



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila



Twentieth Congress
First Regular Session

HOUSE BILL NO. 7917

Introduced by Representatives Ronaldo V. Puno, Bievenido M. Abante Jr., Adrian Jay C. Advincula, Juan Carlos C. Atayde, Alfelito M. Bascug, Anna York P. Bondoc, Ma. Victoria Co-Pilar, Niko Raul S.J. Daza, Rachel Marguerite B. Del Mar, Danilo A. Domingo, Antonio A. Ferrer, Jeffrey P. Ferrer, Albert S. Garcia, Karen Hope F. Garcia, Maria Angela S. Garcia, Alexandria P. Gonzales, Christopher Sheen P. Gonzales, Tsuyoshi Anthony G. Horibata, Jennifer A. Lagbas, Carlos A. Loria, Alfredo D. Marañon III, Joaquin Carlos Rahman A. Nava, Antolin A. Oreta III, Augustina Dominique C. Pancho, Jerry E. Perez, Eddiebong G. Plaza, Franz S. Pumaren, Dimszar M. Sali, Rosalie A. Salvame, Sun J. Shimura, Marcelino R. Teodoro, Aniela Bianca D. Tolentino, Rolando M. Valeriano, Anna Victoria Veloso-Tuazon, Miguel Luis R. Villafuerte, Vincenzo Renato Luigi R. Villafuerte, , Brian Raymund S. Yamsuan, and John Geesnell L. Yap II

**AN ACT AMENDING REPUBLIC ACT NO. 12009, OTHERWISE KNOWN AS THE
“NEW GOVERNMENT PROCUREMENT ACT”**

EXPLANATORY NOTE

The President’s public admonition —“*Mahiya naman kayo!*” — captured widespread public outrage and underscored the urgency of strengthening institutional safeguards against conflicts of interest in government contracting.

The Constitution firmly establishes that public office is a public trust and requires all public officials and employees to be accountable to the people serving with utmost responsibility, integrity, loyalty, and efficiency, and to uphold public interest over personal interest.

These constitutional principles are echoed in Republic Act No. 6713 (the *Code of Conduct and Ethical Standards for Public Officials and Employees*) which obligates public officials to avoid conflicts of interest, refrain from dispensing undue favors, and remain loyal to the people at all times. Republic Act No. 3019, or the *Anti-Graft and Corrupt Practices Act*, likewise penalizes public officers who maintain direct or indirect financial or pecuniary interests in transactions in which they intervene in their official capacity.

Regretfully, despite these existing safeguards, recent events have revealed serious weaknesses in the current procurement framework in government infrastructure projects. Investigations on

so-called “ghost projects”¹ have implicated certain Members of Congress in substandard works, non-existent projects, anomalous project procurement activities, and kickbacks. Senate investigations and independent inquiries have uncovered alleged schemes or machinations linking legislators to construction companies, including those owned or controlled by their relatives, close associates, or nominees.²

Notably, the Independent Commission for Infrastructure (ICI), created under Executive Order No. 9 issued on 11 September 2025, recommended the filing of criminal charges against certain Members of the House of Representatives.

While general eligibility, disqualification, and safeguards against conflict of interest exist under the New Government Procurement Act, the Senate and ICI investigations proved that additional controls in the New Government Procurement Act are needed to prevent procurement outcomes that favor public officials, their relatives, nominees, or associates through indirect, beneficial, or nominee arrangements.

The current issues regarding budget insertions indicate that lawmakers and other public officials exercise substantial influence over national appropriations, project listings, oversight hearings, and agency priorities. Undoubtedly, when such influence coincides with private financial interests in procurement contracts, the risk of self-dealing and manipulation of public resources becomes acute.

This bill therefore seeks to amend the New Government Procurement Act to prevent conflict of interest rules and close loopholes that allow circumvention. It introduces an explicit statutory prohibition against public official and their relatives within the fourth civil degree of consanguinity or affinity from having any direct or indirect financial or beneficial interest in government procurement contracts such as infrastructure and public works projects. The amendments expressly cover beneficial ownership structures, nominee arrangements, and similar devices intended to evade accountability.

