

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

NINETEENTH CONGRESS
Third Regular Session

House Bill No. **10814**



Introduced by: **REPRESENTATIVE EDWIN L. OLIVAREZ**

AN ACT
AMENDING REPUBLIC ACT NO. 10149, OTHERWISE KNOWN AS THE
“GOCC GOVERNANCE ACT OF 2011”

EXPLANATORY NOTE

Republic Act (RA) No. 10149 or the *GOCC Governance Act of 2011*, was enacted to promote financial viability and fiscal discipline in government-owned or -controlled corporations (GOCCs). In line with this mandate, the Governance Commission for GOCCs (GCG) was created under RA No. 10149 to act as the central policy-making and regulatory body tasked to safeguard the State’s ownership rights over GOCCs.

The efforts of the GCG during the first decade of its creation were aimed at addressing the inefficiencies, financial wastes, overlapping functions, and abuses that marred the GOCC sector. As such, the past years since its inception has seen stability in the GOCC Sector. Comparing the dividend remittances from 2002-2011 and 2012-2021, the GCG reported a 431% increase in the 10-year total GOCC remittances from 68.71 billion pesos to 364.52 billion pesos in 2021. In 2023 alone, total dividends of 100.74 billion pesos were recorded.

To maximize the potential of GOCCs as tools for economic development, the proposed amendments to RA No. 10149 aim to clarify and expand GCG’s authority to consolidate, merge, and regularize GOCCs, ensuring that their corporate forms are aligned with the public’s needs. The proposed power to regularize GOCCs is founded on the economic advantages of converting GOCCs that are not financially viable, nonetheless, perform vital public functions into national government agencies.

The measure shall also confer the GCG the ability to investigate and enforce compliance, through subpoena and contempt powers, as well as oversight on the disposition of non-performing GOCC assets. This will strengthen the State’s ownership rights over GOCCs and the accountability of their Governing Boards to the State.

With the GCG's additional powers and responsibilities, the measure shall authorize the reorganization of the GCG by creating additional bureaus, offices, and positions. It shall also reform the salary framework of the GCG, to attract and retain highly qualified professionals with technical expertise in corporate governance.

Finally, the measure shall ensure the continuity of GCG's initiatives, strategies, and operations, by providing fixed terms for GCG's leadership, and shall provide sufficient protection for actions done in good faith, similar to other equally important regulatory bodies.

In light of the foregoing, the immediate passage of the bill is earnestly sought.



EDWIN L. OLIVAREZ

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

SECTION 1. Section 3 of Republic Act No. 10149 is hereby amended with the addition of new items (h), (q), and (y) and the amendment of item (o), to read as follows, with the other definition of terms consequently re-lettered:

“SEC. 3. *Definition of Terms.* –

x x x

(H) CONSOLIDATION REFERS TO THE UNION OF TWO OR MORE EXISTING GOCCS TO FORM A CONSOLIDATED GOCC. IT IS A COMBINATION OF TWO OR MORE GOCCS BY WHICH THEIR RIGHTS, FRANCHISES, AND PROPERTIES ARE COMBINED AND BECOME A SINGLE, NEW GOCC.

x x x

~~[(o)]~~ **(P)** Government-Owned or -Controlled Corporation (GOCC) *refers to any agency organized as a stock or nonstock corporation, vested with functions relating to public needs, whether governmental 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*

1 as in the case of stock corporations, to the extent of at least a
2 majority of its outstanding capital stock: Provided,
3 ~~[however, That for purposes of this Act,]~~ **THAT** the term
4 “GOCC” shall include GICP/GCE and GFI as defined herein.:
5 **PROVIDED FURTHER, THAT THE DEFINITION HEREIN**
6 **SHALL SUPERSEDE ALL OTHER DEFINITIONS OF GOCC**
7 **UNDER EXISTING LAWS, SUCH AS, BUT NOT LIMITED TO,**
8 **THE DEFINITION OF GOCC PROVIDED UNDER SECTION**
9 **2(B) OF REPUBLIC ACT NO. 7656, AN ACT REQUIRING**
10 **GOVERNMENT-OWNED OR CONTROLLED CORPORATIONS**
11 **TO DECLARE DIVIDENDS UNDER CERTAIN CONDITIONS**
12 **TO THE NATIONAL GOVERNMENT, AND FOR OTHER**
13 **PURPOSES, AND SECTION 2, ITEM 13 OF THE**
14 **INTRODUCTORY PROVISIONS OF EXECUTIVE ORDER**
15 **NO. 292, INSTITUTING THE “ADMINISTRATIVE CODE OF**
16 **1987”.**

