

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

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 5222



Introduced by Lone District of Agusan del Norte Representative
HON. DALE B. CORVERA

AN ACT
PROHIBITING PUBLIC OFFICERS AND CERTAIN PERSONS AFFILIATED
TO PUBLIC OFFICERS AND THEIR RELATIVES FROM ENTERING INTO
GOVERNMENT CONTRACTS AND PROVIDING PENALTIES THEREFOR

EXPLANATORY NOTE

The 1987 Constitution states that “A public office is a public trust,” a timeless principle that calls on every public official and employee to exercise integrity, accountability, and transparency in the faithful discharge of their duties for the benefit of the Filipino people.

In recent months, this principle has been tested by renewed reports of corruption and irregularities in infrastructure projects, particularly in flood control programs across the country. During the series of torrential rains in August 2025, widespread flooding in Metro Manila, Central Luzon, and several provinces exposed the alleged inefficiencies and anomalies in the construction of drainage systems and embankments. Investigations have since revealed cases of substandard works, ghost projects, and questionable bidding practices. Public outrage intensified when it was found that numerous contracts were awarded to companies linked to government officials or their close associates.

In his State of the Nation Address on 28 July 2025, President Ferdinand Marcos Jr. himself acknowledged the depth of the problem, citing that about one hundred billion worth of flood control projects—roughly twenty percent of all such projects—had gone to only fifteen contractors. The President condemned this practice as “shameful” and vowed to hold all those involved accountable. He further announced the creation of an Independent Commission for Infrastructure (ICI) through Executive Order No. 94 to investigate anomalies in flood control and other public works projects. The move reflected an urgent national effort to restore public confidence in the government’s capacity to deliver transparent, effective, and corruption-free infrastructure development.

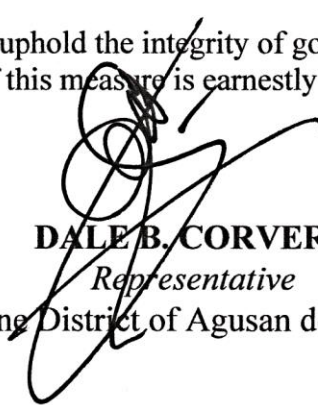
While laws such as Republic Act No. 6713, or the “Code of Conduct and Ethical Standards for Public Officials and Employees”; Republic Act No. 3815, or “The Revised Penal Code”, as amended; and Republic Act No. 12009, or the “New Government Procurement Act” already contain provisions on conflict of interest and disclosure, these mechanisms appear as insufficient deterrents against unscrupulous individuals. These mechanisms rely heavily on

self-declaration and after-the-fact accountability, creating loopholes that allow public officers to benefit indirectly through relatives, business partners, or other proxies. Worse, violations are often discovered only after contracts have been awarded and public funds disbursed, making recovery and accountability difficult.

This bill seeks to close these gaps by expressly prohibiting public officers and any persons affiliated with them – by marriage, blood, or business interest – from directly or indirectly participating in any government contract or procurement activity. With the introduction of the term “public officer” akin to the definition under the Revised Penal Code, it covers all elective and appointive officials and employees, whether permanent, temporary, classified, unclassified or exempt, receiving compensation, even nominal, from the government. It also imposes both imprisonment of one to ten years and fine equivalent to 50% of the total amount of transaction, contract or deal as penalties.

By tightening ethical and institutional safeguards, this proposed measure aims to restore public trust in government operations. It discourages private individuals whose primary motivation is to profit from the public coffers from seeking employment with the Government. It reinforces the principle that public funds must be used solely for the public good, not as instruments for private gain. More importantly, it seeks to ensure that government undertakings are conducted with fairness, competence, and transparency—so that public office truly remains a public trust.

In view of the foregoing and the urgent need to uphold the integrity of governance and the confidence of our people, the immediate passage of this measure is earnestly sought.



DALE B. CORVERA
Representative
Long District of Agusan del Norte

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

SECTION 1. Declaration of Policy. – It is hereby declared a policy of the State to ensure integrity of government procurements and projects through a strengthened policy on divestment of public officers from business enterprises, and prohibition against their relatives and their business affiliates from participating in government procurements to avoid conflict of interest. Government officials, employees and workers shall, at all times, uphold public interest over personal and familial interest.

