

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)



24 JUL 23 A8:41

SENATE
S. No. 2736

RECEIVED BY: _____

Introduced by Senator Jinggoy Ejercito Estrada

AN ACT
AMENDING REPUBLIC ACT NO. 10149, OTHERWISE KNOWN AS THE
"GOCC GOVERNANCE ACT OF 2011"

EXPLANATORY NOTE

The Governance Commission for Government-Owned or -Controlled Corporations (GCG) was created under Republic Act No. 10149, otherwise known as the "GOCC Governance Act of 2011." Republic Act No. 10149 was enacted to address the reported abuses in the remuneration scheme and inefficiencies in the operations of the GOCCs. It operates under the principle that GOCCs have potential as significant tools for economic development. It was declared a State policy to promote the growth of GOCCs by ensuring that their operations are consistent with national development policies and programs.

Under Republic Act No. 10149, GCG is mandated as the central policy-making and regulatory body to safeguard the State's ownership rights and ensure that the operations of GOCCs are transparent and responsive to the needs of the public.

However, in order to efficiently operate as a regulatory body for the GOCC sector, there is a necessity to amend certain provisions of RA No. 10149 to address issues and clarify and strengthen the powers and functions of the GCG. This bill proposes to have a standard definition of GOCCs. The amendment includes granting GCG

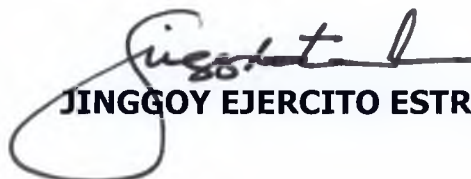
power to consolidate, rationalize, and integrate GOCCs into national government agencies (NGAs).

The measure likewise amends and fix the terms of the office of the GCG chairperson and commissioners. Also, the bill proposed the creation of an office for a GCG executive director for continuity and efficiency in the discharge of their functions.

To strengthen its oversight powers, this measure proposed to grant GCG subpoena and contempt powers as well as investigative and disciplinary powers to improve its monitoring authority.

Towards this end, this bill seeks to rationalize the powers and functions of GCG for the latter to ensure the faithful performance of the GOCCs of their mandate to be economically and financially viable.

In this light, the immediate passage of this bill is recommended.



JINGGOY EJERCITO ESTRADA


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

1 Section 1. Section 3 of Republic Act No. 10149, otherwise known as the "GOCC
2 Governance Act of 2011" is hereby amended as follows:

3 "Sec. 3. *Definition of Terms.* –

4 "x x x

5 "**(H) CONSOLIDATION** REFERS TO THE UNION OF
6 **TWO OR MORE EXISTING GOCCS TO FORM A**
7 **CONSOLIDATED GOCC. IT IS A COMBINATION OF**
8 **TWO OR MORE GOCCS BY WHICH THEIR RIGHTS,**
9 **FRANCHISES, AND PROPERTY ARE COMBINED AND**
10 **BECOME THOSE OF A SINGLE, NEW GOCC;**

11 "x x x

12 "~~(G)~~ **(P)** Government-Owned or -Controlled Corporation
13 (GOCC) refers to any agency organized as a stock or nonstock
14 corporation, vested with functions relating to public needs,
15 whether governmental or proprietary in nature, and owned by
16 the Government of the Republic of the Philippines directly or
17 through its instrumentalities either wholly or, where

1 applicable as in the case of stock corporations, to the extent
2 of at least a majority of its outstanding capital
3 stock: *Provided, [however, That for purposes of this Act,]*
4 **THAT** the term "GOCC" shall include GICP/GCE and GFI as
5 defined herein.