17 x x x

18 **(Q) MERGER REFERS TO A UNION WHEREBY ONE GOCC**
19 **ABSORBS ONE OR MORE EXISTING GOCCS, AND THE**
20 **ABSORBING GOCC CONTINUES THE COMBINED**
21 **FRANCHISE, MANDATE, AND BUSINESS.**

22 x x x

23 **(Y) REGULARIZATION REFERS TO THE CONVERSION OR**
24 **INTEGRATION OF AN EXISTING GOCC TO A REGULAR**
25 **AGENCY OF THE GOVERNMENT, BECAUSE ITS**
26 **CORPORATE FORM IS NO LONGER RELEVANT FOR ITS**
27 **CURRENT OPERATIONS. THIS SHALL APPLY IN THE**
28 **CASE OF GOCCS WHICH ARE NOT UNDERTAKING**
29 **PROPRIETARY OR BUSINESS-TYPE OPERATIONS BUT**
30 **FUNCTIONS AS REGULATORY, PROVIDES TECHNICAL**

1 **ASSISTANCE, AND CONDUCTS RESEARCH, WHERE**
2 **MINIMAL OR NO INCOME IS DERIVED.”**

3 x x x

4 **SEC. 2.** Section 5 of Republic Act No. 10149 is hereby amended with the
5 addition of new items (m), (n), (o), (p), and (q), and the amendment of items
6 (a), (b) and (k), to read as follows:

7 **“SEC. 5.** *Creation of the Governance Commission for Government-*
8 *Owned or-Controlled Corporations. – x x x*

9 *(a) Evaluate the performance and determine the relevance of the*
10 *GOCC, to ascertain whether such GOCC should be reorganized,*
11 *merged, **CONSOLIDATED,** streamlined, **REGULARIZED,***
12 *abolished, or privatized, in consultation with the department or*
13 *agency to which a GOCC is attached. x x x:*

14 *(1) x x x;*

15 *(6) The functional, **S,** purpose or nature of operations of any group*
16 *of GOCCs require consolidation under a holding company.*

17 *Upon determination by the GCG that it is to the best interest of the*
18 *State that a GOCC should be reorganized, merged,*
19 **CONSOLIDATED,** *streamlined, **REGULARIZED,** abolished, or*
20 *privatized, it shall:*

21 (i) *Implement the reorganization ~~[merger]~~ or streamlining*
22 *of the GOCC ~~[unless otherwise directed by the President;~~*
23 *~~or]~~;*

24 (ii) *Recommend to the President the abolition, **MERGER,***
25 **CONSOLIDATION, REGULARIZATION,** *or privatization of*
26 *the GOCC, and upon the approval of the President,*
27 *implement such abolition, **MERGER, CONSOLIDATION,***
28 **REGULARIZATION,** *or privatization, unless the President*
29 *designates another agency to implement such abolition,*

1 **MERGER, CONSOLIDATION, REGULARIZATION, or**
2 *privatization[.]*: **PROVIDED HOWEVER, THAT IN CASE**
3 **OF ABOLITION OF GOCCS WHERE THERE IS A LACK**
4 **OF QUORUM IN THE BOARD OF DIRECTORS OR**
5 **TRUSTEES, IN ORDER TO IMPLEMENT THE**
6 **LIQUIDATION OF THE GOCC IN ITS ENTIRETY, THE**
7 **GCG SHALL IMPLEMENT NECESSARY ACTIONS TO**
8 **COMPLETE THE ABOLITION, INCLUDING THE**
9 **APPOINTMENT OF A TRUSTEE, OR ENLISTING THE**
10 **ASSISTANCE OF ANOTHER GOVERNMENT AGENCY:**

11 **PROVIDED FURTHER, THE MERGER OR**
12 **CONSOLIDATION MAY COVER GOCCS, WHETHER**
13 **CHARTERED OR NONCHARTERED, AND SHALL BE**
14 **EITHER OF THE FOLLOWING RESTRUCTURING**
15 **MODES TO BE DEFINED BY THE GCG:**

16 **(a) *DE JURE MERGER* REFERS TO THE PROCESS**
17 **WHEREBY ONE OR MORE EXISTING GOCC/S**
18 **ARE ABSORBED BY ANOTHER GOCC WHICH**
19 **CONTINUES THE COMBINED FRANCHISE,**
20 **MANDATE, AND BUSINESSES OF THE**
21 **ABSORBED GOCCS; AND**