In view of the foregoing, the immediate passage of this bill amending the New Government Procurement Act is earnestly sought, in order to protect public funds, restore confidence in the procurement system, and faithfully uphold the constitutional principle that public office is a trust for the people.

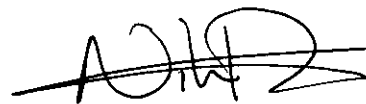
¹ A “ghost project” is a form of corruption in which government officials, sometimes with the help of private actors, declare a government project as “finished” even though it is not or has yet to be concluded. [See, Bolledo, J. (2025, September 11). *Order in the Court: What are ghost projects?* Rappler. <https://www.rappler.com/newsbreak/podcasts-videos/order-in-the-court-things-to-know-ghost-projects/>]

² Latoza, G. (2025, August 31). *Five Reveals from the Flood-Control Data*. PCIJ. <https://pcij.org/2025/08/31/5-reveals-from-the-flood-control-data/>



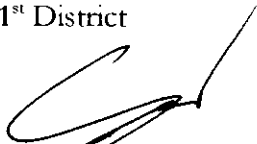
HON. RONALDO V. PUNO

District Representative
Antipolo City, 1st District



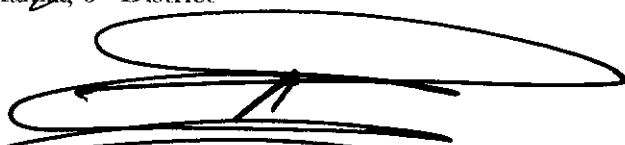
HON. NIKO RAUL SJ DAZA

District Representative
Northern Samar, 1st District



HON. BIENVENIDO M. ABANTE, JR.

District Representative
Manila, 6th District



HON. ADRIAN JAY C. ADVINCULA

District Representative
Cavite, 3rd District

HON. LRENZ R. DEFENSOR

District Representative
Iloilo, 3rd District



HON. RACHEL MARGUERITE B. DEL MAR

District Representative
Cebu City, 1st District



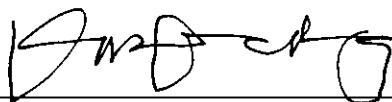
HON. JUAN CARLOS C. ATAYDE

District Representative
Quezon City, 1st District



HON. DANILO A. DOMINGO

District Representative
Bulacan, 1st District



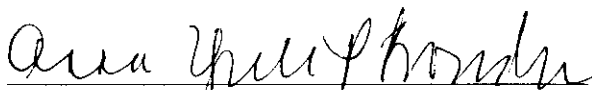
HON. ALFELITO M. BASCUG

District Representative
Agusan del Sur, 1st District



HON. ANTONIO A. FERRER

District Representative
Cavite, 6th District



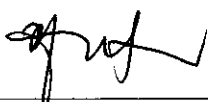
HON. ANNA YORK P. BONDOC

District Representative
Pampanga, 4th District



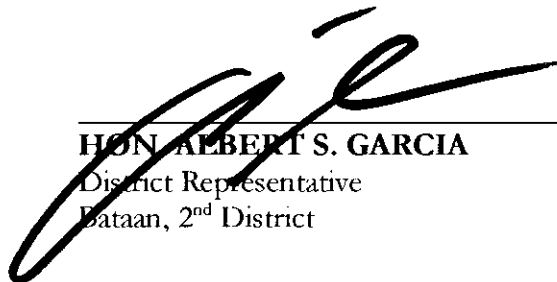
HON. JEFFREY P. FERRER

District Representative
Negros Occidental, 4th District



HON. MA. VICTORIA CO-PILAR

District Representative
Quezon City, 6th District

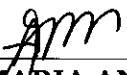


HON. ALBERT S. GARCIA

District Representative
Bataan, 2nd District



HON. KAREN HOPE F. GARCIA
District Representative
Cebu, 3rd District



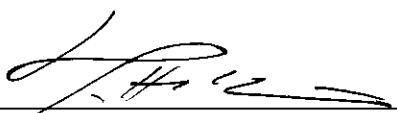
HON. MARIA ANGELA S. GARCIA
District Representative
Bataan, 3rd District



