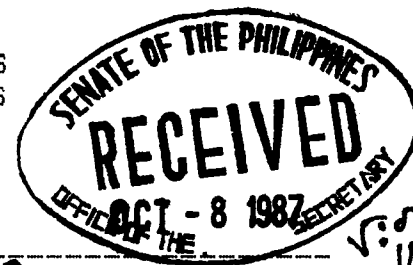


REPUBLIC OF THE PHILIPPINES  
CONGRESS OF THE PHILIPPINES  
S E N A T E  
Manila



FIRST REGULAR SESSION

COMMITTEE REPORT NO. 32

Submitted by the Committee on Accountability of Public Officers and Investigations on October 8, 1987.

Re: Senate Bill No. 139, prepared by the Committee.

Recommending its approval in substitution of S. No. 3 and 104.

Sponsors: Senators Salonga, Guingona, Jr., Mercado, and Saguisag.

MR. PRESIDENT:

The Committee on Accountability of Public Officers and Investigations to which were referred Senate Bill No. 3 introduced by Senator Saguisag, entitled:

"PUBLIC DISCLOSURE ACT"

and Senate Bill No. 104, introduced by Senators Salonga, Guingona Jr., Mercado, and Saguisag, entitled:

"ETHICAL STANDARDS IN OFFICE ACT"

has considered the same and has the honor to report them back to the Senate with the recommendation that the consolidated bill, S. No. 139, prepared by the Committee and entitled:

"AN ACT ESTABLISHING ETHICAL STANDARDS FOR ALL PUBLIC OFFICERS AND PROVIDING PENALTIES FOR VIOLATIONS THEREOF."

be approved in substitution of S. No. 3 and S. No. 104 with Senators Salonga, Guingona, Jr., Mercado, and Saguisag as co-authors thereof.

Respectfully Submitted

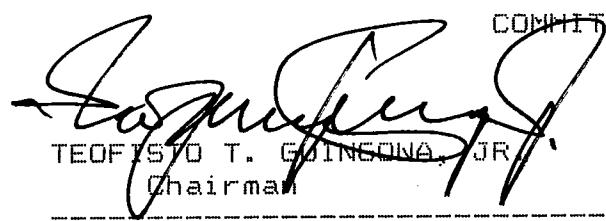
TEOFISTO T. GUINGONA, JR.  
Chairman

Committee on Accountability of Public Officers and Investigations

HONORABLE JOVITO R. SALONGA  
President of the Senate  
Manila

CONGRESS OF THE PHILIPPINES  
HOUSE OF THE SENATE  
BLUE RIBBON COMMITTEE

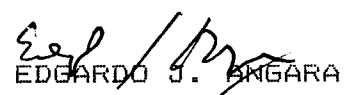
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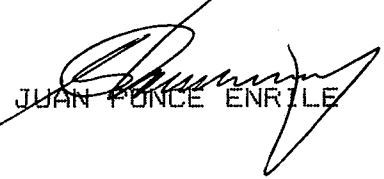
SOTERO H. LAUREL  
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MEMBERS OF THE COMMITTEE:

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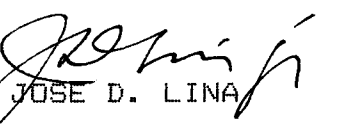
  
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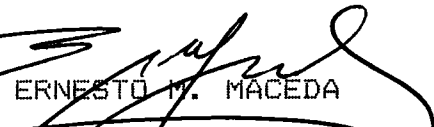
  
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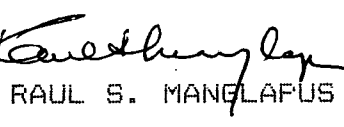
  
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NEPTALI A. GONZALES

  
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ERNESTO M. MACEDA

  
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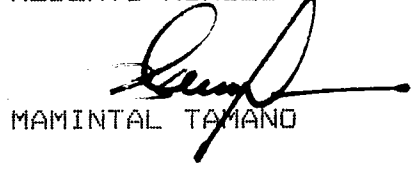
  
