

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
First Regular Session
4809
House Bill No. _____



Introduced by: HON. LORD ALLAN JAY Q. VELASCO

EXPLANATORY NOTE

The Office of the Government Corporate Counsel (OGCC) acts as the statutory counsel of about seven hundred fourteen (714) government-owned or controlled corporations, government instrumentalities exercising corporate powers, government financial institutions and government corporate entities, their subsidiaries and corporate offsprings as well as economic zones, state universities and water districts (which shall all hereinafter be referred collectively as "GOCCs" for brevity) all over the country. Its responsibilities cover all the legal affairs of all the GOCCs and it handles special tasks for them including the exercise of control and supervision over all their legal departments. Its mandate has been further reinforced in subsequent executive issuances to effectively provide legal counsel to the GOCCs in their operations.

The strengthening of the OGCC is long overdue. The existing organizational structure and personnel complement of OGCC was formulated way back in 1978 and has not been amended and improved since then despite the increasing work performed by the OGCC in discharging its mandate. To ensure that OGCC shall be able to adapt to the changing conditions, the increase in the number of its personnel and corresponding adjustment in their compensation and benefits is inevitable.

For decades, the legal guidance and assistance provided by the OGCC by way of legal representations, legal opinions, drafting and review of contracts, performance of special tasks, the exercise of control and supervision over its legal departments, among others, enabled the GOCCs to more efficiently perform their respective mandates within the bounds of law.

With OGCC as statutory counsel, GOCCs do not need to engage private lawyers to address their legal requirements. The GOCCs are able to generate savings and utilize its much needed funds for its core purposes, which would otherwise be allocated for legal fees of private lawyers if OGCC has not existed.

With the growth in the number of GOCCs coupled with the complexities of their requirements brought by the modern business climate and conditions, the increase in the request for the legal services of OGCC, not only in terms of volume, but also the nature of the services required, call for specialization and expertise in specific fields of law.

The officials and employees of OGCC, who are entrusted with the legal concerns of the GOCCs, need to be properly equipped and be adequately compensated to effectively fulfill their duties and responsibilities.

In line with the principle of the National Government's thrust to standardize and rationalize the current compensation framework in the bureaucracy, the positions, salaries and benefits of the lawyers and administrative staff of the OGCC should be at par with the salary grades, positions, salaries and benefits of its counterparts in the Department of Justice who are also performing similar functions and providing similar legal services. It is for this reason that the OGCC needs a new Charter which will upgrade the positions, salaries and benefits of its employees and increase the number of its legal personnel and administrative staff.

In view of the foregoing reasons, the expeditious approval of this measure is sought.



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AN ACT STRENGTHENING THE OFFICE OF THE GOVERNMENT CORPORATE COUNSEL BY RATIONALIZING AND FURTHER PROFESSIONALIZING ITS ORGANIZATION, UPGRADING POSITIONS AND APPROPRIATING FUNDS THEREFOR

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

1 **SECTION 1. Short Title** – This Act shall be known as the “OGCC Charter.”
2

3 **SECTION 2. Declaration of Policy** – It shall be the policy of the State to
4 protect and promote the welfare, rights and interests of government-owned or
5 controlled corporations (GOCCs), government financial institutions (GFIs),
6 government instrumentalities with corporate powers (GICPs), government
7 corporate entities (GCEs) as defined in Republic Act No. 10149 as well as their
8 subsidiaries and corporate offsprings including economic zones, state
9 universities and water districts, all collectively referred to in this Act as
10 government corporations (“GOCCs”).
11

12 Toward this end, the State shall require the improvement of legal services
13 to efficiently address the expanding needs of these government corporations in
14 accordance with its initiative towards an improved fiscal management and good
15 corporate governance. It shall be the mandate of the OGCC to safeguard the legal
16 interest of government corporations.
17

