

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

**SEVENTEENTH CONGRESS**  
First Regular Session

**HOUSE BILL NO. 3068**

HOUSE OF REPRESENTATIVES

**RECEIVED**

DATE: 17 AUG 2016

TIME: 2:50 PM

BY: pel

REGISTRATION UNIT  
BILLS AND INDEX SERVICE

---

Introduced by Representative **MARLYN L. PRIMICIAS-AGABAS**

---

### EXPLANATORY NOTE

This bill proposes the establishment of "Public Assets Management Corporation," principally tasked to ensure efficient managements of assets seized or forfeited in favor of the government.

At present, Republic Act No. 1379 or the "An Act Declaring Forfeiture In Favor Of The State Any Property Found To Have Been Unlawfully Acquired By Any Public Officer Or Employee And Providing For The Proceedings Therefor," provides for the process of forfeiture in cases of unlawfully acquired properties of public officers or employees. However, there seems to be no main agency that will handle management of recovered assets by the State. In result, absent proper management to preserve and administer, the value of assets may diminish resulting to the disadvantage of the State.

With the establishment of the Public Assets Management Corporation, it is aimed that the interest of the State be well preserved and protected and that the illegally acquired assets be brought back to the State for maximum use and utilization.

Passage of the law is therefore earnestly sought.



Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

SEVENTEENTH CONGRESS  
First Regular Session

HOUSE BILL NO. **3068**

---

Introduced by Representative **MARLYN L. PRIMICIAS-AGABAS**

---

**AN ACT**  
**ESTABLISHING THE PUBLIC ASSETS MANAGEMENT CORPORATION OF THE**  
**PHILIPPINES, PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES**

*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 Charter of the Public  
2 Assets Management Corporation of the Philippines.

3  
4       **SEC. 2.** *Declaration of Policy.* – It is hereby declared the policy of the State to  
5 ensure the efficient, economical, systematic, transparent and optimal preservation,  
6 administration, management, liquidation and disposition of all assets seized or forfeited  
7 in favor of the government in the course or as a consequence of criminal, administrative  
8 and civil actions.

9  
10       **SEC. 3.** *Creation of the Public Assets Management Corporation of the*  
11 *Philippines.* – There is hereby created an independent central public assets  
12 management authority, which shall be a government-owned body corporate attached to  
13 the Department of Finance (DOF) to be known as the Public Assets Management  
14 Corporation of the Philippines (the Corporation). It shall have the primary responsibility  
15 and objective of administering the country's asset management regime, ensuring the  
16 proper and prudent disposition of all assets seized or forfeited in favor of the State.  
17

1       **SEC. 4. Corporate Governance.** – The Corporation shall be governed by a  
2 Board of Directors composed of the following:

- 3
- 4       (a) The Secretary of Finance, as ex-officio Chair;
  - 5       (b) The Secretary of Budget and Management as ex-officio Vice Chair;
  - 6       (c) Three (3) members with backgrounds in banking and financial  
7       services, insurance, real estate, property appraisal, engineering and  
8       other technical fields, to be appointed by the President of the  
9       Philippines and to serve for a term of five (5) years; and
  - 10       (d) Two (2) members with backgrounds in general business or other  
11       similar areas, to be appointed by the President of the Philippines and  
12       to serve for a term of five (5) years.
- 13

14       The operations and management of the Corporation shall be conducted by an  
15 Executive Committee composed of the following:

- 16
- 17       (a) A President;
  - 18       (b) An Executive Vice President;
  - 19       (c) A Senior Vice President for Operations;
  - 20       (d) A Senior Vice President for Finance<sup>3</sup>;
  - 21       (e) A General Counsel and Corporate Secretary; and
  - 22       (f) Three (3) Vice Presidents in charge of Asset Management, Asset  
23       Valuation and Asset Liquidation/Disposition; all of whom shall be  
24       appointed by the Chair upon endorsement by the Board of Directors.
- 25

26       **SEC. 5. Corporate Powers.** – The Corporation shall have the following corporate  
27 powers:

- 28
- 29       (a) Accept and take title to, custody over and possession of such assets and  
30       other properties seized and/or forfeited by law enforcement, judicial and  
31       other governmental entities in favor of the State in the course of criminal,

civil, administrative, anti-corruption, anti-money laundering or similar proceedings, subject to the following rules:

1. *Assets seized by administrative agencies.* In cases of administrative forfeiture, the forfeiting agency has the option of either:

1.1 disposing of forfeited assets in accordance with the authority inherent in their law enforcement mandates and pursuant to their established systems and procedures, or

1.2 turning over the same to the Corporation, especially in cases where the optimal management or disposition of assets require technical expertise and competence;

2. *Assets forfeited in favor of the State.* In cases where assets have been forfeited in favor of the State by virtue of a final and executory order of a court, the Corporation shall automatically take custody over the same for proper administration and/or disposition; and

3. *Assets seized and subject of ongoing litigation.* In cases where assets are seized in connection with an ongoing criminal or forfeiture litigation, said assets shall be considered in *custodia legis* and may be placed under the physical custody of the Corporation the agency which seized the same, or such other person or office as the court may designate, in which case, the designated custodian is deemed constituted as an agent of the court.