6 "x x x

7 **"(Q) MERGER REFERS TO A UNION WHEREBY ONE**
8 **GOCC ABSORBS ONE OR MORE EXISTING GOCCS, AND**
9 **THE ABSORBING GOCC SURVIVES AND CONTINUES**
10 **THE COMBINED FRANCHISE, MANDATE, AND**
11 **BUSINESS.**

12 "x x x

13 **"(Y) REGULARIZATION REFERS TO THE CONVERSION**
14 **OR INTEGRATION OF AN EXISTING GOCC TO A**
15 **REGULAR AGENCY OF THE GOVERNMENT, BECAUSE**
16 **ITS CORPORATE FORM IS NO LONGER RELEVANT FOR**
17 **ITS CURRENT OPERATIONS. THIS COULD BE**
18 **PURSUED IN THE CASE OF GOCCS WHICH ARE NOT**
19 **UNDERTAKING PROPRIETARY OR BUSINESS-TYPE**
20 **OPERATIONS BUT FUNCTIONS AS REGULATION,**
21 **PROVISION OF TECHNICAL ASSISTANCE, AND**
22 **CONDUCT OF RESEARCH WHERE MINIMAL OR NO**
23 **INCOME IS DERIVED.**

24 "x x x."

25 Sec. 2. Section 5 of Republic Act No. 10149 is hereby amended as follows:

26 *"Sec. 5. Creation of the Governance Commission for*
27 *Government-Owned or-Controlled Corporations. – x x x*

28 *"(a) Evaluate the performance and determine the relevance*
29 *of the GOCC, to ascertain whether such GOCC should be*
30 *reorganized, merged, **CONSOLIDATED,** streamlined,*
31 ***REGULARIZED,** abolished, or privatized, in consultation with*

1 the department or agency to which a GOCC is attached. "x x

2 x:

3 "(1) x x x;

4 "x x x;

5 "(6) The functions, purpose or nature of operations of any
6 group of GOCCs require consolidation under a holding
7 company.

8 "Upon determination by the GCG that it is to the best interest
9 of the State that a GOCC should be reorganized, merged,
10 **CONSOLIDATED**, streamlined, **REGULARIZED**, abolished,
11 or privatized, it shall:

12 "(i) Implement the reorganization [merger] or streamlining
13 of the GOCC [~~unless otherwise directed by the President;~~
14 ~~or~~];

15 "(ii) Recommend to the President the abolition, **MERGER**,
16 **CONSOLIDATION**, **REGULARIZATION**, or privatization of
17 the GOCC, and upon the approval of the President, implement
18 such abolition, **MERGER**, **CONSOLIDATION**,
19 **REGULARIZATION**, or privatization, unless the President
20 designates another agency to implement such abolition,
21 **MERGER**, **CONSOLIDATION**, **REGULARIZATION**, or
22 privatization[.]:

23 **"PROVIDED, HOWEVER, THAT IN CASE OF ABOLITION**
24 **OF GOCCS WHERE THERE IS A LACK OF QUORUM IN**
25 **THE BOARD OF DIRECTORS/TRUSTEES IN ORDER TO**
26 **IMPLEMENT IN ITS ENTIRETY THE LIQUIDATION OF**
27 **THE GOCC, THE GCG SHALL IMPLEMENT SUCH**
28 **ACTIONS AS MAY BE NECESSARY TO COMPLETE THE**
29 **ABOLITION, SUCH AS, BUT NOT LIMITED TO, THE**
30 **APPOINTMENT OF A TRUSTEE, OR ENLISTING THE**
31 **ASSISTANCE OF ANOTHER GOVERNMENT AGENCY;**

1 **"PROVIDED, FURTHER, THAT THE MERGER OR**
2 **CONSOLIDATION MAY COVER GOCCS WHETHER**
3 **CHARTERED OR NONCHARTERED, AND SHALL BE**
4 **EITHER OF THE FOLLOWING RESTRUCTURING**
5 **MODES TO BE DEFINED BY THE GCG:**

6 **"(A) DE JURE MERGER REFERS TO THE PROCESS**
7 **WHEREBY ONE OR MORE EXISTING GOCC/S ARE**
8 **ABSORBED BY ANOTHER GOCC WHICH SURVIVES**
9 **AND CONTINUES THE COMBINED FRANCHISE,**
10 **MANDATE, AND BUSINESSES OF THE ABSORBED**
11 **GOCCS; AND**

