

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**TWENTIETH CONGRESS**  
First Regular Session

**HOUSE BILL NO. 6541**



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Introduced by: **REP. JULIO A. LEDESMA IV**

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**“AN ACT  
REQUIRING CONTRACTORS OF GOVERNMENT PROJECTS TO DISCLOSE  
THEIR STATEMENT OF ASSETS, LIABILITIES AND NET WORTH, PROVIDING  
PENALTIES FOR VIOLATION THEREOF, AND FOR OTHER PURPOSES”**

**EXPLANATORY NOTE**

Article XI, Section 1 of the 1987 Constitution describes forcefully the sacred nature of a public office: it is a public trust. It enjoins public officials and employees to serve with accountability and cloaks every act with the requirement of ethical responsibility.

People who serve in government are stewards of public resources and trusted that they will discharge their duties with uprightness. No less is required of contractors of government projects, though they may belong to the private sector. The funds used to build roads, bridges, classrooms, hospitals, etc., come from the blood, sweat and tears of taxpayers, and must be utilized with integrity.

Whilst government employees and officials regularly submit Statements of Assets, Liabilities and Net Worth in accordance with Republic Act No. 6713 (“Code of Conduct and Ethical Standards for Public Officials and Employees”) so their lifestyle can be checked against their income/s and expenditures with reasonable certainty, the same should also be required of persons that are bidding for and/or awarded government contracts to ascertain their capacity to undertake the projects and complete them satisfactorily, or as described in the project documents. Red flags may be seen and attention drawn to them, which can help avoid failures or inferior quality structures.

This bill seeks to enhance transparency, accountability, and integrity in the procurement and execution of government-funded projects. It extends the principle of financial transparency to private contractors and entities entering into contracts with government agencies, ensuring that parties entrusted with public funds maintain ethical standards and are free from conflicts of interest.

It complements existing Philippine procurement laws and anti-corruption measures by bridging a transparency gap regarding the private entities directly benefiting from public resources. It reinforces the objectives of RA 9184 (Government Procurement Reform Act) and RA 6713 by extending accountability mechanisms traditionally applicable to public officers to private contractors engaged in government projects.

By institutionalizing the SALN requirement for contractors, government agencies have a robust tool to mitigate financial risks, prevent corruption, and maintain public trust in procurement and project execution.

For the above cited reasons, the urgent passage of this bill is sought.



*Julio A. Ledesma*

**JULIO A. LEDESMA IV**  
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1st District, Negros Occidental

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**SECTION 1. Short Title** – This Act shall be known as the “Government Projects Transparency Act.”

**SEC. 2. Declaration of Policy** – It is the policy of the State to promote transparency and prevent corruption in government procurement. As such, all persons and entities engaging in government projects whether construction, service, or supply projects shall be accountable with respect to their financial capacity and integrity.

**SEC. 3. Definition of Terms** – For purposes of this Act, the following terms shall mean:

1. Contractor – Any individual, partnership, corporation, or joint venture awarded a government contract for goods, services, or infrastructure.
2. Government Project – Any procurement funded wholly or partially by the National Government, government-owned or -controlled corporations (GOCCs), or local government units (LGUs).
3. SALN – Statement of Assets, Liabilities, and Net Worth as defined under Republic Act No. 6713 (Code of Conduct and Ethical Standards for Public Officials and Employees), adapted for contractors.

**Section 4. SALN Submission Requirement** – Every contractor bidding for or awarded a government project valued at ₱3,000,000.00 or more shall submit a completed and sworn SALN. In case of a company or corporation, the beneficial owners shall file their individual SALNs.

The SALN shall be similar to the SALNs submitted by government employees and officials and shall include:

1. Real property owned, with assessed current and acquisition values;
2. Personal property and investments;
3. Liabilities including debts and contingent obligations;
4. Net worth computation as total assets minus total liabilities.
5. Affidavit of correctness and notarization is required.

This provision can be directly inserted into Invitation to Bid (ITB), Request for Proposal (RFP), and/or Memorandum of Agreement (MOA).

Absence of this provision in the pertinent document/s shall not render the SALN requirement unnecessary.

**Section 5. Periodic Updates** – Contractors shall update their SALN annually throughout the duration of the project and upon project completion.

Any material change/s in assets or liabilities exceeding 10% of total net worth must be reported within 30 calendar days.

**Section 6. Submission, Recordkeeping, Public Disclosure and Display** – SALNs shall be submitted to the procurement office or oversight agency responsible for the project (e.g., Government Procurement Policy Board or relevant LGU).

The SALNs shall be maintained securely, accessible to the Commission on Audit (COA) and Anti-Red Tape Authorities for auditing and integrity verification.

SALNs shall also be posted on the contractors' company website and in the bulletin boards of the government agency/ies where the projects are located. It shall be made available at least thirty (30) days before the bidding for the project/s.

**Section 7. Compliance and Sanctions** – Failure to submit the SALN shall be a ground for:

1. Suspension of contract execution;
2. Debarment from future government contracts for five (5) years;
3. Civil liability, including payment equivalent to 1–5% of contract sum as administrative penalty.
4. Submission of a false or misleading SALN constitutes a legal offense under the Anti-Graft and Corrupt Practices Act (R.A. No. 3019) or related laws, subject to criminal penalties.

**Section 8. Exceptions** – Submission of SALNs does not apply to:

1. Projects with contract values below ₱3,000,000.00;
2. Contractors already subject to comprehensive asset disclosure through existing regulatory requirements (e.g., registered GOCC contractors already filing mandatory SALNs under RA 6713).

For #2, display of their SALNs in public places as described in Section 5 shall still be required.

**Section 9. Implementing Rules and Regulations (IRR)** – The Government Procurement Policy Board (GPPB) in coordination with the COA and the Department of Justice (DOJ) shall issue the IRR within ninety (90) days from the effectivity of this Act, specifying:

1. The format of the SALN;

2. Procedures for submission, verification, and penalties;
3. Guidelines for public disclosure.

**Section 10. Separability Clause** – If any provision is held invalid, other provisions remain enforceable.

**Section 11. Repealing Clause** – All laws, decrees, orders, issuances, rules and regulations, or any part thereof inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

**Section 12. Effectivity** – This Act shall take effect fifteen (15) days after publication the Official Gazette or in two newspapers of general circulation.

Approved,