22 **(b) *DE FACTO MERGER* REFERS TO THE PROCESS**
23 **WHEREBY ALL OR SUBSTANTIALLY ALL THE**
24 **ASSETS AND BUSINESS ENTERPRISE OF AN**
25 **EXISTING GOCC ARE TRANSFERRED TO**
26 **ANOTHER GOCC, WHICH CONTINUES THE**
27 **PURPOSE, FUNCTIONS, AND PROGRAMS OF**
28 **THE TRANSFERRING GOCC.**

29 **PROVIDED FINALLY, THAT IN CASE OF ABOLITION,**
30 **WHEN THE INTEREST OF THE GOCC SO REQUIRES,**
31 **THE GCG SHALL HAVE THE EXCLUSIVE POWER TO**

CONDONE, COMPROMISE, OR RELEASE, IN WHOLE OR IN PART, ANY SETTLED CLAIM OR LIABILITY OF ANY GOCC IN AN AMOUNT NOT EXCEEDING TEN MILLION PESOS (P10,000,000.00), SUBJECT TO THE REVIEW AND POST-AUDIT BY THE COMMISSION ON AUDIT. IN CASE THE CLAIM OR LIABILITY EXCEEDS TEN MILLION PESOS (P10,000,000.00), THE GCG SHALL SUBMIT THE APPLICATION FOR RELIEF WITH ITS RECOMMENDATIONS, TO THE COMMISSION ON AUDIT.

(III) DESIGN, PLAN, AND IMPLEMENT A SEPARATION INCENTIVE PAY ("SIP") AND EARLY RETIREMENT INCENTIVE PAY ("ERIP"), IF NECESSARY, FOR AFFECTED EMPLOYEES AND OFFICERS OF A GOCC, WHICH IS EITHER REORGANIZED, STREAMLINED, MERGED, CONSOLIDATED, REGULARIZED, ABOLISHED, OR PRIVATIZED.

x x x

(b) Classify GOCCs [into: (1) Developmental/Social Corporations; (2) Proprietary Commercial Corporations; (3) Government Financial, Investment and Trust Institutions; (4) Corporations with Regulatory Functions; and (5) Others as may be classified by the GCG, without prejudice to further sub-classifications in each category and/or any other classification] based on parameters as it may find relevant or material [such as, but not limited to,]
INCLUDING industry type. CLASSIFICATION HEREIN, SHALL INCLUDE THE DETERMINATION OF WHETHER OR NOT EXISTING GOCCS ARE EXCLUDED FROM THE COVERAGE OF R.A. NO. 10149, UPON EVALUATION OF THE ENTITIES' CHARTER, MANDATE, OR PRIMARY PURPOSES, AS APPLICABLE. THIS SHALL INCLUDE THE DETERMINATION

1 **OF WHETHER OR NOT EXISTING ENTITIES ARE**
2 **CONSIDERED GOCCS, WITHIN THE COVERAGE OF THIS**
3 **ACT. UPON DETERMINATION, THE GCG SHALL PROCEED TO**
4 **ASCERTAIN WHETHER SUCH ENTITIES ARE WITHIN THE**
5 **REGULATORY JURISDICTION OF THE GCG.** *The classification*
6 *shall guide the GCG in exercising its powers and functions as*
7 *provided herein;*

8 *x x x*

9 *(k) Prepare [~~a semi-annual progress report to be submitted to the~~*
10 *~~President and the Congress. In its report, the GCG will provide its~~*
11 *~~performance assessment of the GOCCs and recommend clear and~~*
12 *~~specific actions. Within one hundred twenty (120) days from the~~*
13 *~~close of the year, the GCG shall prepare]~~ an annual report on the*
14 *performance of the GOCCs and* **RECOMMEND CLEAR AND**
15 **SPECIFIC ACTIONS, AND** *submit it to the President and the*
16 *Congress; [~~and]~~*

17 *x x x*

18 **(M) ISSUE SUBPOENA DUCES TECUM AND ORDER THE**
19 **EXAMINATION OF ALL DOCUMENTS, PAPERS, FILES AND**
20 **RECORDS, TAX RETURNS, AND BOOKS OF ACCOUNTS OF**
21 **ANY GOCC OR PERSON WHO MAY HAVE CUSTODY OF THE**
22 **SAME, AS MAY BE NECESSARY FOR THE EVALUATION,**
23 **INVESTIGATION, OR PROPER MONITORING OF THE**
24 **OPERATIONS AND PERFORMANCE OF THE SUBJECT GOCC,**
25 **AS DETERMINED BY GCG.**