12 **"(B) DE FACTO MERGER REFERS TO THE PROCESS**
13 **WHEREBY ALL OR SUBSTANTIALLY ALL THE ASSETS**
14 **AND BUSINESS ENTERPRISE OF AN EXISTING GOCC**
15 **ARE TRANSFERRED TO ANOTHER GOCC, WHICH**
16 **CONTINUES THE PURPOSE, FUNCTIONS, AND**
17 **PROGRAMS OF THE TRANSFERRING GOCC.**

18 **"(III) DESIGN, PLAN, AND IMPLEMENT A**
19 **SEPARATION INCENTIVE PAY ("SIP") AND/OR EARLY**
20 **RETIREMENT INCENTIVE PAY ("ERIP"), IF**
21 **NECESSARY, FOR AFFECTED EMPLOYEES AND**
22 **OFFICERS OF A GOCC, WHICH IS EITHER**
23 **REORGANIZED, STREAMLINED, MERGED,**
24 **CONSOLIDATED, REGULARIZED, ABOLISHED, OR**
25 **PRIVATIZED.**

26 **"x x x**

27 **"(b) Classify GOCCs [~~into: (1) Developmental/Social~~**
28 **~~Corporations; (2) Proprietary Commercial Corporations; (3)~~**
29 **~~Government Financial, Investment and Trust Institutions; (4)~~**
30 **~~Corporations with Regulatory Functions; and (5) Others as~~**
31 **~~may be classified by the GCG, without prejudice to further sub~~**
32 **~~classifications in each category and/or any other~~**

1 classification] based on parameters as it may find relevant
2 or material such as, but not limited to, industry type.
3 **CLASSIFICATION HEREIN, SHALL INCLUDE THE**
4 **DETERMINATION OF WHETHER OR NOT EXISTING**
5 **GOCCS ARE EXCLUDED FROM THE COVERAGE OF R.A.**
6 **NO. 10149, UPON EVALUATION OF THE ENTITY'S**
7 **CHARTER, MANDATE, AND/OR PRIMARY PURPOSES,**
8 **AS APPLICABLE. THIS SHALL INCLUDE THE**
9 **DETERMINATION OF WHETHER OR NOT EXISTING**
10 **ENTITIES ARE CONSIDERED GOCCS, WITHIN THE**
11 **COVERAGE OF THIS ACT. UPON SUCH**
12 **DETERMINATION, THE GCG SHALL PROCEED TO**
13 **ASCERTAIN WHETHER SUCH ENTITY IS WITHIN THE**
14 **REGULATORY JURISDICTION OF THE GCG.** The
15 classification shall guide the GCG in exercising its powers and
16 functions as provided herein;"

17 "x x x

18 "(k) Prepare [~~a semi-annual progress report to be submitted~~
19 ~~to the President and the Congress. In its report, the GCG will~~
20 ~~provide its performance assessment of the GOCCs and~~
21 ~~recommend clear and specific actions. Within one hundred~~
22 ~~twenty (120) days from the close of the year, the GCG shall~~
23 ~~prepare]~~ an annual report on the performance of the GOCCs
24 and **RECOMMEND CLEAR AND SPECIFIC ACTIONS,**
25 **AND** submit it to the President and the Congress; [~~and]~~

26 "x x x

27 **"(M) ISSUE SUBPOENA DUCES TECUM AND ORDER**
28 **THE EXAMINATION OF ALL DOCUMENTS, PAPERS,**
29 **FILES AND RECORDS, TAX RETURNS, AND BOOKS OF**
30 **ACCOUNTS OF ANY GOCC OR PERSON WHO MAY HAVE**
31 **CUSTODY OF THE SAME, AS MAY BE NECESSARY FOR**
32 **THE EVALUATION, INVESTIGATION, OR PROPER**

1 MONITORING OF THE OPERATIONS AND
2 PERFORMANCE OF THE SUBJECT GOCC AS
3 DETERMINED BY GCG.

4 "TO ISSUE SUBPOENA TO SUMMON AND COMPEL
5 WITNESSES TO APPEAR AND TESTIFY UNDER OATH
6 BEFORE THE COMMISSION.