18 **SECTION 3. Power, Jurisdiction and Mandate** – Any law to the contrary
19 notwithstanding, the Office of the Government Corporate Counsel (“OGCC”)
20 shall be the statutory counsel and principal law office of all government
21 corporations. All government corporations shall refer to the OGCC the
22 following:
23

- 24 a. All important legal questions for opinion and advice;
25 b. All contracts for review; *Provided*, that the Government Corporate
26 Counsel (“GCC”) may from time to time determine which contract
27 shall no longer be submitted to OGCC; and
28 c. All cases for representation before regular courts, quasi-judicial bodies,
29 administrative agencies and arbitral tribunals; *Provided*, that the GCC
30 may thereafter authorize the government corporation’s legal
31 department or retained counsel as collaborating counsel to handle
32 cases, as the urgency or expediency of circumstances may warrant.

1 The OGCC shall:

- 3 a. Exercise control and supervision over the legal departments of all
4 government corporations and conduct periodic performance audit of
5 the in-house lawyers or legal departments of government corporations
6 and to recommend appropriate actions to them;
- 7 b. Conciliate, mediate, act as hearing officers or adjudicate all disputes on
8 controversies exclusively between government corporations;
- 9 c. Investigate and, in appropriate cases, hear administrative disciplinary
10 cases involving all lawyers, officials and employees of government
11 corporations upon the latter's request and recommend appropriate
12 administrative or disciplinary sanctions;
- 13 d. Conduct fact-finding and preliminary investigation in appropriately
14 referred cases;
- 15 e. Act as Corporate Secretary or as any other officer of government
16 corporations, upon their request;
- 17 f. Be assigned as members of technical working groups, bids and awards
18 committee, task force and other committees in relation to government
19 corporations' projects;
- 20 g. Be detailed or assigned to government corporations upon their
21 request; *Provided*, that the GCC approves the assignment or
22 designation, including attendance in meetings requested by
23 government corporations;
- 24 h. Represent the OGCC in the Governing Board and management
25 committees of government corporations;
- 26 i. Approve the engagement of private lawyers by government
27 corporations; and
- 28 j. Perform such other functions necessary in the interest of service.

30 **SECTION 4. Expansion and Upgrading of Positions –**

32 A. The Government Corporate Counsel shall have the rank, salary,
33 allowances, retirement and pension benefits, emoluments, prerogatives and
34 privileges as the Presiding Justice of the Court of Appeals. He/she shall be
35 assisted by a Deputy Government Corporate Counsel ("DGCC") and twelve (12)
36 Assistant Government Corporate Counsels ("AGCC") who shall have the rank,
37 salary, allowances, retirement and pension benefits, emoluments, prerogatives
38 and privileges of an Associate Justice of the Court of Appeals.

40 No person shall be appointed GCC, DGCC or AGCC unless he/she is a
41 natural-born citizen of the Philippines and, for at least fifteen (15) years, has been
42 engaged in the practice of law in the Philippines.

44 B. The number, rank, salary, allowances, retirement and pension benefits,
45 emoluments, prerogatives and privileges of the other members of the legal staff
46 shall be as follows:

- 48 1. The present ten (10) Government Corporate Attorney IV ("GCA IV")
49 shall be increased to sixteen (16) and they shall have the rank, salary,
50 allowances, retirement and pension benefits, emoluments, prerogatives
51 and privileges of a Regional Trial Court Judge. No person shall be
52 appointed as GCA IV unless he/she is a natural-born citizen in the
53 Philippines and, for at least ten (10) years, has been engaged in the
54 practice of law in the Philippines;

- 1 2. The present fourteen (14) Government Corporate Attorney III ("GCA
2 III") shall be increased to nineteen (19) and they shall have the rank,
3 salary, allowances, retirement and pension benefits, emoluments,
4 prerogatives and privileges of a Metropolitan Trial Court Judge. No
5 person shall be appointed GCA III unless he/she is a natural-born
6 citizen of the Philippines and, for at least five (5) years, has been
7 engaged in the practice of law in the Philippines.
8
- 9 3. The present seventeen (17) Government Corporate Attorney II ("GCA
10 II") shall be increased to twenty (20) who shall be natural-born citizens
11 of the Philippines and have been engaged in the practice of law in the
12 Philippines for at least three (3) years;
13
- 14 4. The present four (4) Government Corporate Attorney I ("GCA I") shall
15 be increased to twelve (12) who shall be natural-born citizens of the
16 Philippines and have been engaged in the practice of law in the
17 Philippines for at least one (1) year.