3.1. Prior to an official designation of a custodian by the court, seized assets are deemed *ipso jure* under the accountability and fiduciary responsibility of the agency

1 which seized the same, or the agency with the duty to take  
2 possession thereof in accordance with existing laws and  
3 rule.  
4

5 3.2. Upon motion by any interested party, including the  
6 Corporation, the court shall conduct a summary hearing, to  
7 be concluded within twenty (20) days from the filing of such  
8 motion, to determine whether seized assets should be sold  
9 or disposed of, if doing so would best serve the interests of  
10 justice. The court must render a ruling on the motion no  
11 later than ten (10) days from the conclusion of the summary  
12 hearing.  
13

14 3.3. In the event that the seized assets are liable to  
15 progressive wasting, dissipation, devaluation, depreciation or  
16 deterioration, or cannot reasonably be conserved in a cost-  
17 efficient manner, the court shall order a disposition *pendente*  
18 *lite* unless it is established by competent evidence during the  
19 summary hearing that such disposition will cause undue  
20 injury or will adversely affect the substantive rights of the  
21 parties or any third party, *provided*, that an order of the court  
22 to sell or dispose of seized assets *pendente lite* shall not  
23 affect the trial of the case or be construed as an adjudication  
24 of the merits of the parties' claims and defenses.  
25

26 3.4. The proceeds of the sale of seized assets disposed of  
27 *pendente lite* shall be kept in a separate account and turned  
28 over to the custody of the court for eventual release to the  
29 prevailing party or to whoever may be adjudged as lawfully  
30 entitled thereto.  
31

- 1 (b) Enter into contracts and/or execute any deed or act in furtherance of its  
2 mandate to efficiently, economically and prudently manage, administer,  
3 preserve, apprise, liquidate and/or dispose of assets under its custody;  
4
- 5 (c) Execute and deliver, on behalf of the Government, the deeds of sale,  
6 contracts and other instruments as may be necessary or appropriate to  
7 convey title to such assets;  
8
- 9 (d) Sell or dispose of seized or forfeited assets, subject to the rules provided  
10 in paragraph (a) of this Section, without need of securing prior clearances  
11 from other governmental entities, *provided*, that all such transactions shall  
12 be subject to subsequent review under existing audit rules and  
13 regulations, and shall be guided by principles of fairness, prudence,  
14 accountability and transparency;  
15
- 16 (e) Construct, own, lease, operate and maintain various forms of properties  
17 as well as infrastructure facilities;  
18
- 19 (f) Receive donations, grants, bequests and assistance of all kinds from local  
20 and foreign governments and private sectors and utilize the same;  
21
- 22 (g) Hire and retain such personnel complement as may be necessary for the  
23 execution of its mandate; engage external services as the exigencies of  
24 particular cases may require, including, but not limited to, technical  
25 consultants, accountants, auditors, counsels, appraisers, risk managers,  
26 curators, conservationists and others;  
27
- 28 (h) Adopt, amend, or change its by-laws; to adopt, alter and use a seal; to  
29 sue; and to exercise the general powers of a corporation mentioned in the  
30 Corporation Code of the Philippines, insofar as such powers are not  
31 inconsistent or incompatible with the provisions of this Charter; and

- 1
- 2 (i) Conduct any such act, consistent with law, for the preservation of any
- 3 seized or forfeited asset, consistent with the professional and economic
- 4 management of the same.
- 5

6 **SEC. 6. *Personnel.*** – The Board of Directors shall provide for an organization

7 and staff of officers and employees of the Corporation and, upon recommendation of

8 the President fix their remunerations and other emoluments. All positions in the

9 Corporation, including consultancies, shall be governed by the compensation, position

10 classification system and qualification standards approved by the Board of Directors

11 based on a comprehensive job analysis of actual duties and responsibilities. The

12 compensation plan shall be comparable to the prevailing compensation plans in the

13 private sector and shall be subject to periodic review by the Board of Directors once

14 every two (2) years, without prejudice to yearly merit reviews or increases based on the

15 Corporation's productivity and profitability. The Corporation shall, therefore, be exempt

16 from existing laws, rules and regulations on compensation, position classification and

17 qualification standards. The Corporation shall, however, endeavor to make its system

18 conform as possible to the principles under the Compensation and Position

19 Classification Act of 1989.

20

21 No officer or employee of the Corporation subject to Civil Service Law shall be

22 dismissed except for cause as provided by law.