7 "(N) CITE ANY PERSON FOR CONTEMPT OF THE
8 COMMISSION, BOTH DIRECT AND INDIRECT, IN
9 ACCORDANCE WITH THE PERTINENT PROVISIONS
10 OF, AND PENALTIES PRESCRIBED, BY THE RULES OF
11 COURT, FOR VIOLATION OF SECTION 5(M) OF THIS
12 ACT OR NONCOMPLIANCE WITH ANY LAWFUL ORDER
13 ISSUED BY THE COMMISSION.

14 "(O) INVESTIGATE ANY MALFEASANCE,
15 MISFEASANCE, OR NONFEASANCE IN OFFICE
16 ALLEGEDLY COMMITTED BY THE MEMBERS OF THE
17 GOVERNING BOARD OF THE GOCC, AND REFER THE
18 SAME TO THE PROPER GOVERNMENT OFFICE FOR
19 APPROPRIATE ACTION;

20 "(P) AFTER PRELIMINARY INQUIRY, REFER ANY
21 MALFEASANCE, MISFEASANCE, OR NONFEASANCE
22 ALLEGEDLY COMMITTED BY THE SENIOR OFFICERS
23 OF THE GOCC TO THE PROPER BODY FOR
24 APPROPRIATE ACTION; AND

25 "(Q) DIRECT GOCCS AND ITS OFFICERS TO
26 REGULARLY SUBMIT TO THE COMMISSION AN
27 UPDATED INVENTORY OF ITS REAL PROPERTIES, AS
28 WELL AS SHAREHOLDINGS IN PRIVATE OR OTHER
29 GOVERNMENT CORPORATIONS. THE DISPOSITION OF
30 A GOCC'S REAL PROPERTY SHALL REQUIRE THE PRIOR
31 APPROVAL OF THE COMMISSION ACCORDING TO

1 **STANDARDS SET FORTH IN THE IMPLEMENTING**
2 **RULES ISSUED BY THE COMMISSION.”**

3 Sec. 3. A new Section denominated as Section 5-A is hereby inserted to read
4 as follows:

5 **“SEC. 5-A. ORGANIZATIONAL STRUCTURE OF THE**
6 **GCG. – THE GCG SHALL BE COMPOSED OF NINE (9)**
7 **BUREAUS, EACH OF WHICH SHALL BE HEADED BY A**
8 **DIRECTOR AND ASSISTED BY AN ASSISTANT**
9 **DIRECTOR. THESE BUREAUS ARE THE FOLLOWING:**
10 **(A) THE CORPORATE STANDARDS BUREAU;**
11 **(B) THE CORPORATE GOVERNANCE A;**
12 **(C) THE CORPORATE GOVERNANCE B;**
13 **(D) THE CORPORATE GOVERNANCE C;**
14 **(E) THE LEGAL AFFAIRS BUREAU;**
15 **(F) THE ADMINISTRATIVE AND FINANCE BUREAU;**
16 **(G) THE DISPOSITION AND ASSET MANAGEMENT**
17 **BUREAU;**
18 **(H) THE STRATEGY AND MANAGEMENT BUREAU; AND**
19 **(I) THE INFORMATION AND COMMUNICATIONS**
20 **TECHNOLOGY BUREAU.”**

21 Sec. 4. Section 6 of Republic Act No. 10149 is hereby amended to read as
22 follows:

23 **“Sec. 6. Composition of the GCG. — The [GCG]**
24 **COMMISSION shall be composed of five (5) members. The**
25 **[Chairman] CHAIRPERSON with the rank of Cabinet**
26 Secretary and two (2) members with the rank of
27 Undersecretary shall be appointed by the President. The
28 Secretaries of the Department of Budget and Management
29 and the Department of Finance shall sit as *ex*
30 *officio* members.

31 **“THE CHAIRPERSON AND THE COMMISSIONERS**
32 **SHALL BE CITIZENS AND RESIDENTS OF THE**

1 PHILIPPINES, OF GOOD MORAL CHARACTER, OF
2 RECOGNIZED PROBITY AND INDEPENDENCE, AND
3 MUST HAVE DISTINGUISHED THEMSELVES
4 PROFESSIONALLY IN PUBLIC, CIVIC, OR ACADEMIC
5 SERVICE IN ANY OF THE FOLLOWING FIELDS: LAW,
6 PUBLIC ADMINISTRATION, ACCOUNTING, FINANCE,
7 MANAGEMENT, OR ECONOMICS. THEY MUST HAVE
8 BEEN IN THE PRACTICE OF THEIR PROFESSIONS FOR
9 AT LEAST TEN (10) YEARS.

