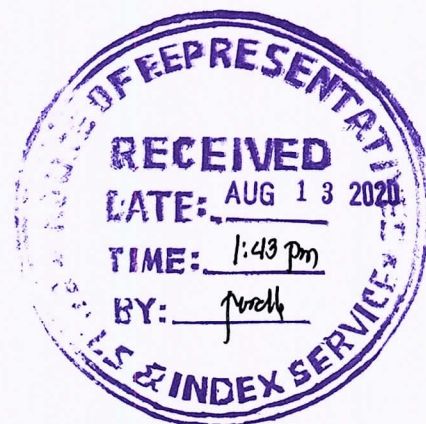


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Eighteenth Congress
Second Regular Session

HOUSE BILL NO. 7373



Introduced by Representative JAKE VINCENT S. VILLA

AN ACT
AMENDING SECTION 8 OF REPUBLIC ACT NO. 6713, ALSO KNOWN AS THE
CODE OF CONDUCT AND ETHICAL STANDARDS FOR PUBLIC OFFICIALS
AND EMPLOYEES PROVIDING FOR STATEMENTS AND DISCLOSURE

EXPLANATORY NOTE

The 1987 Philippine Constitution Section 17 Article 11, provides:

A public officer or employee shall, upon assumption of office and as often thereafter as may be required by law, submit a declaration under oath of his assets, liabilities, and net worth. In the case of the President, the Vice-President, the Members of the Cabinet, the Congress, the Supreme Court, the Constitutional Commissions and other constitutional offices, and officers of the armed forces with general or flag rank, the declaration shall be disclosed to the public in the manner provided by law.

Republic Act No. 6713 also known as the Code of Conduct and Ethical Standards for Public Officials mandates all government officials and employees, regardless of their salary grades, to use a uniform SALN form.

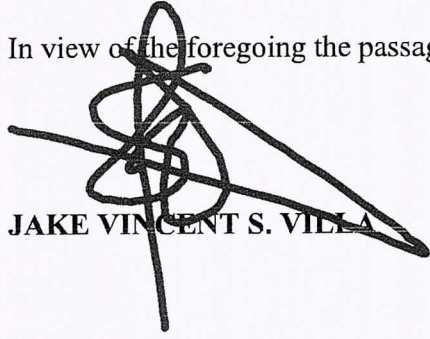
No less than the Supreme Court¹ emphasized the importance of complying with the constitutional mandate to submit the SALN form. It serves as monitoring the income and lifestyle of officials and employees in the government in compliance with the Constitutional policy to eradicate corruption, promote transparency in government, and ensure that all government employees and officials lead just and modest lives. Hence, there is a need to amend the law by requiring public officials to use a more detailed SALN form, which will require the declaration of the gifts received, financial transactions and travels for the year.

Transparency curbs corruption. There is a need for this measure in order to reflect the true wealth of a government official. This bill further provides that for purpose of computing the

¹ Flores v. Montemayor, GR No. 170146, 25 August 2010.

declarant's net worth, the current fair market value of the real property indicated in the tax declaration of the real property concerned shall be used.

In view of the foregoing the passage of this measure is earnestly sought.



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

SECTION 1. Section 8 RA 6713 is hereby amended to read as follows

Section 8. Statements and Disclosure. – Public officials and employees have an obligation to accomplish and submit declarations under oath of, and the public has the right to know, their assets, liabilities, net worth and financial and business interests including those of their spouses and of unmarried children under eighteen (18) years of age living in their households.

Only in rare circumstances, when the financial interest of a spouse or child meets all three standards listed below, may file or omit disclosure of an asset:

- (1) the item is the sole interest or responsibility of the spouse or child, and the reporting individual has no knowledge of the item;
 - (2) the item was not in any way, past or present, derived from the income, assets, or activities of the reporting individual; and
 - (3) the reporting individual neither derives, nor expects to derive, any financial or economic benefits from the item.
- (A) **Statements of Asset and Liabilities and Financial Disclosure.** – All public officials and employees, except those who serve in an honorary capacity, laborers and casual or temporary workers, shall file under oath their Statement of Assets, Liabilities and Net Worth and a Disclosure of Business Interests and Financial Connections and those of their spouses and unmarried children under eighteen (18) years of age living in their households.

The two documents shall contain information on the following:

- (a) real property, its improvements, acquisition costs, assessed value and current fair market value;
- (b) personal property and acquisition cost;
- (c) all other assets such as investments, cash on hand or in banks, stocks, bonds, and the like;
- (d) liabilities; and
- (e) all business interest and financial connections.

The documents must be filed:

- (a) within thirty (30) days after assumption of office;
- (b) on or before April 30, of every year thereafter; and
- (c) within thirty (30) days after separation from the service.

All public officials and employees required under this section to file the aforesaid document shall also execute, within thirty (30) days from the date of their assumption of office, the necessary authority in favor of the Ombudsman to obtain from all appropriate government agencies, including the Bureau of Internal Revenue, such documents as may show their assets, liabilities, net worth, and also their business interests and financial connections in previous years, including, if possible, the year when they first assumed any office in the Government.

The current fair market value of the real property indicated in the tax declaration of the real property concerned shall be used as basis for computing the net worth.

Husband and wife who are both public officials or employees may file the required statements jointly or separately.

The Statements of Assets, Liabilities and Net Worth and the Disclosure of Business Interests and Financial Connections shall be filed by:

- (1) Constitutional and national elective officials, with the national office of the Ombudsman;
- (2) Senators and Congressmen, with the Secretaries of the Senate and the House of Representatives, respectively; Justices, with the Clerk of Court of the Supreme Court; Judges, with the Court of Administrator; and all national executive officials with the Office of the President.

- (3) Regional and local officials and employees, with the Deputy Ombudsman in their respective regions;
- (4) Officers of the armed forces from the rank of colonel or naval captain, with the Office of the President, and those below said ranks, with the Deputy Ombudsman in their respective regions; and
- (5) All other public officials and employees, defined in Republic Act No. 3019, as amended, with the Civil Service Commission.

Public officials with salary grade 27 and above (officers who are under the jurisdiction of the Sandiganbayan) or heads of office should use a more detailed SALN form, which includes the following:

1. gifts – indicate the identity of the source, a brief description, and the value of the gifts.
2. financial transactions such as, but not limited to, sale, donation, assignment, including the date and amount of transaction.
3. travels – report all travel and travel-related reimbursements from a single source and connected to official business with information on the source, dates, purpose of the travel and itinerary.

SECTION 2. *Separability Clause.* – If any provision or part hereof is held invalid or unconstitutional, the remainder of the law of the provision not otherwise affected shall remain valid and subsisting.

SECTION 3. *Repealing Clause.* – Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent with the provisions of this Act is hereby repealed, modified or amended accordingly.

SECTION 4. *Effectivity Clause.* – This act shall take effect fifteen (15) days after its publication in at least two (2) newspaper of general circulation.

Approved.