

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
Second Regular Session

HOUSE BILL NO. 11249



Introduced by: Hon. Keith Micah "Atty. Mike" D.L. Tan

AN ACT
RE-ESTABLISHING THE PRESIDENTIAL COMMISSION ON GOOD GOVERNMENT,
CREATING FOR THE PURPOSE THE ANTI-CORRUPTION AND FORFEITURE
COMMISSION, AND APPROPRIATING FUNDS THEREFOR

EXPLANATORY NOTE

While our Constitution explicitly declares that public office is a public trust and mandates a zero-tolerance policy against corruption, traditional criminal prosecution often falls short. Securing criminal convictions requires meeting the highest burden of proof, allowing sophisticated illicit wealth schemes to evade accountability while money that rightly belongs to the public remains locked away or dissipated.

This bill seeks to pivot our national strategy toward a more direct and decisive solution by modernizing and converting the Presidential Commission on Good Government into the permanent Anti-Corruption and Forfeiture Commission (ACFC), a specialized unit focused entirely on stripping away illicitly acquired wealth.

Working in tandem with the Office of the Ombudsman, the ACFC will wield robust civil tools to target stolen assets directly. Through civil forfeiture proceedings under Republic Act No. 1379, administrative subpoenas, provisional freeze orders, and conservatorships, the Commission will ensure that suspect assets are secured before they can be hidden or spent. The bill empowers the Commission to negotiate judicial compromise agreements, grant witness immunity to break complex financial syndicates, directly execute civil monetary judgments handed down by the Sandiganbayan under the Anti-Graft and Corrupt Practices Act, and collaborate with global financial intelligence networks to recover assets hidden abroad.

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

Keith Micah "Atty. Mike" D.L. Tan
4th District, Quezon

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

SECTION 1. *Short Title.* This Act shall be known as the “Anti-Corruption and Forfeiture Commission Act”.

SEC. 2. *Declaration of Policy.* – It is the declared policy of the State to promote and maintain honesty and integrity in the public service, and to take effective measures against graft and corruption. The State mandates that public office is a public trust. Public officers and employees must, at all times, be accountable to the people, serve them with utmost responsibility, integrity, loyalty, and efficiency. The State affirms its imprescriptible right to recover unlawfully acquired assets, located here and abroad, from public officers or employees, their immediate family, relatives, close associates, nominees, dummies, cronies, or transferees. Towards this end, the State affirms the need for a permanent, independent, and institutional mechanism to recover unlawfully acquired assets, deter future acts of corruption, and promote transparency and integrity in governance.

SEC. 3. *Definition of Terms.* – As used in this Act, the following terms are defined as follows:

- (a) *Commission* refers to the Anti-Corruption and Forfeiture Commission.
- (b) *Civil Forfeiture* refers to a petition or civil action in rem, provided under Section 3, R.A. 1379, to recover unlawfully acquired assets of any public officer or employee.

- (c) *Unlawfully acquired property* refers to real or personal properties, monies, or securities that are acquired or held by any public officer or employee, or by his/her immediate family, relatives, close associates, nominees, dummies, cronies, or transferees, located in the Philippines and abroad, but which are manifestly out of proportion to the salary, benefits, and income derived from legitimately acquired property of said public officer or employee.
- (d) *Compromise agreement* refers to a negotiated settlement of civil liability under R.A. 1379 whereby a public officer or employee surrenders and transfers to the Republic of the Philippines ownership of unlawfully acquired assets under such terms approved by the Commission, or if a civil forfeiture case had already been filed in the Sandiganbayan, approved by said court.
- (e) *Legitimately acquired property* refers to any real or personal property, monies, securities, and other assets that a public officer or employee has lawfully acquired by employment, gratuitous title, or as business or professional income before becoming a public officer or employee, or any other property already owned by him/her when he/she qualified for public office or employment, or the fruits and income of the exclusive property of his/her spouse. It shall not include:
1. Property unlawfully acquired by a public officer or employee, but its ownership is concealed by being recorded in the name of, or held by his/her spouse, ascendants, descendants, relatives, or any other person.
 2. Property unlawfully acquired by a public officer or employee but transferred by him/her to another person/s on or after the effectivity of this Act.
 3. Property donated to a public officer or employee during his/her incumbency, unless he/she can prove to the satisfaction of the court that the donation is lawful.
- (f) *Public officer or employee* refers to any person who, by direct provision of law, popular election, or appointment by competent authority, takes part in the performance of public functions in the Government or performs public duties as an employee, agent, or subordinate official, of any rank or class; or, who is otherwise invested with some portion of the sovereign functions of the government, to be exercised for the benefit of