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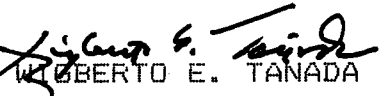
JOHN H. OSMENA

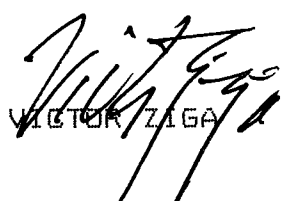
  
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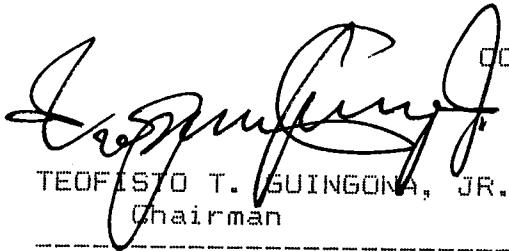
STAFF OF THE COMMITTEE:

General Counsel  
Secretary  
Assistant Counsel  
Investigative Staff

Atty. Ricardo G. Nepomuceno, Jr.  
Mr. Gerardo V. Cabochan, Jr.  
Atty. Jose A. Gangan  
Mr. Alfredo Yabut  
Atty. Raul Flores



CONGRESS OF THE PHILIPPINES  
HOUSE OF THE SENATE  
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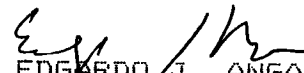
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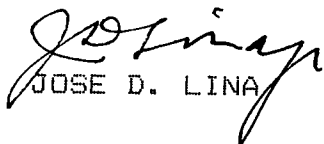
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Congress of the Philippines)  
First Regular Session

S E N A T E

S. BILL NO. 139



V. O. J. mm  
Val-

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Prepared by the Committees on Accountability of Public  
Officers and Investigation with Senators Salonga, Guingona, Jr.,  
Mercado, and Saguisag as authors thereof.  
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AN ACT  
ESTABLISHING ETHICAL STANDARDS FOR ALL PUBLIC OFFICERS AND  
PROVIDING PENALTIES FOR VIOLATIONS THEREOF

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

1 SECTION 1. Title. - This Act shall be known as the  
2 "Ethical Standards for Public Officers Act."

3 SEC. 2. Statement of Policy. - It is the policy of  
4 the Philippine Government to promote a high standard of  
5 ethics in public service. Public officers shall at all  
6 times be accountable to the people and shall discharge their  
7 duties with utmost responsibility, integrity, competence,  
8 loyalty, efficiency, candor, openness and transparency.

9 SEC. 3. Definition of Terms. - As used in this Act,  
10 the term:

11 (a) "Government" includes the National Government,  
12 the local governments, government-owned or -controlled  
13 corporations, and all other instrumentalities, agencies  
14 or branches of the Republic of the Philippines.

15 (b) "Public Officer" includes elective and appointive  
16 officials and employees, permanent or temporary, whether  
17 in the career or non-career service, including the  
18 military, receiving compensation, however nominal from

1 the Government, and even those serving without compensation.

2 (c) "Gift" shall refer to a thing or a right disposed  
3 of gratuitously, or any act of liberality, in favor of  
4 another who accepts it, and shall include a simulated sale  
5 or an ostensibly onerous disposition thereof. It shall  
6 not include an unsolicited gift of nominal or insignificant  
7 value not given in anticipation of, or in exchange for, a  
8 favor from a public officer.

9 (d) "Receiving any gift" includes the act of accepting,  
10 directly or indirectly, a gift from a person other than a  
11 member of his family or relative within the fourth civil  
12 degree, either by consanguinity or affinity, even on the  
13 occasion of a family celebration or national festivity like  
14 Christmas, if the value of the gift is neither nominal nor  
15 insignificant, or the gift is given in anticipation of, or  
16 in exchange for, a favor.

