

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



EIGHTEENTH CONGRESS

First Regular Session

HOUSE BILL NO. 4806

Introduced by Representatives Michael L. Romero and Enrico A. Pineda

EXPLANATORY NOTE

The Office of the Government Corporate Counsel (OGCC) acts as the statutory counsel of about 714 government-owned or controlled corporations, government instrumentalities exercising corporate powers, government financial institutions and government corporate entities, their subsidiaries and corporate offspring's 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

1 of contracts, performance of special tasks the exercise of control and
2 supervision over its legal departments, enabled the GOCCs to more
3 efficiently perform their respective mandates within the bounds of the
4 law.

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6

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

12

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

19

20 The Officials and employees of OGCC who are entrusted with the
21 legal concerns of the GOCCs need to be properly equipped and be
22 adequately compensated to effectively fulfill their duties and
23 responsibilities.

24

25 In line with the principle of National Government's thrust to
26 standardize and rationalize the current compensation framework in the
27 bureaucracy, the positions, salaries and benefits of the lawyers and
28 administrative staff of the OGCC should be at par with the salary grades,
29 positions, salaries and benefits of its counterparts in the Department of
30 Justice performing similar functions and providing similar legal services.
31 It is for this reason that the OGCC needs a new Charter upgrading the
32 positions, salaries and benefits of its employees and increasing the
33 number of its legal personnel and administrative staff.

34

35 In view of the foregoing reasons, the expeditious approval of this
36 proposed bill is earnestly sought.

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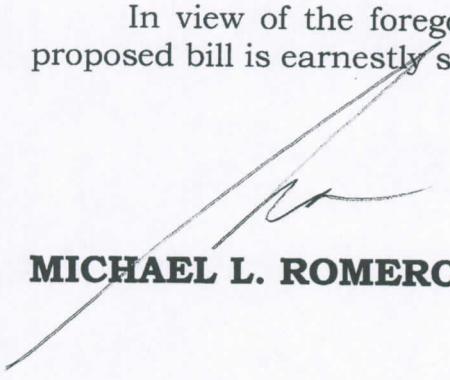
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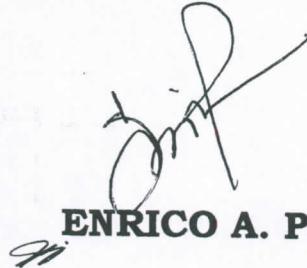
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MICHAEL L. ROMERO




ENRICO A. PINEDA

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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 the House of Representatives of the Philippines Congress assembled:

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

SECTION 2. Declaration of Policy – It shall be the policy of the State to protect and promote the welfare, rights and interests of government-owned or controlled corporations (GOCCs), government financial institutions (GFIs), government instrumentalities with corporate powers (GCIPs), government corporate entities (GCEs) as defined in Republic Act 10149 as well as their subsidiaries and corporate offspring's including economic zones, state universities and water districts, all collectively referred to in this Act as government corporations (GOCCs).

1 Toward this end, the State shall require the improvement of
2 legal services to efficiently address the expanding needs of these
3 government corporations in accordance with its initiative
4 towards an improved fiscal management and good corporate
5 governance. It shall be the mandate of the OGCC to safeguard
6 the legal interest of the government corporations.

7 **SECTION 3. Power, Jurisdiction and Mandate** – Any law to
8 the contrary notwithstanding, the Office of the Government
9 Corporate Counsel (“OGCC”) shall be the statutory counsel and
10 principal law office of all government corporations. All
11 government corporations shall refer to the OGCC the following:

- 14 a. All important legal questions for opinion and advice;
- 15 b. All contracts for review, provided that the GCC may from
16 time to time determine which contract shall no longer be
17 submitted to OGCC; and
- 18 c. All cases for representation before regular courts, quasi-
19 judicial bodies, administrative agencies and arbitral
20 tribunals, *provided that*, the Government Corporate
21 Counsel (GCC) may thereafter authorize the government
22 corporation’s legal department or retained counsel as
23 collaborating counsel to handle cases, as the urgency or
24 expediency of circumstances may warrant.