the public, for a given period either fixed by law or enduring at the pleasure of the appointing power.

The term includes elective and appointive officials and employees, permanent or temporary, whether in the classified, unclassified, exempt, career, or non-career service, including military and police personnel, whether or not they receive compensation, and regardless of rank, salary grade, or length of service.

- (g) *Preponderance of evidence* refers to the standard of proof in civil cases, where the evidence on one side outweighs that on the other. It means the weight, credit, and value of the aggregate evidence on either side and is synonymous with “greater weight of the evidence” or “greater weight of the credible evidence.” It is that degree of evidence which is more convincing to the court as worthy of belief than that which is offered in opposition thereto.
- (h) *Recovered assets* refer to real or personal properties, monies, or securities that have been determined by final judgment as unlawfully acquired property and therefore ordered forfeited in favor of, and the ownership thereto, transferred in the name of the Republic of the Philippines.

SEC. 4. *Creation of Anti-Corruption and Forfeiture Commission and Abolition of the Presidential Commission on Good Government.* – An Anti-Corruption and Forfeiture Commission is hereby created and constituted as an anti-corruption agency attached to the Ombudsman. It shall be an autonomous agency with legal personality and shall exercise technical and institutional independence in the performance of its mandate. In addition to the functions and powers vested in the Commission under this Act, it shall take over and exercise the residual powers of the Presidential Commission on Good Government (PCGG) as provided in Executive Order Nos. 1, 2, 14, 14-A, and 43.

Accordingly, the PCGG is hereby declared abolished upon the effectivity of this Act. All incumbent officers and employees of the PCGG shall be absorbed into the Commission without loss of rank, seniority, salary, or benefits. Their years of service in the PCGG shall be credited in their favor for purposes of retirement, leave credits, and other government service-related benefits, consistent with Civil Service Commission laws and regulations.

SEC. 5. *Composition and Term of Office; Qualifications and Prohibitions; Rank, Salary, and Benefits.* – The Commission shall be headed by the incumbent Ombudsman as *ex officio* Chairperson, and four (4) Commissioners, who shall be appointed by the President for a fixed term of seven (7) years without

reappointment. The terms of office of the first four (4) Commissioners shall be as follows: 1) two shall serve for 7 years; 2) one for 5 years; and 3) one for 3 years. Appointment to any vacancy, except when due to the expiration of term, shall only be for the unexpired portion of the predecessor's term.

The Commissioners shall have the following qualifications: 1) natural-born citizen of the Philippines; 2) at least forty (40) years of age at the time of appointment; 3) of proven integrity and good moral character; 4) must not have been a candidate for any position in the elections immediately preceding his/her appointment; 5) members in good standing of the Philippine Bar; and (6) have engaged in the practice of law for ten (10) years or more prior to their appointments.

The Commissioners shall be prohibited from engaging in the following acts during their terms of office: 1) hold any other office or employment, either in the public or private sectors; 2) practice any profession; 3) manage or control any business; and 4) be financially interested, directly or indirectly, in any contract or privilege granted by the government or its subdivisions, agencies, instrumentalities, or government-owned or controlled corporations and their subsidiaries.

The Commissioners shall have the same salary and rank as Associate Justices of the Court of Appeals, and shall be entitled to the same retirement benefits as said Justices when they reach sixty-five (65) years of age; provided, that they have served at least one (1) full term. Any future increases in the salaries, allowances, privileges, and retirement benefits of the aforesaid Justices shall likewise apply to the Commissioners.