10 "THE TERM OF OFFICE OF THE CHAIRPERSON AND
11 THE COMMISSIONERS SHALL BE SEVEN (7) YEARS
12 WITHOUT REAPPOINTMENT. OF THE FIRST SET OF
13 APPOINTEES, THE CHAIRPERSON SHALL HOLD
14 OFFICE FOR SEVEN (7) YEARS AND OF THE FIRST TWO
15 (2) COMMISSIONERS, ONE (1) SHALL HOLD OFFICE
16 FOR A TERM OF FIVE (5) YEARS AND THE OTHER FOR
17 A TERM OF THREE (3) YEARS. IN CASE A VACANCY
18 OCCURS BEFORE THE EXPIRATION OF THE TERM OF
19 OFFICE, THE APPOINTMENT TO SUCH VACANCY
20 SHALL ONLY BE FOR THE UNEXPIRED TERM OF THE
21 PREDECESSOR.

22 "THE CHAIRPERSON AND THE COMMISSIONERS
23 SHALL ENJOY SECURITY OF TENURE AND SHALL NOT
24 BE SUSPENDED OR REMOVED FROM OFFICE EXCEPT
25 FOR JUST CAUSE AS PROVIDED BY LAW."

26 Sec. 5. A new subsection to Section 6, denominated as Section 6.1, is hereby
27 inserted to read as follows:

28 "**SEC. 6.1 EXECUTIVE DIRECTOR OF THE**
29 **COMMISSION. – AN EXECUTIVE DIRECTOR, WITH A**
30 **RANK EQUIVALENT TO AN ASSISTANT SECRETARY,**
31 **SHALL BE APPOINTED BY THE PRESIDENT OF THE**
32 **PHILIPPINES UPON RECOMMENDATION BY THE**

1 **CHAIRPERSON: *PROVIDED*, THAT NO PERSON SHALL**
2 **BE APPOINTED AS EXECUTIVE DIRECTOR UNLESS**
3 **HE/SHE IS A HOLDER OF A DEGREE IN ANY OF THE**
4 **FOLLOWING FIELDS: ECONOMICS, BUSINESS,**
5 **PUBLIC ADMINISTRATION, LAW, MANAGEMENT OR**
6 **THEIR EQUIVALENT AND HAS AT LEAST TEN (10)**
7 **YEARS RELEVANT EXPERIENCE IN CORPORATE**
8 **GOVERNANCE: *PROVIDED, FURTHER*, THAT PRIOR TO**
9 **HIS/HER APPOINTMENT, HE/SHE HAS THE**
10 **REQUISITE ELIGIBILITIES FOR THIRD LEVEL CAREER**
11 **SERVICE POSITION PURSUANT TO THE CAREER**
12 **EXECUTIVE RANK SYSTEM.**

13 **"THE EXECUTIVE DIRECTOR SHALL ASSIST THE**
14 **COMMISSION IN CARRYING OUT THE FUNCTIONS OF**
15 **THE GCG AND SHALL HAVE THE FOLLOWING DUTIES**
16 **AND FUNCTIONS:**

17 **"(A) TO IMPLEMENT POLICIES, STANDARDS, RULES,**
18 **AND REGULATIONS PROMULGATED BY THE**
19 **COMMISSION;**

20 **"(B) TO EXERCISE GENERAL SUPERVISION OVER THE**
21 **DAY-TO-DAY OPERATIONS OF THE GCG, UNDER THE**
22 **DIRECTION OF THE CHAIRPERSON;**

23 **"(C) TO REPRESENT THE GCG IN OFFICIAL**
24 **FUNCTIONS WHICH THE CHAIRPERSON AND THE**
25 **OTHER COMMISSIONERS MAY NOT BE ABLE TO**
26 **ATTEND; AND**