25 The OGCC shall:

- 28 d. Exercise control and supervision over the legal
29 departments of all government corporations and conduct
30 periodic performance audit of the in-house lawyers or
31 legal departments of government corporations and to
32 recommend appropriate actions to them;
- 33 e. Conciliate, mediate, act as hearing officers or adjudicate
34 all disputes on controversies exclusively between
35 government corporations;
- 36 f. Investigate and, in appropriate cases, hear
37 administrative disciplinary cases involving all lawyers,
38 officials and employees of government corporations upon
39 the latter’s request and recommend appropriate
40 administrative or disciplinary sanctions;

- 1 g. Conduct fact-finding and preliminary investigation in
2 appropriately referred cases;
3 h. Act as Corporate Secretary or any other officer of
4 government corporations upon their request;
5 i. Be assigned as members of technical working groups,
6 bids and awards committee, task force and other
7 committees in relation to government corporations'
8 projects;
- 9
- 10 j. Be detailed or assigned to government corporations upon
11 their request provided, that the GCC approves the
12 assignment or designation, including attendance in
13 meetings requested by government corporations;
14 k. Represent the OGCC in the Governing Board and
15 management committees of government corporations;
16 l. Approve the engagement of private lawyers by the
17 government corporations; and
18 m. Perform such other functions necessary in the interest of
19 the service.

20

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

22

23 **A.** The Government Corporate Counsel ("GCC") shall have
24 the rank, salary, allowances, retirement and pension benefits,
25 emoluments, prerogatives and privileges as the Presiding Justice
26 of the Court of Appeals. He/she shall be assisted by a Deputy
27 Government Corporate Counsel ("DGCC") and twelve (12)
28 Assistant Government Corporate Counsels ("AGCC") who shall
29 have the rank, salary, allowances, retirement and pension
30 benefits, emoluments, prerogatives and privileges of an Associate
31 Justice of the Court of Appeals.

32

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

37

38 **B.** The number, rank, salary, allowances, retirement and
39 pension benefits, emoluments, prerogatives and privileges of the
40 other members of the legal staff shall be as follows:

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

34 The GCC, DGCC and AGCCs shall be appointed by the
35 President of the Philippines. The other members of the legal and
36 administrative personnel shall be appointed by the GCC. Except
37 for the GCC, the appointments of the DGCC and AGCCs shall be
38 permanent upon compliance with the prescribed qualification
39 standards under this law.

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

6

7 **SECTION 5. Organizational Structure** – The OGCC shall be
8 headed by the GCC, who is the principal law officer and legal
9 defender of all the government corporations. He shall have the
10 authority and responsibility for the exercise of the OGCC's
11 mandate and for the discharge of its duties and functions, and
12 shall have supervision and control over the OGCC and its
13 constituent units. The GCC shall promulgate necessary rules &
14 regulations for the implementation of the provisions of this law.

15

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

18

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

21

22 The administrative structure of the OGCC shall be
23 composed of the Secretarial and Legal Support Services, Finance
24 and Accounting Services, Human Resource and Management
25 Services, Case and Records Management Services, Library
26 Management and Information Technology Services, Corporate
27 Planning Services and Property and Supply Services.

28

29 The legal and non-legal personnel of the OGCC occupying
30 the positions affected by the changes embodied in this Act at the
31 time of its approval shall thereafter occupy and discharge the
32 duties and functions of the upgraded positions and receive the
33 corresponding salary, benefits and privileges without necessity of
34 new appointments.

35

36 **SECTION 6. Compensation** – The salary grades for the
37 basic monthly compensation of the OGCC legal personnel shall
38 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

1
2 The 150 non-legal personnel shall be composed of the
3 following: two (2) Chief Administrative Officers; one (1) Budget
4 Officer V; one (1) Executive Assistant (EA) V; two (2) EA IV; one
5 (1) EA III; one (1) Accountant IV; four (4) Supervising
6 Administrative Officers; one (1) Planning Officer IV; eleven (11)
7 Administrative Officers (AO) V; one (1) Librarian IV; one (1)
8 Information Technology Officer; one (1) Computer Main
9 Technician; one (1) Librarian III; four (4) AOs III; three (3) AOs II;
10 twelve (12) Senior Administrative Assistant III; one (1) Planning
11 Analyst II; twenty (20) Administrative Assistant (ADAS) VI; one
12 (1) Computer Operator III; twelve (12) ADAS V; twelve (12) ADAS
13 III; one (1) Bookkeeper III; three (3) Records Officer I; fourteen
14 (14) ADAS II; five (5) ADAS I; one (1) Chauffeur IV; one (1)
15 Security Guard III; ten (10) ADA VI; one (1) Driver IV; one (1)
16 Buyer II; fourteen (14) ADA IV; and six (6) ADA III.
17