SEC. 6. Powers and Functions of the Commission. – The Commission shall have the following powers and functions:

- (a) Investigation. – Investigate, on its own initiative, or upon the verified or anonymous complaint of a concerned citizen, any public officer or employee to determine if assets, real or personal, registered in his/her name or held by him/her, directly or indirectly through nominees, dummies, relatives, or close associates, located within or outside the Philippines, are manifestly out of proportion to his/her salary, benefits, and legitimately acquired assets. In the exercise of its investigative function, the Commission shall have the power to obtain the respondent's Statement of Assets, Liabilities, and Net Worth (SALN) and Income Tax Returns (ITR), gather relevant information from agencies such as the Land Registration Authority, Land Transportation Office, Securities and Exchange Commission, and coordinate with the Anti-Money Laundering Council and the National Bureau of Investigation.

Investigate, upon the request of other government departments of agencies, or on its own initiative, contracts entered into by public officers with private persons, natural or juridical, where there is prima facie evidence that said private persons completely or miserably failed to perform their contractual obligations, as a result of which public funds amounting to FIFTY MILLION PESOS (P50,000,000.00), or more, were squandered or lost. On the basis of prima facie evidence, the Commission shall file civil actions under R.A. 1379 against said private persons for recovery of the lost public funds, and forfeiture of their assets in favor of the Republic of the Philippines to the extent of the loss, plus legal interest. The civil action shall proceed independently of any criminal case that may be filed by the Ombudsman against said private persons if they conspired with public officials in securing the contracts.

- (b) Subpoena and Contempt Powers. – Administer oaths, issue subpoenas to compel the appearance of witnesses and production of documents, and cite persons in direct or indirect contempt, imposing such appropriate penalties provided under the Rules of Court.
- (c) File and Prosecute Civil Forfeiture Cases. – File and prosecute petitions for civil forfeiture and recovery pursuant to R.A. 1379 against all public officers or employees who, upon investigation, and upon showing of prima facie evidence, have been determined to have unlawfully acquired assets. The Commission may seek the assistance of the Office of the Solicitor General in the filing and prosecution of said cases.
- (d) Power of Sequestration. – With the prior approval and order of the Sandiganbayan, and upon showing by prima facie evidence that the assets subject matter of the forfeiture case were unlawfully acquired, place said assets under sequestration, which shall be effective until final judgment is rendered.
- (e) Conservatorship. – On its motion and upon order of the Sandiganbayan, perform the powers and functions of a conservator with respect to private corporations owned or controlled by the respondent that are the subject of forfeiture proceedings and, as such, preserve, manage, and administer the assets of said corporations and, upon final judgment of forfeiture, to dispose of the same and remit the proceeds to the Bureau of the Treasury.
- (f) Provisional Remedies and Injunctions. – Avail itself of provisional remedies under the Rules of Court such as writs of attachment, preservation and freeze orders, as well as administrative remedies such as annotation of *lis pendens* and adverse claim in the Register of Deeds,

to prevent the dissipation or disposition of assets subject matter of forfeiture cases.