27 **"(D) TO EXERCISE SUCH OTHER DUTIES AND**
28 **FUNCTIONS AS MAY BE DELEGATED BY THE**
29 **CHAIRPERSON AND THE COMMISSIONERS."**

30 Sec. 6. A new Section denominated as Section 6-A is hereby inserted to read
31 as follows:

1 **"SEC. 6-A. IMMUNITY FROM SUIT. – THE**
2 **CHAIRPERSON, THE COMMISSIONERS, OFFICERS,**
3 **AND EMPLOYEES OF THE COMMISSION SHALL NOT**
4 **BE SUBJECT TO ANY ACTION, CLAIM, OR DEMAND IN**
5 **CONNECTION WITH ANY ACT DONE OR OMITTED BY**
6 **THEM IN THE PERFORMANCE OF THEIR DUTIES AND**
7 **EXERCISE OF THEIR POWERS, EXCEPT FOR THOSE**
8 **ACTIONS AND OMISSIONS DONE IN EVIDENT BAD**
9 **FAITH OR GROSS NEGLIGENCE."**

10 Sec. 7. A new Section denominated as Section 6-B is hereby inserted to read
11 as follows:

12 **"SEC. 6-B. INDEMNITY. – UNLESS THE ACTIONS OF**
13 **THE COMMISSION OR ITS CHAIRPERSON, ANY OF ITS**
14 **COMMISSIONERS, OFFICERS, OR EMPLOYEES ARE**
15 **FOUND TO BE IN WILLFUL VIOLATION OF THIS ACT,**
16 **PERFORMED WITH EVIDENT BAD FAITH OR GROSS**
17 **NEGLIGENCE, THE COMMISSION, ITS CHAIRPERSON,**
18 **APPOINTIVE COMMISSIONERS, OFFICERS, AND**
19 **EMPLOYEES ARE HELD FREE AND HARMLESS TO THE**
20 **FULLEST EXTENT PERMITTED BY LAW FROM ANY**
21 **LIABILITY, AND THEY SHALL BE INDEMNIFIED FOR**
22 **ANY AND ALL LIABILITIES, LOSSES, CLAIMS,**
23 **DEMANDS, DAMAGES, DEFICIENCIES, COSTS, AND**
24 **EXPENSES OF WHATSOEVER KIND AND NATURE THAT**
25 **MAY ARISE IN CONNECTION WITH THE EXERCISE OF**
26 **THEIR POWERS AND IN THE PERFORMANCE OF THEIR**
27 **DUTIES AND FUNCTIONS.**

28 **"THE COMMISSION SHALL UNDERWRITE OR**
29 **ADVANCE LITIGATION COSTS AND EXPENSES,**
30 **INCLUDING LEGAL FEES AND OTHER EXPENSES OF**
31 **EXTERNAL COUNSEL, OR PROVIDE LEGAL**
32 **ASSISTANCE TO ITS CHAIRPERSON,**

1 COMMISSIONERS, OFFICERS, AND EMPLOYEES IN
2 CONNECTION WITH ANY CIVIL, CRIMINAL,
3 ADMINISTRATIVE OR ANY OTHER ACTION OR
4 PROCEEDING, TO WHICH THEY ARE MADE A PARTY
5 BY REASON OF, OR IN CONNECTION WITH, THE
6 EXERCISE OF THEIR AUTHORITY OR THE
7 PERFORMANCE OF THEIR DUTIES AND FUNCTIONS
8 UNDER THIS ACT: *PROVIDED*, THAT SUCH LEGAL
9 PROTECTION SHALL NOT APPLY TO ANY CIVIL,
10 CRIMINAL, ADMINISTRATIVE, OR ANY ACTION OR
11 PROCEEDING THAT MAY BE INITIATED BY THE
12 COMMISSION, AGAINST SUCH CHAIRPERSON,
13 COMMISSIONERS, OFFICERS, AND EMPLOYEES:
14 *PROVIDED, FURTHER*, THAT THE CHAIRPERSON,
15 COMMISSIONERS, OFFICERS, AND EMPLOYEES WHO
16 SHALL RESIGN, RETIRE, TRANSFER TO ANOTHER
17 AGENCY OR BE SEPARATED FROM THE SERVICE,
18 SHALL CONTINUE TO BE PROVIDED WITH SUCH
19 LEGAL PROTECTION IN CONNECTION WITH ANY ACT
20 DONE OR OMITTED TO BE DONE BY THEM IN GOOD
21 FAITH DURING THEIR TENURE OR EMPLOYMENT
22 WITH THE COMMISSION: *PROVIDED, FINALLY*, THAT
23 IN THE EVENT OF A SETTLEMENT OR COMPROMISE,
24 INDEMNIFICATION SHALL BE PROVIDED ONLY IN
25 CONNECTION WITH SUCH MATTERS COVERED BY THE
26 SETTLEMENT AS TO WHICH THE COMMISSION IS
27 ADVISED BY COUNSEL THAT THE PERSONS TO BE
28 INDEMNIFIED DID NOT COMMIT ANY NEGLIGENCE
29 OR MISCONDUCT.
30 "THE COSTS AND EXPENSES INCURRED IN
31 DEFENDING THE AFOREMENTIONED ACTION, SUIT,
32 OR PROCEEDING MAY BE PAID BY THE COMMISSION