19 The GCC, DGCC and AGCCs shall be appointed by the President of the
20 Philippines. The other members of the legal and administrative personnel shall
21 be appointed by the GCC. Except for the GCC, the appointments of the DGCC
22 and AGCCs shall be permanent upon compliance with the prescribed
23 qualification standards under this Act.

25 The GCC may appoint in coterminous capacity two (2) lawyers with the
26 same rank, salary, allowances and other benefits of an AGCC and two (2)
27 lawyers with the same rank, salary, allowances and other benefits of a GCA IV,
28 who shall form part of his confidential staff.

30 **SECTION 5. *Organizational Structure*** – The OGCC shall be headed by the
31 GCC, who is the principal law officer and legal defender of all the government
32 corporations. He shall have the authority and responsibility for the exercise of
33 the OGCC's mandate and for the discharge of its duties and functions, and shall
34 have supervision and control over the OGCC and its constituent units. The GCC
35 shall promulgate necessary rules & regulations for the implementation of the
36 provisions of this law.

38 The GCC shall be assisted by the DGCC, AGCCs and such number of
39 GCAs as may be necessary to operate the OGCC.

41 Unless otherwise determined by the GCC, the legal staff shall be divided
42 into teams, each to be headed by an AGCC.

44 The administrative structure of the OGCC shall be composed of the
45 Secretarial and Legal Support Services, Finance and Accounting Services, Human
46 Resource and Management Services, Case and Records Management Services,
47 Library Management and Information Technology Services, Corporate Planning
48 Services and Property and Supply Services.

50 The legal and non-legal personnel of the OGCC occupying the positions
51 affected by the changes embodied in this Act at the time of its approval shall
52 thereafter occupy and discharge the duties and functions of the upgraded
53 positions and receive the corresponding salary, benefits and privileges without
54 necessity of new appointments.

SECTION 6. Compensation – The salary grades for the basic monthly compensation of the OGCC legal personnel shall be as follows:

Position	Salary Grade
Government Corporate Counsel	31
Deputy Government Corporate Counsel	30
Assistant Government Corporate Counsel	30
Government Corporate Attorney IV	29
Government Corporate Attorney III	28
Government Corporate Attorney II	27
Government Corporate Attorney I	26

The 150 non-legal personnel shall be composed of the following: two (2) Chief Administrative Officers; one (1) Budget Officer V; one (1) Executive Assistant (EA) V; two (2) EA IV; one (1) EA III; one (1) Accountant IV; four (4) Supervising Administrative Officers; one (1) Planning Officer IV; eleven (11) Administrative Officers (AO) V; one (1) Librarian IV; one (1) Information Technology Officer; one (1) Computer Main Technician; one (1) Librarian III; four (4) AOs III; three (3) AOs II; twelve (12) Senior Administrative Assistant III; one (1) Planning Analyst II; twenty (20) Administrative Assistant (ADAS) VI; one (1) Computer Operator III; twelve (12) ADAS V; twelve (12) ADAS III; one (1) Bookkeeper III; three (3) Records Officer I; fourteen (14) ADAS II; five (5) ADAS I; one (1) Chauffeur IV; one (1) Security Guard III; ten (10) ADA VI; one (1) Driver IV; one (1) Buyer II; fourteen (14) ADA IV; and six (6) ADA III.