SEC. 2. Definition of Terms. – As used in this Act, the term –

- (a) “Government” includes the national government, the local governments, the government-owned and government-controlled corporations, and all other instrumentalities of agencies of the Republic of the Philippines and their branches.
- (b) “Public officer” includes elective and appointive officials and employees, permanent or temporary, whether in the classified or unclassified or exempt service receiving compensation, even nominal, from government.
- (c) “Substantial stockholder” is any person who owns, directly or indirectly, shares of stock sufficient to elect a director of a corporation. This term shall also apply to the parties to a voting trust.
- (d) “Beneficial Owner” refers to a natural person who ultimately owns or dominantly influences the management of policies of the juridical entity.

SEC. 3. Divestment. – Public officers shall avoid any conflict of interest at all times. When a conflict of interest arises, he/she shall resign from his/her position in any private business enterprise within thirty (30) days from assumption of office or effectivity of

engagement and/or divest any shareholding or interest within sixty (60) days from such assumption or engagement.

The same rule shall likewise apply where the public officer is a partner in a partnership.

Divestment by a public officer shall be to a person or persons other than his/her spouse and relatives within the fourth civil degree of consanguinity or affinity.

SEC. 4. *Prohibition to Participate into Government Procurement.* – All public officers shall be prohibited from participating into any procurement activity of the government at all levels regardless of divestment. Such prohibition applies during the incumbency or engagement of the public officer and shall extend for a period of one year from separation from or termination of engagement with the government.

This prohibition shall also apply to business enterprises owned and/or controlled by public officers during his incumbency or engagement with the government and shall extend for a period of one year from separation from or termination of engagement with the government.

Any transaction, contract, or dealing of such public officer or business enterprise with the Government already existing or pending at the time of assumption of office or engagement of the public officer shall be deemed motu proprio terminated. No proceed, benefit or advantage from the transaction, contract or dealing shall be paid to such public officer or business enterprise.

SEC. 5. *Prohibition on Relatives to Participate into Government Procurement.* – The same prohibition and consequences in the immediately preceding section shall apply to the spouse or any relative of a public officer within the fourth degree of consanguinity or affinity, as well as business enterprises in which such spouse or relative is a substantial stockholder or a beneficial owner.

SEC. 6. *Prohibition on Allowing the Use of Rights and Privileges.* – It shall be unlawful for any person in favor of whom a license, franchise, permit, accreditation, award, or any similar document has been issued or awarded by the Government to allow any public officer, the public officer's spouse or any of the public officer's relative within the fourth degree of consanguinity or affinity, as well as business enterprises of such spouse or relative to use his/her license, franchise, permit, accreditation, award, or any similar document to enter into government procurement.

SEC. 7. *Penalties.* – (a) Any public officer or private person committing any of the unlawful acts under this Act shall be punished with both imprisonment of not less than one (1) year nor more than ten (10) years, and fine equivalent to fifty percent (50%) of the total amount of the transaction, contract or deal with the Government.

Any conviction by a court of competent jurisdiction with any violation of this Act shall automatically carry the accessory penalty of perpetual absolute disqualification to hold public office.

(b) Any license, franchise, permit, accreditation, award, or any similar document issued or awarded by the Government used in facilitating the commission of any alleged violation of this Act shall be revoked accordingly.

(c) Any property subject of the prohibited transaction shall be confiscated or forfeited in favor of the Government.

(d) Relatives of public officers within the fourth degree of consanguinity who commit any violation of this Act shall be subject to the same applicable penalties in the immediately preceding subparagraphs.

(e) In case of juridical persons, the officers having ownership, control, management or direction of their business who are responsible for the commission of the violation and the responsible employees/agents thereof shall be liable.

SEC. 8. *Implementing Rules and Regulations.* – Within thirty (30) days from the effectivity of this Act the Civil Service Commission and the Government Procurement Policy Board shall, in consultation with other relevant government agencies, formulate the rules and regulations for the effective implementation of this Act.

SEC. 9. *Separability Clause.* – If, for any reason, any section, clause or term of this Act is held to be illegal, invalid, or unconstitutional, such parts not affected by such declaration shall remain in full force and effect.

SEC. 10. *Repealing Clause.* – All other laws, presidential decrees, issuances, executive orders, letters of instruction, rules, and regulations inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 11. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,