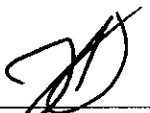
HON. ALEXANDRIA GONZALES
District Representative
Mandaluyong City, Lone District



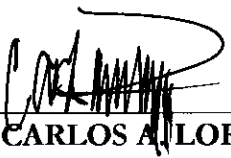
HON. CHRISTOPHER SHEEN P. GONZALES
District Representative
Eastern Samar, Lone District



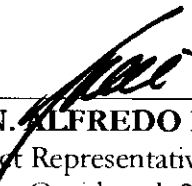
HON. TSUYOSHI ANTHONY G. HORIBATA
District Representative
Camarines Sur, 1st District



HON. JENNIFER A. LAGBAS
District Representative
Misamis Oriental, 1st District



HON. CARLOS ALORIA
District Representative
Albay, 2nd District



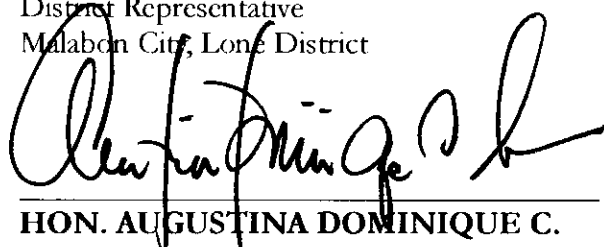
HON. ALFREDO D. MARAÑON III
District Representative
Negros Occidental, 2nd District



HON. JOAQUIN CARLOS RAHMAN A. NAVA
District Representative
Guimaras, Lone District



HON. ANTOLIN A. ORETA III
District Representative
Malabon City, Lone District



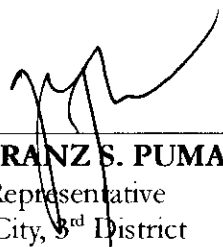
HON. AUGUSTINA DOMINIQUE C. PANCHO
District Representative
Bulacan, 2nd District



HON. JERRY E. PEREZ
District Representative
Zamboanga City, 2nd District



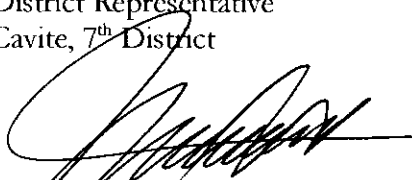
HON. EDDIEBONG G. PLAZA
District Representative
Agusan Del Sur, 2nd District



