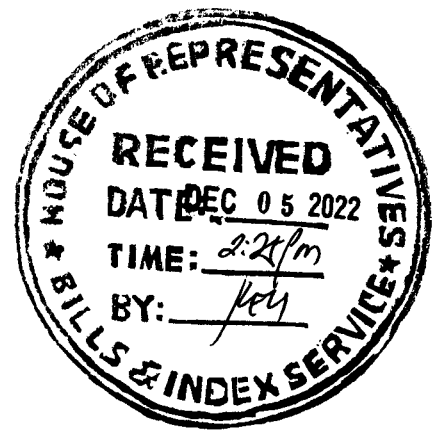


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Nineteenth Congress
First Regular Session

House Bill No. **6493**



Introduced by **REP. JOEY SARTE SALCEDA**

AN ACT
STRENGTHENING THE OFFICE OF THE GOVERNMENT CORPORATE
COUNSEL (OGCC), BY RATIONALIZING AND FURTHER
PROFESSIONALIZING ITS ORGANIZATION,
AND APPROPRIATING FUNDS THEREFOR

EXPLANATORY NOTE

The number of government-owned or controlled corporations (GOCCs), government financial institutions (GFIs), government instrumentalities with corporate powers (GCIPs), and government corporate entities (GCEs) as defined in Republic Act No. 10149, otherwise known as the “GOCC Governance Act of 2011”, as well as their subsidiaries and corporate off-springs including economic zones and water districts, all collectively referred to as “government corporations”, have increased through the years – from fifty three (53) in 1983 to seven hundred thirty two (732) to date.

Executive Order No. 292 (26 July 1987), otherwise known as the “Administrative Code of 1987”, expressly defines the mandate of the Office of the Government Corporate Counsel (OGCC), thus: (1) to act as the principal law office of all government corporations; *and*, (2) to exercise control and supervision over all legal departments or divisions thereof. Later executive issuances further strengthened and enhanced OGCC’s mandate and responsibilities over the legal affairs of various GOCCs.

However, the existing organizational structure and personnel complement of OGCC was formulated way back in 1983, and has not been amended or improved since then, despite the substantial increase in the volume, complexity and the importance of the OGCC’s mandate due to escalating demands of government activities and transactions.

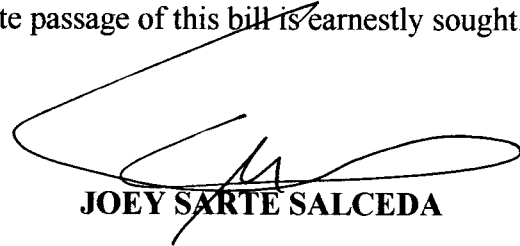
To ensure that OGCC shall be able to adapt to the changing conditions and to uphold the principle of “*equal pay for equal value of work*”, the Eighteenth Congress (2019-2022) passed the consolidated OGCC Bill (Senate Bill No. 2490 & House Bill No. 9088), entitled: “*An Act Strengthening the Office of the Government Corporate Counsel (OGCC), by Rationalizing and Further Professionalizing its Organization, and Appropriating Funds Therefor*” and transmitted the same to the Office of the President on June 21, 2022.

While His Excellency President Ferdinand “Bongbong” Romualdez Marcos, Jr. vetoed the OGCC Bill on July 22, 2022, he still recognizes the need to strengthen the OGCC because of the

growth in the number of GOCCs coupled with the complexities of their requirements brought by the modern business situations and conditions, and thereby accord the men and women of the OGCC the same privileges and benefits being enjoyed by their counterparts in the Judiciary and in the Office of the Solicitor General.

This Bill, therefore, reintroduces the proposed bill on the OGCC, now entitled: *“An Act Strengthening the Office of the Government Corporate Counsel by Rationalizing and Further Professionalizing its Organization, and Appropriating Funds Therefor”*, subject to certain amendments to address the veto message of the President.

IN VIEW OF THE FOREGOING, the immediate passage of this bill is earnestly sought.



JOEY SARTE SALCEDA

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

SECTION 1. *Short Title.* – This Act shall be known as the “*OGCC Charter of CY2022*”.

SEC 2. *Declaration of Policy.* – It shall be the policy of the State to protect and promote the welfare, rights and interests of government-owned or controlled corporations (GOCCs), government financial institutions (GFIs), government instrumentalities with corporate powers (GICPs), and government corporate entities (GCEs) as defined in Republic Act No. 10149, otherwise known as the “GOCC Governance Act of 2011”, as well as their subsidiaries and corporate off-springs, including economic zones and water districts, all collectively referred to in this Act as “government corporations”.

Toward this end, the State shall require the improvement of legal services extended by the Office of the Government Corporate Counsel (OGCC), to efficiently address the expanding needs of these government corporations in accordance with the initiative towards an improved fiscal management and good corporate governance. It shall be the mandate of the OGCC to safeguard the legal interest of all government corporations.

