive examination. Scholars shall be
3 required to render service in the OSG upon immediate completion
4 of the program, course or degree, in accordance with applicable
5 Civil Service laws, rules and regulations.

6 (4) A provident fund which shall consist of contributions
7 made both by the OSG and by its lawyers and employees to a
8 common fund for the payment of benefits to such lawyers or
9 employees or their heirs;

10 (5) Other perquisites and benefits as enjoyed by other
11 government offices or as may be determined by the Solicitor
12 General in the exigencies of the service and in accordance with law.
13 (n)

14 **SECTION 13. *Seminar and Other Professional Fees.*** —
15 Subject to the availability of funds, fees for relevant seminars, as
16 well as professional membership fees for lawyers, registration fees,
17 and related miscellaneous expenses incurred in completing the
18 mandatory continuing legal education (MCLE) course shall be
19 borne by the OSG: *Provided*, that the lawyer whose lifetime
20 membership fees/dues to the Integrated Bar of the Philippines
21 (IBP) have been paid up or reimbursed by the OSG, shall maintain
22 his or her service in the OSG for at least five (5) years: *Provided*,
23 *further*, that should the lawyer resign or in any manner sever his or
24 her service from the Office, he or she shall be required to reimburse
25 the paid up IBP membership dues/fees in *pro rata*. (n)

26 Professional membership, registration fees, including those
27 for mandatory continuing professional education (CPE), and
28 related miscellaneous expenses of other employees holding
29 positions for which a professional license is required by the office
30 shall also be borne by the OSG.

31 **SECTION 14. *Survivorship Benefits; Coverage.*** -Upon the
32 death of a Solicitor General, Assistant Solicitor General, Senior
33 State Solicitor, State Solicitor, or an Associate Solicitor of the OSG,
34 if said official had retired or was in the service at the time of death,
35 the surviving legitimate spouse and dependent children, or in their
36 absence, the surviving parents of said official shall be entitled to
37 receive on a monthly basis all the retirement benefits that the
38 deceased official was receiving or entitled to receive at the time of

1 death under the provisions of the applicable retirement laws. A
2 "dependent" means a legitimate, illegitimate, or legally adopted
3 child who is chiefly dependent with the above-enumerated
4 deceased officials if such dependent is not more than twenty-one
5 (21) years of age, unmarried and not gainfully employed or if such
6 dependent, regardless of age, is incapable of self-support because
7 of mental or physical defect. The surviving legitimate spouse shall
8 continue to receive such retirement benefits during his or her
9 lifetime or until he or she remarries: *Provided*, that if the surviving
10 legitimate spouse is receiving benefits under existing retirement
11 laws, the surviving legitimate spouse shall only be entitled to the
12 difference between the amount provided for in this Act and the
13 benefits the surviving spouse has been receiving: *Provided, further*,
14 that said benefits shall be granted to all aforementioned members
15 of the OSG who died or retired prior to the effectivity of this Act:
16 *Provided, furthermore*, that the surviving legitimate spouse receiving
17 the benefit shall not, if he or she is a member of the Bar, appear as
18 counsel before any court in any civil case wherein the Government
19 or any subdivision or instrumentality thereof, including GOCCs, is
20 the adverse party, or in any criminal case wherein an incumbent or
21 former officer or employee of the Government is accused of an
22 offense committed in relation to his or her office, or collect any fee
23 for his or her appearance in any administrative proceeding; and
24 when the surviving legitimate spouse shall assume an elective
25 public office, he or she shall not, upon assumption of office and
26 during his or her term, receive the said survivorship benefits. (n)

27 **SECTION 15. *Grant of Special Allowances.*** — Any law to
28 the contrary, notwithstanding, the Solicitor General, Assistant
29 Solicitors General, Senior State Solicitors, State Solicitors and
30 Associate Solicitors shall be granted special allowances in amounts
31 to be determined by the Solicitor General.

32 The grant of special allowances shall be implemented
33 uniformly in such sums and amounts and up to the extent only
34 that can be supported by the funding source specified in Section 18
35 (a) to (d) hereof: *Provided*, that each grant of the said special
36 allowance shall not exceed One hundred percent (100%) of the
37 basic salary of solicitors as provided in Republic Act No. 6758,
38 otherwise known as the Salary Standardization Law: *Provided*,
39 *further*, that said special allowances shall be exempt from income
40 tax.

1 **SECTION 16. *Other Benefits.*** — Notwithstanding any law,
2 or administrative rule or regulation, the lawyers of the OSG are
3 allowed to receive honoraria and allowances directly from each
4 client department, agency, and instrumentality of the Government,
5 as well as from each client GOCC for the legal services that said
6 lawyers render, which may include attendance in hearings,
7 providing legal advice, drafting of contracts and legal documents,
8 and performing designated functions; *Provided, that* said honoraria
9 and allowances shall be exempt from income tax.

10 **SECTION 17. *Franking Privilege.*** — All official mail matters
11 and telegrams of the OSG addressed for delivery within the
12 Philippines shall be received, transmitted, and delivered free of
13 charge: *Provided, that* such mail matters when addressed to private
14 persons or non-government offices shall not exceed one hundred
15 twenty (120) grams.