HON. FRANZ S. PUMAREN
District Representative
Quezon City, 9th District

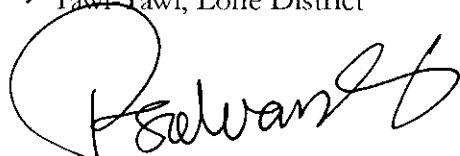
HON. CRISPIN DIEGO D. REMULLA

District Representative
Cavite, 7th District



HON. DIMSZAR M. SALI

District Representative
Tawi-Tawi, Lone District



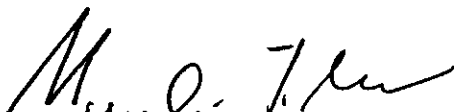
HON. ROSALIE A. SALVAME

District Representative
Palawan, 1st District



HON. SUN J. SHIMURA

District Representative
Cebu, 4th District



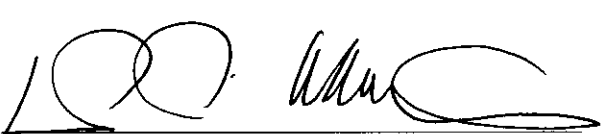
HON. MARCELINO R. TEODORO

District Representative
Marikina City, 1st District



**HON. ANIELA BIANCA D.
TOLENTINO**

District Representative
Cavite, 8th District

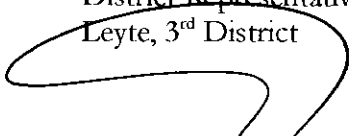


HON. ROLANDO M. VALERIANO

District Representative
Manila, 2nd District

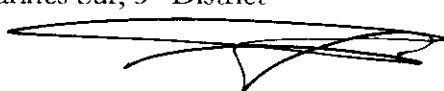
**HON. ANNA VICTORIA VELOSO-
TUAZON**

District Representative
Leyte, 3rd District



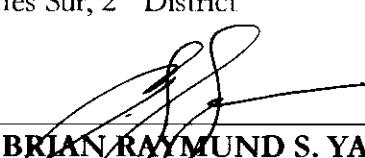
**HON. MIGUEL LUIS R.
VILLAFUERTE**

District Representative
Camarines Sur, 5th District



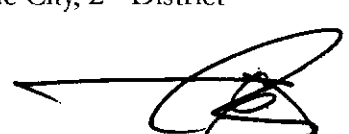
**HON. VINCENZO RENATO LUIGI R.
VILLAFUERTE**

District Representative
Camarines Sur, 2nd District



HON. BRIAN RAYMUND S. YAMSUAN

District Representative
Paranaque City, 2nd District



HON. JOHN GEESNELL L. YAP II

District Representative
Bohol, 1st District





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**AN ACT AMENDING REPUBLIC ACT NO. 12009, OTHERWISE KNOWN AS THE
“NEW GOVERNMENT PROCUREMENT ACT”**

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

SECTION 1. Section 5(b) Republic Act (RA) No. 12009, otherwise known as “New Government Procurement Act” shall be amended to read as follows:

“(b) Beneficial Owner refers to a natural person who ~~÷~~(1) ultimately owns, **CONTROLS** or dominantly influences the management or policies of the juridical entity **THROUGH DIRECT OR INDIRECT OWNERSHIP, VOTING RIGHTS, BOARD CONTROL, CONTRACTUAL ARRANGEMENTS, OR NOMINEE OR SHAREHOLDER ARRANGEMENTS.**”

SECTION 2. A new provision shall be inserted to read as follows, and renumber the succeeding sections accordingly:

“SECTION 40. PROHIBITION ON PUBLIC OFFICIALS’ PARTICIPATION. Any elective or appointive public official, their relatives within the fourth (4th) civil degree of consanguinity or affinity, nominees, agents, assignees, or persons acting on their behalf, shall be prohibited from participating in any stage of government procurement. Such prohibition shall also apply to any company, corporation, partnership, joint venture, or other business entity that is owned, controlled, managed, operated, or beneficially

owned, in whole or in part, by any of the foregoing, or in which any of them holds, directly or indirectly, any ownership interest, management or policy-making position, directorship, trusteeship, or partnership.

Any misrepresentation, concealment, or circumvention of this provision shall be a ground for disqualification, cancellation of award, forfeiture of bid security, contract termination, and blacklisting, without prejudice to the institution of appropriate administrative, civil, and criminal actions under applicable laws.

SECTION 4. Section 81 of RA No. 12009 shall be amended to read as follows:

“Section 821. Disclosure of Relations. - In addition to the proposed contents of the invitation to bid as mentioned under Section 50 of this Act, all Bidding Documents shall be accompanied by a sworn affidavit of the bidder that he or she, any partner, member of the board, or officer of the juridical entity is not related to the HoPE; the members of the BAC, the TWG, and the BAC Secretariat, the head of the Project Management Office or the end-user unit or implementing unit, and the project consultants of the Procuring Entity, or of the procurement agent, **ANY ELECTIVE OR APPOINTIVE PUBLIC OFFICIAL** whichever is applicable, by consanguinity or affinity up to the **FOURTH** ~~third~~ civil degree. In order to determine the ultimate beneficiary and prevent collusion, the ultimate beneficial ownership of an entity shall be disclosed by the bidder. Failure to comply with the aforementioned provision shall be a ground for the automatic disqualification of the bid in consonance with Section 59 of this Act. For this reason, relation to the aforementioned persons within the third civil degree of consanguinity or affinity shall automatically disqualify the bidder from participating in the procurement of contracts of the Procuring Entity notwithstanding the act of such persons inhibiting themselves from the procurement process.”

Approved,