- (g) Enforcement of Civil Liability Ex Delicto. – Enforce and execute civil liability ex delicto under Republic Act No. 3019, otherwise known as the “Anti-Graft and Corrupt Practices Act”, as imposed by final judgment of conviction of the Sandiganbayan. The Commission shall have the power and authority, through the Sandiganbayan Sheriff, to levy on real properties or garnish bank deposits of the convicted public officer or employee, to manage and dispose of the same, and to remit the proceeds of the disposition to the National Treasury.
- (h) Compromise Agreement. – Negotiate and enter into compromise agreements with respondent public officers and employees during the investigation stage, such agreements to be approved by majority vote of the Commission *en banc*. Compromise agreements may also be entered into during the pendency of the petition for civil forfeiture and recovery in the Sandiganbayan contingent upon the approval thereof.
- (i) Immunity. – Grant immunity from criminal prosecution to any person who testifies to the unlawful manner in which the respondent had acquired any of the property or assets which are the subject of investigation, and such testimony is necessary to prove violation of R.A. 1379.
- (j) Authority over Recovered Assets. – Preserve, manage, and dispose of recovered assets and exercise such other powers as may be necessary and expedient to accomplish said mandate.
- (k) Inter-agency and International Coordination. – Coordinate and collaborate as necessary with other government agencies and instrumentalities, and other international entities or bodies of which the Government of the Republic of the Philippines is a party thereto or otherwise provided under law.
- (l) Rule-Making Power. – Adopt and promulgate its own Rules of Procedure to govern its investigative function and ensure that due process is observed at all times and harassment suits are avoided. Said rules shall provide that the Rules of Court shall apply in a suppletory manner to the Commission’s proceedings.
- (m) Retention and Use of Disposition Proceeds. – Automatically retain ten percent (10%) of the net value of recovered and disposed assets, subject to Commission on Audit rules, and utilize said funds for its expenses for operation, legal enforcement, asset management, asset disposition,

educational functions, capacity building, resource development, and competency advancement.

- (n) **Public Education and Preventive Advocacy.** – Promote public awareness of the harmful effects of corruption through continuing seminars on good governance principles and practices for Local Government Unit officers and employees, and to develop modules for that purpose. The Commission shall also promote public awareness on existing laws addressing corruption as well as the remedies and procedural mechanisms available for their prevention, investigation, and prosecution.

Furthermore, the Commission shall also coordinate with the Department of Education, the Commission on Higher Education, the Civil Service Commission (CSC), and other relevant institutions to integrate anti-corruption values and principles in school curricula, professional training, and community-based programs. These efforts shall form part of the preventive strategy of the Commission and support the broader goal of fostering a culture of integrity and anti-corruption among the youth.

- (o) **Organization.** – Determine, establish, and remove departments or offices and appoint personnel as may be necessary to effectively carry out its mandate, in accordance with CSC Rules and subject to the approval of the Department of Budget and Management; *Provided*, That the existing departments or offices under the PCGG, upon its abolition and upon the effectivity of this Act, shall be re-established under the Commission; *Provided, further*, That in alignment with Section 4 under this Act, all officials and employees shall be reinstated in the equivalent positions under the Commission or in positions carrying equivalent duties and responsibilities.

SEC. 7. *Online Citizens' Complaint System.* – The Commission shall establish within one (1) year upon the effectivity of this Act a secure, tamper-proof, and accessible online complaint system to promote public participation and in furtherance of the purposes of this Act.

SEC. 8. *Imprescriptibility.* – Petitions for forfeiture shall not be barred by prescription, laches, or estoppel nor be subject to the laws on acquisitive prescription with respect to any property unlawfully acquired by the respondent. Neither shall the resignation or separation from service of the respondent be a bar to the filing and prosecution of said petitions.

SEC. 9. *Right of Witness.* – A witness may invoke the right against self-incrimination in any investigation of the Commission for the determination of

unlawfully acquired assets. Upon such invocation, the Commission may still order the witness to testify or provide information; however, no testimony compelled under such order may be used against the witness in any criminal case, except in a prosecution for perjury or giving a false statement, or failure to comply with the order of the Commission.

SEC. 10. *Disposition of Recovered Assets.* - The Commission shall remit directly to the Bureau of the Treasury the cash proceeds from dispositions of all unlawfully acquired assets which were recovered through compromise agreements, final judgments, or other lawful means.

A comprehensive report on the disposition of recovered assets shall be made publicly available, and shall likewise be submitted to the House of Representatives and the Senate on a bi-annual basis.

SEC. 11. *Funding.* - The initial funding for the Commission shall be charged against the existing appropriations of the PCGG and its accumulated special provision fund (Fund 151) under the General Appropriations Act. Thereafter, such sums as may be necessary shall be included in the Annual General Appropriations Act.

SEC. 12. *Repealing Clause.* - All laws, decrees, executive orders, rules, and regulations, or parts thereof, which are inconsistent with this Act are hereby repealed or modified accordingly.

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

SEC. 14. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,