23

24 **SEC. 7. *Proceeds of Operations.*** – Proceeds derived from the management or

25 disposition of seized or forfeited assets shall be remitted by the Corporation to the

26 National Treasury or to the proper governmental office or agency as may be required by

27 law, *provided*, the Corporation shall be entitled to deduct therefrom the following: (1)

28 actual expenses incurred in the conservation, administration and disposition of said

29 assets, and (2) an amount equivalent to ten percent (10%) of the net proceeds as

30 management fees. Management fees may be adjusted based on relevant industry and

31 market standards and considerations, *provided*, that any adjustment must be subject to



1 a detailed study and approved by the Board of Directors. All earnings retained by the  
2 Corporation shall be properly and prudently administered with a view to preserving its  
3 viability.

4  
5 **SEC. 8.** *Reimbursements for Expenses.* – The Corporation shall be entitled to  
6 reimbursement of actual and necessary costs for the maintenance, preservation and  
7 conservation of seized assets in the event that a court of law adjudicates the same  
8 against the State, *provided*, such costs shall be reimbursed by the prevailing party in an  
9 amount to be equitably fixed by the court, *provided further*, the Corporation shall render  
10 periodic reports to the proper courts regarding the status of assets under its custody  
11 and the costs incurred for their maintenance, preservation and conservation, the same  
12 to be considered by the said courts for purposes of fixing the amount of reimbursement  
13 due the Corporation at the conclusion of trial.

14  
15 **SEC. 9.** *Relations with Forfeiting Agencies.* – The Corporation may enter into  
16 Memoranda of Agreement with relevant forfeiting agencies to define their respective  
17 roles, functions and financial responsibilities relative to the management, administration,  
18 liquidation and disposition of seized or forfeited assets, and the transfer and payment of  
19 the proceeds of disposition.

20  
21 **SEC. 10.** *Immunity from Suit.* – The Corporation shall not be subject to criminal,  
22 civil or administrative suits in connection with any act done or omitted by it in the regular  
23 exercise of its functions and powers, provided, it acts in good faith and in consonance  
24 with the State policy herein set forth.

25  
26 **SEC. 11.** *Third Party Claims.* – Any and all third party claims arising from any  
27 seized or forfeited asset under the Corporation's custody shall be directed, to and  
28 resolved by, such agency, tribunal or court hearing the case.

29  
30 **SEC. 12.** *Capitalization and Initial Funding.* - The capital of the Corporation shall  
31 be five hundred million pesos (PhP 500,000,000.00), to be fully subscribed by the



1 Government of the Republic of the Philippines, one hundred million pesos (PhP  
2 100,000,000.00) of which shall be fully paid for by the Government within three (3)  
3 years upon the effectivity of this Charter and the balance to be paid for within a period of  
4 three (3) years thereafter, in such manner and form as the Government, through the  
5 Secretary of Finance and Secretary of Budget and Management, may thereafter  
6 determine. The initial funding for the operations of the Corporation for the first year  
7 following the effectivity of this Charter shall be advanced by the DOF. Thereafter, the  
8 capitalization of the Corporation shall be paid for by the Government by way of  
9 appropriations from Congress.

10

11 **SEC. 13. *By-Laws and Rules.*** – The Corporation shall adopt its by-laws, rules of  
12 procedure and other regulatory issuances within ninety (90) days from the effectivity of  
13 this Charter, and as often thereafter as exigencies may require.

14

15 **SEC. 14. *Transitory Provision.*** – Upon the enactment of this Charter, the  
16 Privatization and Management Office (PMO) shall wind up its affairs and be dissolved  
17 pursuant to applicable laws and rules. The existing staff of the PMO, however, shall be  
18 absorbed by the Corporation and converted *ipso jure* as its core unit, *provided*, all PMO  
19 officers and employees who transition into the Corporation's staff shall not suffer any  
20 diminution of benefits or disturbance of tenure, *provided further*, all PMO officers and  
21 employees who choose not to be part of the Corporation shall be entitled to separation  
22 benefits as provided by law. For the purpose of this Section, the Corporation shall not  
23 be regarded as a continuation of the corporate personality of the PMO.

24

25 **SEC. 15. *Separability Clause.*** – If any provision of this Charter shall be declared  
26 unconstitutional, any other provision not affected thereby shall remain in full force and  
27 effect.

28

29 **SEC. 16. *Repealing Clause.*** - All laws, decrees, orders, rules and regulations or  
30 parts thereof inconsistent with this Charter are hereby repealed or modified accordingly.

31

1           **SEC. 17. *Effectivity.*** – This Charter shall take effect within fifteen (15) days after  
2 its publication in at least two (2) newspapers of general circulation

3  
4           Approved:  
5