18 The non-legal personnel shall have the same salaries and benefits as that
19 of their counterparts in the Office of the Solicitor General.

21 The salaries, benefits and privileges of the personnel of the OGCC granted
22 under this Act shall automatically be increased to keep in step with any
23 corresponding increase in salaries and privileges subsequently granted to their
24 respective counterparts in the Judiciary, the Office of the Solicitor General and
25 the Court of Appeals.

SECTION 7. Personnel benefits and privileges – Provisions of other laws to the contrary notwithstanding, and subject to availability of funds, the OGCC may provide its employees the following benefits:

- 31 I. Health care services through a health maintenance organization
32 (HMO).
33
34 II. Accident insurance for all employees for approved travels while in
35 the performance of official duties;
36
37 III. Provided the efficiency of the service is not prejudiced, scholarships
38 for the deserving employees on official time to upgrade their
39 knowledge and skills; *Provided, further,* That scholars under this
40 provision shall be selected on the basis of merit as determined by
41 competitive examination; and

- 1 IV. A Provident Fund which shall consist of, but not be limited to
2 contributions made by the OGCC and by its employees;
- 3
- 4 V. Reimbursement of registration fees and expenses for trainings and
5 seminars, Mandatory Continuing Legal Education (MCLE) fees and
6 professional license fees.

7

8 **SECTION 8. Retirement Benefits** - Any law to the contrary
9 notwithstanding, and consistent with Section 4 of this Act granting them the
10 same retirement benefits and privileges of their counterparts in the Judiciary, the
11 retirement benefits of the GCC, DGCC, AGCC, GCA IV and GCA III shall be
12 automatically increased whenever there is an increase in the salaries and
13 allowances of the same positions from which he or she retired.

14

15 **SECTION 9. Attorney's Fees and Special Assessment** - The OGCC is
16 authorized to receive twenty percent (20%) of the money claims collected by, or
17 awarded/adjudged to government corporations, in addition to the attorney's
18 fees awarded by a court, tribunal, or panel, including awards/judgments,
19 stipulated under court-approved compromise agreements. The OGCC is hereby
20 authorized to use such awards and attorney's fees to meet contingencies,
21 obligations and undertakings or for employee benefits and incentives, necessary
22 or proper to promote efficiency in the service as determined by the GCC.

23

24 The GCC is likewise authorized to make special assessments upon
25 government corporations and to disburse and use the same for such
26 contingencies, obligations and undertakings, and to provide for employees'
27 benefits and incentives allowed under the law.

28

29 Attorney's fees and special assessments shall be deposited in an
30 authorized government depository and shall be made available for expenditure
31 without the need for a cash disbursement ceiling for purposes of meeting
32 obligations and contingencies, upgrading facilities and equipment, granting of
33 employees' benefits and incentives and defraying such other expenses not
34 provided for in the General Appropriations Act subject to accounting and
35 auditing procedures.

36

37 **SECTION 10. Franking Privilege** - All official matters and telegrams of the
38 OGCC addressed for delivery within the Philippines shall be received,
39 transmitted and delivered free of charge.

40

41 **SECTION 11. Appropriations** - The amount needed for employees'
42 salaries, mandatory allowances and benefits under other laws, maintenance and
43 other operating expenses and capital outlay shall be appropriated in the budget
44 of the OGCC under the Annual General Appropriations Act.

45

46 **SECTION 12. Repealing Clause** - All laws, decrees, rules and regulations
47 inconsistent with the provisions of this Act are hereby repealed or amended
48 accordingly.

49

50 **SECTION 13. Separability Clause** - If any of the provisions of this Act is
51 declared invalid or unconstitutional, the provisions not affected thereby shall
52 continue to be in full force and effect.

1 **SECTION 14. Effectivity** – This Act shall take effect fifteen (15) days after
2 its publication in the *Official Gazette* or in a newspaper of general circulation.
3

4 *Approved,*