26 **TO ISSUE SUBPOENA TO SUMMON AND COMPEL WITNESSES**
27 **TO APPEAR AND TESTIFY UNDER OATH BEFORE THE**
28 **COMMISSION.**

29 **(N) CITE ANY PERSON FOR CONTEMPT OF THE**
30 **COMMISSION, BOTH DIRECT AND INDIRECT, IN**

1 **ACCORDANCE WITH THE PERTINENT PROVISIONS OF, AND**
2 **PENALTIES PRESCRIBED, BY THE RULES OF COURT, FOR**
3 **VIOLATION OF SECTION 5(M) OF THIS ACT, OR**
4 **NONCOMPLIANCE WITH ANY LAWFUL ORDER ISSUED BY**
5 **THE COMMISSION.**

6 **(O) INVESTIGATE ANY MALFEASANCE, MISFEASANCE, OR**
7 **NONFEASANCE IN OFFICE ALLEGEDLY COMMITTED BY THE**
8 **MEMBERS OF THE GOVERNING BOARD OF THE GOCC, AND**
9 **REFER THE SAME TO THE PROPER GOVERNMENT OFFICE**
10 **FOR APPROPRIATE ACTION;**

11 **(P) AFTER PRELIMINARY INQUIRY, REFER ANY**
12 **MALFEASANCE, MISFEASANCE, OR NONFEASANCE**
13 **ALLEGEDLY COMMITTED BY THE SENIOR OFFICERS OF**
14 **THE GOCC TO THE PROPER BODY FOR APPROPRIATE**
15 **ACTION; AND**

16 **(Q) DIRECT GOCCS AND ITS OFFICERS TO REGULARLY**
17 **SUBMIT TO THE COMMISSION AN UPDATED INVENTORY OF**
18 **ITS REAL PROPERTIES, AS WELL AS SHAREHOLDINGS IN**
19 **PRIVATE OR OTHER GOVERNMENT CORPORATIONS. THE**
20 **DISPOSITION OF A GOCC'S REAL PROPERTY SHALL**
21 **REQUIRE THE PRIOR APPROVAL OF THE COMMISSION**
22 **ACCORDING TO STANDARDS SET FORTH IN THE**
23 **IMPLEMENTING RULES ISSUED BY THE COMMISSION."**

24 *In the performance of its functions under subsections (a), (c), (e), (f),*
25 *(g), (h) and ~~(L)~~ herein xxx."*

26 **SEC. 3.** A new Section denominated as Section 5.A is hereby inserted to read
27 as follows:

28 **"SEC. 5.A ORGANIZATIONAL STRUCTURE OF THE GCG -**
29 **THE GCG SHALL BE COMPOSED OF NINE (9) BUREAUS,**
30 **EACH OF WHICH SHALL BE HEADED BY A DIRECTOR AND**

1 **ASSISTED BY AN ASSISTANT DIRECTOR. THESE BUREAUS**
2 **ARE, THE FOLLOWING:**

3 **A. THE CORPORATE STANDARDS BUREAU**

4 (1. BANKING AND FINANCIAL INSTITUTIONS, 2.
5 SOCIAL SECURITY AND FINANCIAL
6 INSTITUTIONS, AND 3. TRADE AND
7 MANUFACTURING INDUSTRY);

8 **B. THE CORPORATE GOVERNANCE A**

9 (1. EDUCATION, SOCIO-CIVIC AND CULTURE, 2.
10 AGRICULTURE, AND 3. COMMUNICATIONS,
11 UTILITIES, TRANSPORTATION, AND
12 INFRASTRUCTURE);

13 **C. THE CORPORATE GOVERNANCE B**

14 (1. ENERGY AND MATERIALS, 2. ;

15 **D. THE CORPORATE GOVERNANCE C;**

16 **E. THE LEGAL AFFAIRS BUREAU;**

17 **F. THE ADMINISTRATIVE AND FINANCE BUREAU;**

18 **G. THE DISPOSITION AND ASSET MANAGEMENT**
19 **BUREAU;**

20 **H. THE STRATEGY AND MANAGEMENT BUREAU;**
21 **AND**

22 **I. THE INFORMATION AND COMMUNICATIONS**
23 **TECHNOLOGY BUREAU.”**

24 **SEC. 4.** Section 6 of Republic Act No. 10149 is hereby amended to read as
25 follows:

26 **“SEC. 6.** *Composition of the GCG.—The [GCG] COMMISSION*
27 *shall be composed of five (5) members. The [Chairman]*
28 **CHAIRPERSON** *with the rank of Cabinet Secretary and two (2)*
29 *members with the rank of Undersecretary shall be appointed by*
30 *the President. The Secretaries of the Department of Budget and*
31 *Management and the Department of Finance shall sit as ex*
32 *officio members.*

1 THE CHAIRPERSON AND THE COMMISSIONERS SHALL BE
2 CITIZENS AND RESIDENTS OF THE PHILIPPINES, OF GOOD
3 MORAL CHARACTER, OF RECOGNIZED PROBITY AND
4 INDEPENDENCE, AND MUST HAVE DISTINGUISHED
5 THEMSELVES PROFESSIONALLY IN PUBLIC, CIVIC, OR
6 ACADEMIC SERVICE IN ANY OF THE FOLLOWING FIELDS:
7 LAW, PUBLIC ADMINISTRATION, ACCOUNTING, FINANCE,
8 MANAGEMENT, OR ECONOMICS. THEY MUST HAVE BEEN IN
9 THE PRACTICE OF THEIR PROFESSIONS FOR AT LEAST TEN
10 (10) YEARS.

11 THE TERM OF OFFICE OF THE CHAIRPERSON AND THE
12 COMMISSIONERS SHALL BE SEVEN (7) YEARS WITHOUT
13 REAPPOINTMENT. OF THE FIRST SET OF APPOINTEES, THE
14 CHAIRPERSON SHALL HOLD OFFICE FOR SEVEN (7) YEARS
15 AND OF THE FIRST TWO (2) COMMISSIONERS, ONE (1)
16 SHALL HOLD OFFICE FOR A TERM OF FIVE (5) YEARS AND
17 THE OTHER FOR A TERM OF THREE (3) YEARS. IN CASE A
18 VACANCY OCCURS BEFORE THE EXPIRATION OF THE
19 TERM OF OFFICE, THE APPOINTMENT TO THE VACANCY
20 SHALL ONLY BE FOR THE UNEXPIRED TERM OF THE
21 PREDECESSOR.

22 THE CHAIRPERSON AND THE COMMISSIONERS SHALL
23 HAVE SECURITY OF TENURE AND SHALL NOT BE
24 SUSPENDED OR REMOVED FROM OFFICE EXCEPT FOR
25 JUST CAUSE AS PROVIDED BY LAW.”

26 **SEC. 5.** A new subsection to Section 6, denominated as Section 6.1, is hereby
27 inserted to read as follows:

28 “**SEC. 6.1 EXECUTIVE DIRECTOR OF THE COMMISSION - AN**
29 **EXECUTIVE DIRECTOR, WITH A RANK EQUIVALENT TO AN**
30 **ASSISTANT SECRETARY, SHALL BE APPOINTED BY THE**
31 **PRESIDENT OF THE PHILIPPINES UPON RECOMMENDATION**

1 BY THE CHAIRPERSON: PROVIDED, THAT NO PERSON
2 SHALL BE APPOINTED AS EXECUTIVE DIRECTOR UNLESS A
3 HOLDER OF A DEGREE IN ANY OF THE FOLLOWING FIELDS:
4 ECONOMICS, BUSINESS, PUBLIC ADMINISTRATION, LAW,
5 MANAGEMENT OR THEIR EQUIVALENT AND HAS AT LEAST
6 TEN (10) YEARS RELEVANT EXPERIENCE IN CORPORATE
7 GOVERNANCE: PROVIDED, FURTHER, THAT PRIOR TO
8 APPOINTMENT, THE CANDIDATE HAS THE REQUISITE
9 ELIGIBILITIES FOR THIRD LEVEL CAREER SERVICE
10 POSITION, PURSUANT TO THE CAREER EXECUTIVE RANK
11 SYSTEM¹.