18 The non-legal personnel shall have the same salaries and
19 benefits as that of their counterparts in the Office of the Solicitor
20 General.
21

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

1 in the judiciary, the Office of the Solicitor General and the Court
2 of Appeals.

3

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

- 8
- 9 I. Health care services through a health maintenance
10 organization (HMO).
- 11
- 12 II. Accident insurance for all employees for approved
13 travels while in the performance of official duties;
- 14
- 15 III. Provided the efficiency of the service is not prejudiced,
16 scholarships for the deserving employees on official
17 time to upgrade their knowledge and skills. *Provided*
18 *further*, That scholars under this provision shall be
19 selected on the basis of merit as determined by
20 competitive examination; and
- 21
- 22 IV. A Provident Fund which shall consist of, but not be
23 limited to contributions made by the OGCC and by its
24 employees;
- 25
- 26 V. Reimbursement of registration fees and expenses for
27 trainings and seminars, Mandatory Continuing Legal
28 Education fees and professional license fees.
- 29

30 **SECTION 8.** *Other Benefits* – Provisions of other laws to the
31 contrary notwithstanding, the legal personnel of the OGCC are
32 authorized and shall continue to receive allowances and
33 honoraria from government corporations which shall not exceed
34 One Hundred Percent (100%) of their annual basic salary. The
35 employees of the OGCC may likewise be extended such benefits
36 and privileges as are given to the employees of government
37 corporations.

38

39 **SECTION 9.** *Retirement Benefits* – Any law to the contrary
40 notwithstanding, and consistent with Section 4 of this Act

1 granting them the same retirement benefits and privileges of
2 their counterparts in the judiciary, the retirement benefits of the
3 GCC, DGCC, AGCC, GCA IV and GCA III shall be automatically
4 increased whenever there is an increase in the salaries and
5 allowances of the same positions from which he or she retired.

6

7 **SECTION 10. Attorney's Fees and Special Assessment –**
8 The OGCC is authorized to receive twenty percent (20%) of the
9 money claims collected by, or awarded/adjudged to government
10 corporations, in addition to the attorney's fees awarded by a
11 court, tribunal, or panel, including awards/judgments,
12 stipulated under court-approved compromise agreements. The
13 OGCC is hereby authorized to use such awards and attorney's
14 fees to meet contingencies, obligations and undertakings and/ or
15 for employee benefits and incentives, necessary or proper to
16 promote efficiency in the service as determined by the GCC.

17

18 The GCC is likewise authorized to make special
19 assessments upon government corporations and to disburse and
20 use the same for such contingencies, obligations and
21 undertakings, and to provide for employees' benefits and
22 incentives allowed under the law.

23

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

32

33 **SECTION 11. Franking Privilege –** All official matters and
34 telegrams of the OGCC addressed for delivery within the
35 Philippines shall be received, transmitted and delivered free of
36 charge.

37

38 **SECTION 12. Appropriations –** The amount needed for
39 employees' salaries, mandatory allowances and benefits under
40 other laws, maintenance and other operating expenses and

1 capital outlay shall be appropriated in the budget of the OGCC
2 under the annual General Appropriations Act.
3

4 **SECTION 13.** *Repealing Clause* - All laws, decrees, rules
5 and regulations inconsistent with the provisions of this Act are
6 hereby repealed or amended accordingly.
7

8 **SECTION 14.** *Separability Clause* - If any of the provisions
9 of this Act is declared invalid or unconstitutional, the provisions
10 not affected thereby shall continue to be in full force and effect.
11

12 **SECTION 15.** *Effectivity* - This Act shall take effect after
13 fifteen (15) days from its publication in the Official Gazette or in
14 a national newspaper of general circulation.
15
16

17 ***Approved,***
18