SEC 3. *Power, Jurisdiction and Mandate*– The OGCC shall be the statutory counsel and principal law office of all government corporations. All government corporations shall refer the following to the OGCC:

- (a) All important legal questions for opinion and advice;
- (b) All contracts for review: *Provided*, That the Government Corporate Counsel (GCC) may from time to time determine which contract shall no longer be submitted to OGCC; *and*,
- (c) All cases for representation before regular courts, quasi-judicial bodies, administrative agencies and arbitral tribunals: *Provided*, That the GCC may thereafter authorize the government corporation's legal department or retained counsel as collaborating counsel to handle cases, as the urgency or expediency of circumstances may warrant.

In addition to the foregoing, the OGCC shall continue to perform all powers and functions under existing laws.

SEC 4. *Organizational Structure.* – The OGCC shall be headed by the GCC, who is the principal law officer and legal defender of all government corporations. She/He shall have the authority and responsibility for the exercise of the OGCC's mandate and for the discharge of its duties and functions, and shall have supervision and control over the OGCC and its constituent units.

The GCC shall be assisted by the Deputy Government Corporate Counsel (DGCC), Assistant Government Corporate Counsels (AGCCs) and such number of Government Corporate Attorneys (GCAs) as may be necessary to operate the OGCC. Unless otherwise determined by the GCC, the legal staff shall be divided into teams, each to be headed by an AGCC.

The administrative structure of the OGCC shall be composed of the Secretarial and Legal Support Service, Human Resource Development and Management Service, Finance and Accounting Service, Case and Records Management Service, Library Management and Information Technology Service, Corporate Planning Service, and Property and Supply Service: *Provided*, That the OGCC may, as the need arises and subject to the approval of the Department of Budget and Management and the Civil Service Commission, reorganize the administrative structure of the OGCC.

The legal and non-legal personnel of the OGCC occupying the positions affected by the changes embodied in this Act at the time of its approval shall thereafter occupy and discharge the duties and functions of the rationalized positions, and receive the corresponding salary, benefits and privileges without necessity of new appointments.

SEC 5. *OGCC's Legal Personnel and Qualifications.* –

(a) The GCC shall have the same rank, category, salary grade and salaries, allowances, retirement and pension benefits, emoluments, prerogatives and privileges as the Presiding Justice of the Court of Appeals. She/He shall be assisted by a DGCC and twelve (12) AGCCs who shall have the same rank, category, prerogatives, salary grade and salaries, allowances, retirement and pension benefits, emoluments, prerogatives and privileges of an Associate Justice of the Court of Appeals: *Provided*, That the number of AGCCs may be increased as the need arises and subject to the approval of the Department of Budget and Management and the Civil Service Commission.

No person shall be appointed GCC, DGCC or AGCC unless she/he is a natural-born citizen of the Philippines and has been engaged in the practice of law in the Philippines for at least fifteen (15) years.

(b) The other members of the legal staff shall be as follows:

- (1) Fourteen (14) Government Corporate Attorney IV (GCA IV), who shall have the same rank, salary grade and salaries, allowances, retirement and pension benefits, emoluments, prerogatives and privileges of a judge of a Regional Trial Court. No person shall be appointed as GCA IV unless she/he is a natural-born citizen of the Philippines and has been engaged in the practice of law in the Philippines for at least ten (10) years;

- (2) Nineteen (19) Government Corporate Attorney III (GCA III) who shall have the same rank, salary grade and salaries, allowances, retirement and pension benefits, emoluments, prerogatives and privileges of a judge of a Metropolitan Trial Court. No person shall be appointed GCA III unless she/he is a natural-born citizen of the Philippines and has been engaged in the practice of law in the Philippines for at least five (5) years;
- (3) Twenty (20) Government Corporate Attorney II (GCA II), with Salary Grade 27, who shall be natural-born citizens of the Philippines and have been engaged in the practice of law in the Philippines for at least three (3) years;
- (4) Ten (10) Government Corporate Attorney I (GCA I), with Salary Grade 26, who shall be natural-born citizens of the Philippines and have been engaged in the practice of law in the Philippines for at least two (2) years;
- (5) Eight (8) Associate Government Corporate Attorneys, with Salary Grade 25, who shall be natural-born citizens of the Philippines and have been engaged in the practice of law in the Philippines for at least one (1) year.

The GCC, DGCC and AGCCs shall be appointed by the President of the Philippines. The other members of the legal and administrative personnel shall be appointed by the GCC. Except for the GCC, the appointments of the DGCC and AGCCs shall be permanent upon compliance with the prescribed qualification standards under this Act.

SEC 6. Non-legal Personnel. – The OGCC shall be supported by such number of non-legal personnel as necessary, commensurate to their current workload, as recommended by the OGCC and as approved by the Department of Budget and Management and the Civil Service Commission.

Non-legal personnel shall have the same salaries and benefits as that of their counterparts in the Office of the Solicitor General.

