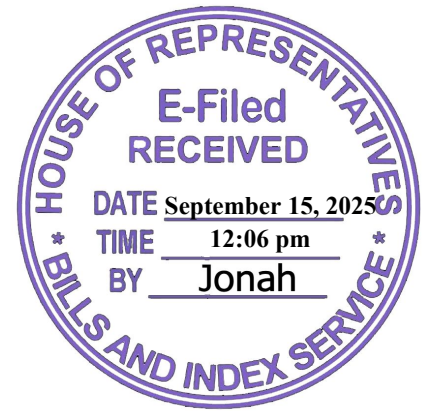


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Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

First Regular Session
TWENTIETH CONGRESS

House Bill No. 4572



Introduced by REP. JESUS MANUEL "BONG" C. SUNTAY

EXPLANATORY NOTE

The Constitution, in Article XI, Section 1, declares that "*public office is a public trust.*" Public officers and employees are enjoined to serve with responsibility, integrity, loyalty, and efficiency, and to act with patriotism and justice. The State has long required the filing of a Statement of Assets, Liabilities, and Net Worth (SALN) as a primary tool of transparency and accountability, beginning with the 1987 Constitution and codified under Republic Act No. 6713, otherwise known as the *Code of Conduct and Ethical Standards for Public Officials and Employees*.

Yet, despite the SALN's importance, experience has demonstrated significant deficiencies. The SALN, in its present form, primarily captures static wealth data, but fails to adequately disclose gifts, benefits, and expenses received by public officials in the course of their duties. This omission creates blind spots in governance oversight, particularly in the regulation of *tokens* and *cultural gifts*, which remain susceptible to loose interpretation.

Jurisprudence is replete in doctrine that transparency mechanisms are indispensable to democratic accountability. The Supreme Court has always underscored the SALN's role as a "public document" intended to promote *public scrutiny*. However, the SALN has limitations in curbing subtle or indirect forms of influence.

Political theory affirms that transparency is not merely about wealth disclosure, but about identifying and managing conflicts of interest. The Organisation for Economic Co-operation and Development (OECD) and the United Nations Convention Against Corruption (UNCAC), to which the Philippines is a signatory, both stress the need to regulate and disclose benefits, gifts, and advantages that could create obligations or expectations.

In the United Kingdom, the Ministerial Code requires ministers to record and publish gifts and hospitality, including those declined, with thresholds as low as £140. In New Zealand, the Public Service Commission Standards require chief executives and senior officials to disclose all gifts and benefits above NZ\$50, with an explicit obligation to record the disposition of each gift (whether shared, retained, or donated). These models reflect

1 a proactive stance: recognizing that influence often arises not from large transfers of
2 wealth, but from recurring “tokens” that create subtle obligations.

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4 While R.A. No. 6713 prohibits the solicitation or acceptance of gifts, the allowance for
5 “*token or cultural gifts*” has led to inconsistent practices. In actual implementation:

- 6 • Token ambiguity: Items of considerable value are sometimes justified as “tokens”
7 if culturally presented.
- 8 • Cultural pretext: The term “cultural gift” has no objective valuation threshold,
9 allowing personal discretion to justify receipt.
- 10 • Non-disclosure loophole: Gifts that are declined or transferred to the agency are
11 rarely documented, creating opacity in official records.

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13 These loopholes erode the integrity of the no-gift policy and weaken public confidence in
14 the system of accountability.

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16 This bill seeks to strengthen the SALN system by mandating a Disclosure of Gifts,
17 Benefits, and Expenses as an integral component of the annual filing. The reform has six
18 core features:

- 19 1. Transparent process of registration and declaration of all gifts and benefits.
- 20 2. Mandatory disclosure of all gifts and benefits, accepted or declined, valued above
21 Three Thousand Pesos (₱3,000.00).
- 22 3. Prohibition against acceptance of gifts that create real or perceived obligations.
- 23 4. Institutional ownership of ceremonial gifts, recognizing that they arise from the
24 office, not the individual.
- 25 5. Disclosure of disposition of the gift or benefit (retained, shared, donated, or
26 declined).
- 27 6. Inclusion of sponsored travel, hospitality, and reimbursements in the disclosure
28 report.