1 **IN ADVANCE OF THE FINAL DISPOSITION OF SUCH**
2 **ACTION, SUIT, OR PROCEEDING UPON RECEIPT OF**
3 **AN UNDERTAKING BY OR ON BEHALF OF THE**
4 **CHAIRPERSON, COMMISSIONER, OFFICER, AND**
5 **EMPLOYEE TO REPAY THE AMOUNT ADVANCED**
6 **SHOULD IT ULTIMATELY BE DETERMINED BY THE**
7 **COMMISSION THAT ONE IS NOT ENTITLED TO BE**
8 **INDEMNIFIED AS PROVIDED IN THIS SECTION.”**

9 Sec. 8. Section 7 of Republic Act No. 10149 is hereby amended to read as
10 follows:

11 “Sec. 7. *Powers and Functions of the [Chairman]*
12 **CHAIRPERSON.** — The [~~management of the GCG shall be~~
13 ~~vested in the Chairman who]~~ **CHAIRPERSON** shall have the
14 following powers and duties:

15 “(a) Preside over the meetings of the GCG;

16 “(b) Direct and manage the day-to-day affairs and business
17 of the GCG;

18 “(c) **DETERMINE** [~~With the approval of the GCG, determine]~~
19 the staffing pattern and the number of personnel of the GCG
20 and define their duties and responsibilities;

21 “(d) **APPOINT**, [~~With the approval of the GCG, to appoint,]~~
22 remove, suspend, or otherwise discipline for cause, any
23 **DIRECTOR, OFFICER, OR** employee of the GCG; and

24 “(e) Perform such other duties as may be delegated or
25 assigned to him/**HER** by the GCG from time to time.

26 Sec. 9. Section 17 of Republic Act No. 10149 is hereby amended to read as
27 follows:

28 “Sec. 17. *Term of Office.* – Any provision in the charters of
29 each GOCC to the contrary notwithstanding, the term of office
30 of each Appointive Director shall be for [~~one (1)]~~ **TWO (2)**
31 years, unless sooner removed for cause: *Provided, however,*
32 That the Appointive Director shall continue to hold office until

1 the successor is appointed. An Appointive Director may be
2 nominated by the GCG for reappointment by the President
3 only if one obtains a performance score of above average or
4 its equivalent or higher in the immediately preceding year of
5 tenure as Appointive Director based on the performance
6 criteria for Appointive Directors for the GOCC. "x x x."