The salaries, benefits and privileges of the personnel of the OGCC granted under this Act shall automatically be increased to keep in step with any corresponding increase in salaries and privileges subsequently granted to their respective counterparts in the Office of the Solicitor General.

SEC 7. Institute of Public Corporate Governance. – There is hereby established the Institute of Public Corporate Governance (IPCG) in the OGCC, for the purpose of promoting government and public sector accountability, transparency, and the pursuit of excellence and efficiency in government service.

The IPCG shall be directly attached to the office of the GCC, and shall be headed by an Executive Director designated by the GCC from among the GCAIVs of the OGCC.

The IPCG shall institutionalize good corporate governance practices in and by GOCCs; serve as a central continuing education provider for officers, members of governing boards and lawyers of GOCCs; publish journals, newsletters and utilize other forms of media to keep all in government informed of the trends in the Civil Service; *and*, participate in and propose relevant legislation to promote corporate governance.

SEC 8. *Personnel Benefits and Privileges.* – Provisions of other laws to the contrary notwithstanding, and subject to availability of funds, the OGCC may provide its employees the following benefits:

(a) Accident insurance for all employees for approved travels while in the performance of official duties;

(b) Scholarships for the deserving employees on official time to upgrade their knowledge and skills: *Provided*, That scholars under this provision shall be selected on the basis of merit as determined by competitive examination;

(c) Healthcare services through a health maintenance organization coverage;

(d) A Provident Fund which shall consist of, but not be limited to, contributions made by the OGCC and by its employees; *and*,

(e) Reimbursement of registration fees and expenses for trainings and seminars, including those for Mandatory Continuing Legal Education (MCLE) and professional license fees.

SEC 9. *Other Benefits.* – Provisions of other laws to the contrary notwithstanding, the legal personnel of the OGCC are authorized and shall continue to receive allowances and honoraria from government corporations which shall not exceed one hundred percent (100%) of their annual basic salary.

SEC 10. *Retirement Benefits.* – Any law to the contrary notwithstanding, and consistent with Section 4 of this Act granting them the same retirement benefits and privileges of their counterparts in the Judiciary, the retirement benefits of the GCC, DGCC, AGCC, GCA IV and GCA III shall be automatically increased whenever there is an increase in the salaries and allowances of the same positions from which he or she retired.

SEC 11. *Attorney's Fees.* – Consistent with the provisions of the Administrative Code of 1987, the OGCC is authorized to receive attorney's fees awarded by a court, tribunal, or panel, including awards and judgments stipulated under court-approved compromise agreements. The OGCC is hereby authorized to use such awards and attorney's fees to meet contingencies, obligations and undertakings and/or for employee benefits and incentives, necessary or proper to promote efficiency in the service as determined by the GCC.

SEC 12. *Special Assessments.* – The GCC is authorized to make special assessments upon government corporations and to disburse and use the same for purposes of meeting obligations and contingencies, upgrading facilities and equipment, capacity building of employees and resource development, defraying such other expenses not provided for in the annual General Appropriations Act, subject to accounting and auditing procedures.

SEC 13. *Franking Privilege.* – All official mail matters of the OGCC addressed for delivery within the Philippines shall be received, transmitted and delivered free of charge: *Provided*, That such mail matters when addressed to private persons or non-government offices shall not exceed one hundred and twenty (120) grams.

SEC 14. *Funding.* – The funds required for insurance premiums; employer's contribution to the Provident Fund; professional, educational, registration fees, and contracted transportation; *and*, all other benefits above shall be taken from:

(a) Five percent (5%) attorney's fees awarded by the courts to client government corporations, including those under court-approved compromise agreements, actually assisted by the OGCC and not delegated to private lawyers: *Provided*, That in cases where both OGCC and private lawyers jointly worked on the resolution of a case or compromise agreement, the OGCC shall be entitled to as much attorney's fees on a *quantum meruit* basis;

(b) Special assessments collected from government corporations; *and*,

(c) All other income, fees and revenues earned and collected by the OGCC.

SEC 15. *Appropriations.* – The amount necessary for the initial implementation of this Act shall be taken from the current year's appropriations for the Office of the Government Corporate Counsel. Thereafter, such sums as may be necessary for its continued implementation shall be included in the annual General Appropriations Act and/or supplemental appropriations.

SEC 16. *Implementing Rules and Regulations.* – The GCC shall promulgate the necessary rules and regulations for the implementation of the provisions of this Act: *Provided*, That the Reorganization Plan implementing the provisions of this Act shall be submitted to the Department of Budget and Management and the Civil Service Commission within thirty (30) days from the effectivity hereof.

SEC 17. *Repealing Clause.* – All other laws, acts, presidential decrees, executive orders, presidential proclamations, issuances, rules and regulations, or parts thereof which are contrary to or inconsistent with any of the provisions of this Act are hereby repealed, amended, or modified accordingly.

SEC 18. *Separability Clause.* – If any portion or provision of this Act is subsequently declared invalid or unconstitutional, other provisions hereof which are not affected thereby shall remain in full force and effect.

SEC 19. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,