12 THE EXECUTIVE DIRECTOR SHALL ASSIST THE COMMISSION IN
13 CARRYING OUT THE FUNCTIONS OF THE GCG AND SHALL HAVE
14 THE FOLLOWING DUTIES AND FUNCTIONS:

- 15 A. TO IMPLEMENT POLICIES, STANDARDS, RULES, AND
16 REGULATIONS PROMULGATED BY THE COMMISSION;
17 B. TO EXERCISE GENERAL SUPERVISION OVER THE
18 DAY-TO-DAY OPERATIONS OF THE GCG, UNDER THE
19 DIRECTION OF THE CHAIRPERSON;
20 C. TO REPRESENT THE GCG IN OFFICIAL FUNCTIONS
21 WHICH THE CHAIRPERSON AND THE OTHER
22 COMMISSIONERS MAY NOT BE ABLE TO ATTEND; AND
23 D. TO EXERCISE OTHER DUTIES AND FUNCTIONS AS
24 MAY BE DELEGATED BY THE CHAIRPERSON AND THE
25 COMMISSIONERS.”

26 **SEC. 6.** A new Section denominated as Section 6.A is hereby inserted to read
27 as follows:

28 **“SEC. 6.A. IMMUNITY FROM SUIT. – THE CHAIRPERSON,**
29 **THE COMMISSIONERS, OFFICERS, AND EMPLOYEES OF**

¹ Section 47, Chapter 10, Book IV, Executive Order No. 292.

1 THE COMMISSION SHALL NOT BE SUBJECT TO ANY
2 ACTION, CLAIM, OR DEMAND, IN CONNECTION WITH ANY
3 ACT DONE OR OMITTED IN THE PERFORMANCE OF DUTIES
4 AND EXERCISE OF POWERS, EXCEPT FOR ACTIONS AND
5 OMISSIONS DONE IN EVIDENT BAD FAITH OR GROSS
6 NEGLIGENCE. “

7 **SEC. 7.** A new Section denominated as Section 6.B is hereby inserted to read
8 as follows:

9 “**SEC. 6.B. INDEMNITY. – UNLESS THE ACTIONS OF THE**
10 **COMMISSION OR ITS CHAIRPERSON, OR ANY OF ITS**
11 **COMMISSIONERS, OFFICERS, OR EMPLOYEES SHALL BE**
12 **FOUND TO BE IN WILLFUL VIOLATION OF THIS ACT,**
13 **PERFORMED WITH EVIDENT BAD FAITH OR GROSS**
14 **NEGLIGENCE, THE COMMISSION, ITS CHAIRPERSON,**
15 **APPOINTIVE COMMISSIONERS, OFFICERS, AND**
16 **EMPLOYEES SHALL BE HELD FREE AND HARMLESS TO THE**
17 **FULLEST EXTENT PERMITTED BY LAW, FROM ANY**
18 **LIABILITY, AND SHALL BE INDEMNIFIED FOR ALL**
19 **LIABILITIES, LOSSES, CLAIMS, DEMANDS, DAMAGES,**
20 **DEFICIENCIES, COSTS, AND EXPENSES OF WHATSOEVER**
21 **KIND AND NATURE THAT MAY ARISE, IN CONNECTION WITH**
22 **THE EXERCISE OF THEIR POWERS AND IN THE**
23 **PERFORMANCE OF THEIR DUTIES AND FUNCTIONS.**

24 **THE COMMISSION SHALL UNDERWRITE OR ADVANCE**
25 **LITIGATION COSTS AND EXPENSES, INCLUDING LEGAL**
26 **FEEES AND OTHER EXPENSES OF EXTERNAL COUNSEL, OR**
27 **PROVIDE LEGAL ASSISTANCE TO ITS CHAIRPERSON,**
28 **COMMISSIONERS, OFFICERS, AND EMPLOYEES IN**
29 **CONNECTION WITH ANY CIVIL, CRIMINAL,**
30 **ADMINISTRATIVE OR ANY OTHER ACTION OR**
31 **PROCEEDING, TO WHICH THEY ARE MADE A PARTY BY**