7 Sec. 10. Section 23 of Republic Act No. 10149 is hereby amended to read as
8 follows:

9 "Sec. 23. *Limits to Compensation, per Diems, Allowances, and*
10 *Incentives.* – The charters of each of the GOCCs to the
11 contrary notwithstanding, the compensation, per diems,
12 allowances, and incentives of the members of the Board of
13 Directors/Trustees of the GOCCs shall be determined by the
14 GCG [~~using as a reference, among others, Executive Order~~
15 ~~No. 24 dated February 10, 2011~~]: *Provided, however,* That
16 Directors/Trustees shall not be entitled to retirement benefits
17 as such directors/trustees. **SUCH COMPENSATION, PER**
18 **DIEMS, ALLOWANCES, AND INCENTIVES MUST HAVE**
19 **THE FOLLOWING CHARACTERISTICS:**

20 **"(1) JUST AND EQUITABLE IN ACCORDANCE WITH**
21 **THE PRINCIPLE OF EQUAL PAY FOR WORK OF EQUAL**
22 **VALUE;**

23 **"(2) GENERALLY COMPARABLE WITH THOSE IN THE**
24 **PRIVATE SECTOR DOING COMPARABLE WORK IN**
25 **ORDER TO ATTRACT, RETAIN, AND MOTIVATE A**
26 **CORPS OF COMPETENT MEMBERS OF THE BOARD OF**
27 **DIRECTORS/TRUSTEES;**

28 **"(3) PERFORMANCE-BASED WITH DUE**
29 **CONSIDERATION TO INDIVIDUAL AND**
30 **ORGANIZATIONAL, DEVELOPMENTAL, AND**
31 **REGULATORY PERFORMANCE, WHERE APPLICABLE;**
32 **AND**

1 **"(4) FAIR, REASONABLE, AND IN CONSIDERATION OF**
2 **FISCAL REALITIES, SUCH AS THE AVAILABILITY OF**
3 **FUNDS AND THE FINANCIAL CAPABILITY OF THE**
4 **ORGANIZATION."**

5 Sec. 11. A new Section denominated as Section 32 is hereby inserted, and the
6 subsequent sections consequently renumbered, to read as follows:

7 **"SEC. 32. *PENALTIES.* — ANY PERSON WHO**
8 **WILLFULLY OBSTRUCTS OR HINDERS THE PROPER**
9 **EXERCISE OF THE FUNCTIONS OF THE COMMISSION**
10 **OR WILLFULLY MISLEADS OR ATTEMPTS TO MISLEAD**
11 **THE COMMISSION OR ANY OF ITS OFFICERS IN**
12 **REPLYING TO THEIR INQUIRIES SHALL BE IMPOSED**
13 **A FINE OF NOT EXCEEDING FIFTY THOUSAND PESOS**
14 **(P50,000.00).**

15 **"LIKEWISE, ANY PERSON WHO, ACTUATED BY**
16 **MALICE OR GROSS BAD FAITH, FILES A COMPLETELY**
17 **UNWARRANTED OR FALSE COMPLAINT WITH THE**
18 **COMMISSION SHALL BE IMPOSED A SIMILAR FINE**
19 **NOT EXCEEDING FIFTY THOUSAND PESOS**
20 **(P50,000.00)."**

21 Sec. 12. A new Section denominated as Section 33 is hereby inserted, and the
22 subsequent sections consequently renumbered, to read as follows:

23 **"SEC. 33. *REORGANIZATION.* — TO ACHIEVE THE**
24 **GOALS OF THIS ACT, CONSISTENT WITH THE CIVIL**
25 **SERVICE LAWS, THE COMMISSION IS HEREBY**
26 **AUTHORIZED TO PROVIDE FOR ITS**
27 **REORGANIZATION, TO STREAMLINE ITS STRUCTURE**
28 **AND OPERATIONS, UPGRADE ITS HUMAN RESOURCE**
29 **COMPONENT, CREATE OR ABOLISH**
30 **ORGANIZATIONAL DIVISION, UNITS OR BRANCHES,**
31 **AND CREATE REGIONAL OFFICES."**

1 Sec. 13. *Separability Clause.* – If any provision of this Act is declared
2 unconstitutional or invalid, the other provisions not otherwise affected shall remain in
3 full force and effect.

4 Sec. 14. *Repealing Clause.* – All laws, decrees, executive orders, rules and
5 regulations, and other issuances or parts thereof which are inconsistent with this Act
6 are hereby repealed, amended, or modified accordingly.

7 Sec. 15. *Effectivity.* – This Act shall take effect fifteen (15) days after its
8 publication in the *Official Gazette* or in at least two (2) newspapers of general
9 circulation.

Approved,