16 **SECTION 18. *Funding.*** — The funds required for the
17 implementation of this Act, including those for health care services,
18 survivorship benefits; insurance premiums, professional,
19 educational, and registration fees; transportation benefits; and
20 other benefits and privileges mentioned in the other provisions of
21 this Act, shall be provided for in the General Appropriations Act
22 and augmented by funds sourced from the following:

23 (a) Twenty percent (20%) of monetary awards or value of
24 assets adjudged by the Courts or tribunals to client departments,
25 agencies and instrumentalities of the Government, and GOCCs,
26 including those under court-approved compromise agreements;

27 (b) Twenty percent (20%) of assets adjudged to the
28 Government in forfeiture proceedings;

29 (c) Fifty percent (50%) of fees collected by the Special
30 Committee on Naturalization; and

31 (d) All other income, fees and revenues earned and
32 collected by the Office of the Solicitor General.

1 For this purpose, the OSG is hereby authorized to charge
2 deputation, certification, and other similar fees in the cases that it
3 handles.

4 The amounts collected pursuant to this section shall
5 constitute a trust fund in the name of the OSG to be managed and
6 used by the Solicitor General to carry out the provisions of this Act.

7 **SECTION 19. *Transfer of Cases.*** – All cases being handled by
8 the OGCC shall be transferred to the OSG: *Provided, however,* that
9 the handling OGCC lawyer shall submit a status report of all cases
10 he or she is handling to the Solicitor General: *Provided, further,* that
11 a certification under oath that the records of the case transmitted to
12 the OSG are complete shall be made by the handling OGCC lawyer
13 as a pre-condition for receiving the separation or retirement
14 benefits under this Act. (n)

15 **SECTION 20. *Case Migration.*** – Upon the effectivity of this
16 Act, a transition “Case Migration Committee” (CMC) shall be
17 created composed of: three (3) members from each of the
18 respective records and docket divisions of the OSG, the OGCC,
19 and the PCGG, at least two (2) members from the legal divisions of
20 all GOCCs, and at least two lawyers each from the OSG, the
21 OGCC, and the PCGG.

22 The CMC shall ensure the smooth turnover of all cases and
23 legal concerns of the OGCC and the PCGG to the OSG, with
24 corresponding status reports, complete records, and other relevant
25 documents, taking care that no case or legal concern shall be
26 prejudiced in the process of turnover.

27 The CMC shall have the responsibility of determining which
28 cases and legal concerns need immediate attention or are extremely
29 urgent. These cases and legal concerns shall immediately be
30 transferred and/or referred to the OSG.

31 The CMC shall complete its work within thirty (30) days
32 from its constitution. The CMC shall submit a comprehensive
33 report to the Solicitor General. (n)

1 **SECTION 21. *Retirement or Separation from Service.*** -
2 Consequent to the abolition of the OGCC and the PCGG, OGCC
3 and PCGG officials and employees who have attained fifty (50)
4 years of age and have rendered at least fifteen (15) years in
5 government service, the last five (5) years of which shall have been
6 continuously rendered in the OGCC or the PCGG, shall be
7 qualified for retirement with full retirement gratuity and pension
8 pursuant to applicable laws. Those who lack any one of the above
9 qualifications shall receive a separation pay equivalent to one and
10 a half (1 1/2) months for every year of service in government,
11 which will be provided for in the General Appropriations Act. (n)

12 **SECTION 22. *Implementing Rules and Regulations.*** -
13 Within thirty (30) days from the approval of this Act, the Solicitor
14 General, in coordination with the Secretary of Budget and
15 Management, shall promulgate such rules and regulations as may
16 be necessary to carry out the provisions of this Act. Until such
17 time that the rules and regulations are promulgated and Section 21
18 of this law is implemented, the officials and administrative
19 personnel of the OGCC and PCGG shall remain in their positions
20 in a holdover capacity.

21 **SECTION 23. *Retroactivity.*** - The retirement benefits
22 provided for in Section 8 and the survivorship benefits provided
23 for under Section 14 of this Act shall have retroactive effect as of
24 the date of effectivity of Republic Act No. 9417. (n)

25 **SECTION 24. *Appropriations.*** - The amount necessary for
26 the initial implementation of this Act shall be taken from the
27 current appropriations of the OSG and/or its savings. Thereafter,
28 such sums as may be necessary for the continued implementation
29 of this Act shall be included in the annual General Appropriations
30 Act.

31 **SECTION 25. *Repealing Clause.*** - Pertinent provisions of
32 Executive Order No. 292, otherwise known as the Revised
33 Administrative Code of 1987, as amended, Republic Act No. 9417,
34 and all laws, decrees, orders, rules and regulations or parts thereof
35 which are contrary to or inconsistent with the provisions of this
36 Act are hereby repealed or amended accordingly.

1 This Act expressly repeals Republic Act No. 2327 entitled
2 *"An act to declare the position of Government Corporate Counsel distinct*
3 *and separate from that of the Solicitor General, provide for his*
4 *appointment and salary and appropriate the necessary funds therefor, and*
5 *for other purposes"*, and Executive Orders No. 1 entitled *"Creating*
6 *the Presidential Commission on Good Government"* and No. 2 entitled
7 *"Regarding the Funds, Moneys, Assets and Properties Illegally Acquired*
8 *or Misappropriated by Foremr President Ferdinand Marcos ..."* , s. 1986,
9 and, related laws.

10 **SECTION 26. *Separability Clause.*** — If any provision of this
11 Act is declared invalid or unconstitutional, the provisions not
12 affected thereby shall continue to be in full force and effect.

13 **SECTION 27. *Effectivity.*** — This Act shall take effect after
14 fifteen (15) days from its publication in two national newspapers of
15 general circulation.

Approved,