1 REASON OF, OR IN CONNECTION WITH, THE EXERCISE OF
2 THEIR AUTHORITY OR THE PERFORMANCE OF THEIR
3 DUTIES AND FUNCTIONS UNDER THIS
4 ACT: PROVIDED, THAT SUCH LEGAL PROTECTION SHALL
5 NOT APPLY TO ANY CIVIL, CRIMINAL, ADMINISTRATIVE, OR
6 ANY ACTION OR PROCEEDING THAT MAY BE INITIATED BY
7 THE COMMISSION, AGAINST SUCH CHAIRPERSON,
8 COMMISSIONERS, OFFICERS, AND EMPLOYEES: PROVIDED
9 FURTHER, THAT THE CHAIRPERSON, COMMISSIONERS,
10 OFFICERS, AND EMPLOYEES WHO SHALL RESIGN, RETIRE,
11 TRANSFER TO ANOTHER AGENCY OR BE SEPARATED FROM
12 THE SERVICE, SHALL CONTINUE TO BE PROVIDED WITH
13 SUCH LEGAL PROTECTION IN CONNECTION WITH ANY ACT
14 DONE OR OMITTED TO BE DONE BY THEM IN GOOD FAITH
15 DURING THEIR TENURE OR EMPLOYMENT WITH THE
16 COMMISSION: PROVIDED, FINALLY, THAT IN THE EVENT
17 OF A SETTLEMENT OR COMPROMISE, INDEMNIFICATION
18 SHALL BE PROVIDED ONLY IN CONNECTION WITH SUCH
19 MATTERS COVERED BY THE SETTLEMENT AS TO WHICH
20 THE COMMISSION IS ADVISED BY COUNSEL THAT THE
21 PERSONS TO BE INDEMNIFIED DID NOT COMMIT ANY
22 NEGLIGENCE OR MISCONDUCT.

23 THE COSTS AND EXPENSES INCURRED IN DEFENDING THE
24 AFOREMENTIONED ACTION, SUIT, OR PROCEEDING MAY
25 BE PAID BY THE COMMISSION IN ADVANCE OF THE FINAL
26 DISPOSITION OF SUCH ACTION, SUIT, OR PROCEEDING
27 UPON RECEIPT OF AN UNDERTAKING BY, OR ON BEHALF
28 OF THE CHAIRPERSON, COMMISSIONER, OFFICER, AND
29 EMPLOYEE TO REPAY THE AMOUNT ADVANCED SHOULD IT
30 ULTIMATELY BE DETERMINED BY THE COMMISSION THAT
31 ONE IS NOT ENTITLED TO BE INDEMNIFIED AS PROVIDED
32 IN THIS SECTION.”

SEC. 8. Section 7 of Republic Act No. 10149 is hereby amended to read as follows:

“SEC. 7. Powers and Functions of the [Chairman] CHAIRPERSON.

— The ~~[management of the GCG shall be vested in the Chairman who]~~ **CHAIRPERSON** shall have the following powers and duties:

(a) Preside over the meetings of the GCG;

(b) Direct and manage the day-to-day affairs and business of the GCG;

(c) **DETERMINE** ~~[With the approval of the GCG, determine]~~ the staffing pattern and the number of personnel of the GCG and define their duties and responsibilities;

(d) **APPOINT, [With the approval of the GCG, to appoint,]** remove, suspend, or otherwise discipline for cause, any **DIRECTOR, OFFICER, OR** employee of the GCG; and

~~[(e)]~~ Perform such other duties as may be delegated or assigned to him by the GCG from time to time.

SEC. 9. Section 17 of Republic Act No. 10149 is hereby amended to read as follows:

“SEC. 17. Term of Office. – Any provision in the charters of each GOCC to the contrary notwithstanding, the term of office of each Appointive Director shall be for ~~[one (1)]~~ **TWO (2)** years, unless sooner removed for cause: Provided, however, That the Appointive Director shall continue to hold office until the successor is appointed. An Appointive Director may be nominated by the GCG for reappointment by the President only if one obtains a performance score of above average or its equivalent or higher in the immediately preceding year of tenure as Appointive Director based on the performance criteria for Appointive Directors for the GOCC.” xxx

SEC. 10. Section 23 of Republic Act No. 10149 is hereby amended to read as follows:

“SEC. 23. *Limits to Compensation, per Diems, Allowances, and Incentives.* – The charters of each of the GOCCs to the contrary notwithstanding, the compensation, per diems, allowances, and incentives of the members of the Board of Directors/ Trustees of the GOCCs shall be determined by the GCG ~~[using as a reference, among others, Executive Order No. 24 dated February 10, 2011]~~: Provided, however, That Directors/ Trustees shall not be entitled to retirement benefits as such directors/trustees. **SUCH COMPENSATION, PER DIEMS, ALLOWANCES, AND INCENTIVES MUST HAVE THE FOLLOWING CHARACTERISTICS:**

