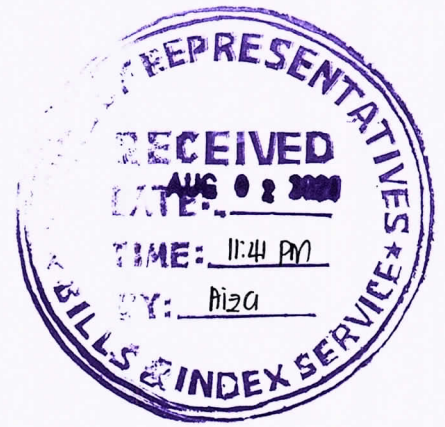


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
Second Regular Session

House Bill No. 7231



Introduced by Representative Evelina Escudero

EXPLANATORY NOTE

Section 5, Article IX-B of the Constitution provides that:

The Congress shall provide for the standardization of compensation of government officials and employees, including those in government-owned or controlled corporations with original charters, taking into account the nature of the responsibilities pertaining to, and the qualifications required for, their positions.

In consonance with the above provision, this mandatory bill proposes to rectify the overarching scope of Republic Act No. 10149 which includes even the compensation standardization of government owned or controlled corporations (GOCCs) without original charter.

Hence, such GOCCs created and organized by virtue of Batas Pambansa Bilang 68 or the Corporation Code must be governed by the appropriate provisions of Presidential Decree No. 442 or the Labor Code of the Philippines insofar as salary or compensation standardization is concerned.

Respectfully submitted,

EVELINA ESCUDERO

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
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AN ACT
AMENDING CERTAIN PROVISIONS OF REPUBLIC ACT NO. 10149
OR THE GOCC GOVERNANCE ACT OF 2011

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

SECTION 1. Paragraph (0), Section 3 of Republic Act No.10149 is hereby amended to read as follows:

"(0) Government-Owned or Controlled Corporation (GOCC) refers to [any agency] **A CHARTERED OR NON-CHARTERED GOCC, AS DEFINED HEREIN** organized as a stock or non-stock corporation, vested with functions relating to public needs whether environmental or proprietary in nature, and owned by the Government of the Republic of the Philippines directly or through its instrumentalities either wholly or where applicable as in the case of stock corporations, to the extent of at least a majority of its outstanding capital stock: Provided, however, That for purposes of this Act, the term "GOCC" - shall include GICP/GCE and GFI as defined herein [.] **PROVIDED, FURTHER, THAT FOR PURPOSES OF CHAPTER III OF THIS ACT, THE DISTINCTION BETWEEN A CHARTERED OR NON CHARTERED GOCC SHALL BE RETAINED."**

SEC. 2. Section 8 of Republic Act No. 10149 is likewise hereby amended to read as follows:

"SEC. 8. Coverage of the Compensation and Position Classification System. The GCG, after conducting a compensation study, shall develop a Compensation and Position Classification System which shall apply to all officers and employees of [the] **CHARTERED GOCCs** [whether under the Salary Standardization Law or exempt therefrom] and shall consist of classes of positions grouped into such categories as the

GCG may determine, subject to approval of the President[.]: **PROVIDED, THAT THE COMPENSATION OF EMPLOYEES OF NON-CHARTERED GOCCS SHALL BE SET IN ACCORDANCE WITH PRESIDENTIAL DECREE NO. 442 OR THE LABOR CODE OF THE PHILIPPINES."**

SEC. 3. In the event any portion or provision of this Act is declared unconstitutional, the remainder of this Act or any provisions not affected thereby shall remain in force and in effect.

SEC. 4. All laws, presidential decrees, executive orders, proclamations and/or administrative regulations which are inconsistent with the provisions of this Act are hereby amended, modified, superseded or repealed accordingly.

SEC. 5. This Act shall take effect immediately after its complete publication in the Official Gazette or at least two (2) newspapers of general circulation.

Approved,