29 This amendment strengthens the SALN not only as an anti-graft safeguard, but also as an
30 institutional culture-building measure. By requiring disclosure of benefits and gifts,
31 officials are compelled to reflect on propriety, while the public gains visibility into
32 relationships that may affect decision-making.

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34 It affirms the principle that accountability extends beyond illicit enrichment to include
35 the subtle influences that shape policy and discretion. It closes the cultural and token
36 loopholes, aligns the Philippines with global standards, and restores the spirit of *public*
37 *office as a public trust*.

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39 Immediate passage of this measure is earnestly sought.

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REP. JESUS MANUEL “BONG” C. SUNTAY

First Regular Session
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Introduced by REP. JESUS MANUEL “BONG” C. SUNTAY

1. All gifts and benefits, whether accepted or declined, with a value greater than Three Thousand Pesos (P3,000.00), received in the course of official duty. Each entry shall include:
 - o Name of donor or source;
 - o Date received or offered;
 - o Estimated fair market value;
 - o Circumstances under which the gift or benefit was offered or received.
2. The disposition of the gift or benefit, specifically stating whether it was:
 - o Retained (with justification);

- Shared with staff (noting recipients);
 - Donated to charity (with recipient organization identified);
 - Declined (with explanation of circumstances).
3. Ceremonial gifts presented in official capacity shall be inventoried and registered as property of the government agency, to be recorded in its official property books within thirty (30) days of receipt.
4. All sponsored travel, hospitality, accommodations, meals, or entertainment, regardless of value, if provided by third parties in relation to official functions, must be disclosed, stating the sponsor, estimated value, and purpose.
5. Expenses incurred in official functions that were reimbursed by third parties, including the source of reimbursement, amount, and nature of expense.

SECTION 4. Standards of Conduct.

1. Public officials and employees shall decline gifts or benefits that place them under any obligation or influence, whether real or perceived.
2. Heads of agencies, secretaries, and chief executives shall observe heightened scrutiny in receiving or reporting gifts and benefits.
3. Gifts or benefits that were declined shall still be disclosed in the annual report.

SECTION 5. Filing and Accessibility.

1. **Filing Period:** The Disclosure of Gifts, Benefits, and Expenses shall be submitted together with the SALN on or before April 30 of every year, covering the preceding calendar year.
2. **Format:** The Civil Service Commission (CSC) shall prescribe a standardized DGBE Form to be appended to the SALN, with uniform categories for valuation, disposition, and donor identity.
3. **Verification:** The Office of the Ombudsman and the Commission on Audit (COA) shall conduct random audits of DGBE submissions to verify accuracy, consistency with agency records, and compliance with this Act.
4. **Public Access:** DGBE forms shall be made available for public inspection under the same rules governing access to SALN, provided that personal identifiers such as home addresses are redacted to ensure security.

SECTION 6. Implementing Rules.

The Civil Service Commission (CSC), Office of the Ombudsman, and Commission on Audit (COA), in consultation with the Department of Budget and Management (DBM), shall issue the necessary rules and regulations within ninety (90) days from the effectivity of this Act.

SECTION 7. Penalties.

1. **Failure to File or Declare:** Any public official or employee who fails to file the DGBE, or omits required entries, shall be subject to administrative penalties under R.A. No. 6713, including suspension or dismissal, depending on gravity.
2. **Material Misrepresentation:** Willful misrepresentation, under-declaration, or falsification of gifts, benefits, or expenses shall constitute Grave Misconduct and shall be punishable by dismissal from service, forfeiture of benefits, and

1 perpetual disqualification from public office, without prejudice to criminal
2 prosecution under R.A. No. 3019 (Anti-Graft and Corrupt Practices Act) and the
3 Revised Penal Code.

- 4 3. **Agency Accountability:** Heads of agencies who fail to ensure the registration
5 of ceremonial gifts into government property books shall be administratively
6 liable for Neglect of Duty.

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8 **SECTION 8. Separability Clause.**

9 If any provision of this Act is declared unconstitutional or invalid, the remainder not
10 affected thereby shall continue to be in full force and effect.

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12 **SECTION 9. Repealing Clause.**

13 All laws, decrees, orders, and issuances inconsistent with this Act are hereby amended,
14 modified, or repealed accordingly.

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16 **SECTION 10. Effectivity.**

17 This Act shall take effect fifteen (15) days after its publication in the Official Gazette or
18 in at least two (2) newspapers of general circulation.

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21 Approved,