1. **JUST AND EQUITABLE IN ACCORDANCE WITH THE PRINCIPLE OF EQUAL PAY FOR WORK OF EQUAL VALUE;**
2. **GENERALLY COMPARABLE WITH THE PRIVATE SECTOR DOING COMPARABLE WORK IN ORDER TO ATTRACT, RETAIN, AND MOTIVATE A CORPS OF COMPETENT MEMBERS OF THE BOARD OF DIRECTORS OR TRUSTEES;**
3. **PERFORMANCE-BASED WITH DUE CONSIDERATION TO INDIVIDUAL AND ORGANIZATIONAL, DEVELOPMENTAL, AND REGULATORY PERFORMANCE, WHERE APPLICABLE; AND**
4. **FAIR, REASONABLE, AND IN CONSIDERATION OF FISCAL REALITIES, SUCH AS THE AVAILABILITY OF FUNDS AND THE FINANCIAL CAPABILITY OF THE ORGANIZATION.”**

SEC. 11. A new Section denominated as Section 32 is hereby inserted to read as follows, and the subsequent sections shall be consequently renumbered:

“SEC. 32. PENALTIES. — ANY PERSON WHO WILLFULLY OBSTRUCTS OR HINDERS THE PROPER EXERCISE OF THE FUNCTIONS OF THE COMMISSION OR WILLFULLY MISLEADS OR ATTEMPTS TO MISLEAD THE COMMISSION OR ANY OF ITS OFFICERS IN REPLYING TO INQUIRIES, SHALL BE IMPOSED A FINE OF NOT LESS THAN FIFTY THOUSAND PESOS (P50,000.00) UP TO TWO MILLION PESOS (P2,000,000.00).

LIKEWISE, ANY PERSON WHO, ACTUATED BY MALICE OR GROSS BAD FAITH, FILES A COMPLETELY UNWARRANTED OR FALSE COMPLAINT WITH THE COMMISSION, SHALL BE IMPOSED A SIMILAR FINE NOT LESS THAN FIFTY THOUSAND PESOS (P50,000.00) UP TO TWO MILLION PESOS (P2,000,000.00).”

SEC. 12. A new Section denominated as Section 33, containing sub-sections 33.1 and 33.2, is hereby inserted, and the subsequent sections consequently renumbered, to read as follows:

“SEC. 33.1 REORGANIZATION. – TO ACHIEVE THE GOALS OF THIS ACT, CONSISTENT WITH THE CIVIL SERVICE LAWS, THE COMMISSION SHALL BE AUTHORIZED TO ARRANGE FOR ITS REORGANIZATION, TO STREAMLINE ITS STRUCTURE AND OPERATIONS, UPGRADE ITS HUMAN RESOURCE COMPONENT, CREATE OR ABOLISH ORGANIZATIONAL DIVISION, UNITS OR BRANCHES, AND CREATE REGIONAL OFFICES.

SEC. 33.2. COMPENSATION AND OTHER EMOLUMENTS FOR MEMBERS AND PERSONNEL OF THE COMMISSION. — THE COMPENSATION AND OTHER EMOLUMENTS FOR THE

1 MEMBERS AND PERSONNEL OF THE COMMISSION SHALL
2 BE EXEMPTED FROM THE COVERAGE OF REPUBLIC ACT
3 NO. 6758, OTHERWISE KNOWN AS THE SALARY
4 STANDARDIZATION ACT. FOR THIS PURPOSE, THE
5 SALARIES AND OTHER EMOLUMENTS OF THE
6 CHAIRPERSON, THE COMMISSIONERS, AND PERSONNEL OF
7 THE COMMISSION SHALL BE SET BASED ON AN OBJECTIVE
8 CLASSIFICATION SYSTEM, TAKING INTO CONSIDERATION
9 THE IMPORTANCE AND RESPONSIBILITIES ATTACHED TO
10 THE RESPECTIVE POSITIONS, AND SHALL BE SUBMITTED
11 TO THE PRESIDENT OF THE PHILIPPINES FOR APPROVAL.”

12 **SEC. 13. Separability Clause.** - If any provision of this Act is declared
13 unconstitutional or invalid, the other provisions not otherwise affected shall
14 remain in full force and effect.

15 **SEC. 14. Repealing Clause.** - All laws, decrees, executive orders, rules and
16 regulations, and other issuances or parts thereof, which are inconsistent with
17 this Act are hereby repealed, amended, or modified accordingly.

18 **SEC. 15. Effectivity.** - This Act shall take effect fifteen (15) days after its
19 publication in at least two (2) newspapers of general circulation.
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21 Approved,