17 (e) "Loan" shall cover both simple loan and commodatum  
18 as well as guarantees, financing arrangements or accommo-  
19 dations intended to ensure its approval.

20 (f) "Substantial stockholder" shall mean any person  
21 who owns directly or indirectly, shares of stock sufficient  
22 to elect a director of a corporation. This term shall also  
23 apply to the parties to a voting trust.

24 (g) "Family of public officers" shall mean their  
25 spouses and unmarried children under eighteen (18) years  
26 of age, living in the same household.

27 (h) "Person" includes natural and juridical persons,  
28 unless the context indicates otherwise.

29 (i) "Conflict of interest" arises when a public officer  
30 is a member of a board, an officer, or a substantial

1 stockholder of a private corporation or business and the  
2 interest of such corporation or business or his rights or  
3 duties therein may be opposed to or affected by the faithful  
4 performance of official duty.

5 SEC. 4. Administration and Enforcement of this Act. -

6 The primary responsibility for the administration and enforce-  
7 ment of this Act shall rest upon the Ombudsman, in line  
8 with provisions of Article XI, Section 13 of the Constitution.  
9 The Ombudsman shall transmit all cases for prosecution  
10 arising from violations of any of the provisions of this Act  
11 to the Special Prosecutor for appropriate action: Provided,  
12 however, That the Ombudsman may institute such administrative  
13 remedies and disciplinary measures as may be warranted in  
14 accordance with law.

15 The Ombudsman is hereby authorized to promulgate rules  
16 and regulations necessary to carry out the provisions of this  
17 Act, including guidelines for individuals who render free  
18 voluntary service to the Government. The Ombudsman shall  
19 likewise take steps to protect citizens who denounce behavior  
20 and activities of public officers which are in violation of  
21 this Act.

22 SEC. 5. Norms of Conduct of Public Officers. - Every  
23 public officer shall observe the following as standards of  
24 personal conduct in the discharge and execution of official  
25 duties:

26 (a) Commitment to Public Interest. Public officers  
27 shall always uphold the public interest. Toward this end,  
28 the resources and powers of their respective offices must  
29 be employed and used efficiently, effectively, honestly  
30 and economically. In all circumstances in which there is

1 or might be, a conflict of interest, they shall subordinate  
2 their personal interest in favor of the public welfare.

3 (b) Professionalism. Public officers shall perform  
4 and discharge their duties with the highest degree of  
5 professionalism, intelligence and skill. They shall enter  
6 upon their respective functions in the Government with  
7 utmost dedication and earnest devotion to public service.

8 (c) Justness and Sincerity. Public officers shall  
9 be just, sincere, honest, and impartial in their dealings  
10 with the public and their fellow public officers. They  
11 shall at all times respect the rights of others, and shall  
12 refrain from doing acts contrary to law, morals, good customs,  
13 public policy, public order, public safety and public  
14 interest. They shall not dispense or extend favors on  
15 account of their office to their relatives whether by  
16 consanguinity or affinity, except with respect to  
17 appointments of such relatives to positions considered  
18 strictly confidential.

19 (d) Political Neutrality. Public officers shall  
20 provide service to everyone without unfair discrimination  
21 and regardless of party affiliation or preference. They  
22 shall not use the resources of Government to promote,  
23 favor or support the candidacy of an individual or the  
24 interest of any political party in any partisan political  
25 activity except where such use is necessary to secure the  
26 person of the public officer or such other similar purposes.

27 (e) Responsiveness to the Public. Public officers  
28 shall extend prompt, courteous, and adequate service to  
29 the public. Unless otherwise provided by law or when  
30 required by the public interest, public officers shall

1 provide information on their policies and procedures in  
2 clear and understandable language, ensure openness of  
3 information, public consultations and hearings whenever  
4 appropriate and develop an understanding and appreciation  
5 of the socio-economic conditions prevailing in the country  
6 especially in the depressed rural and urban areas.

7 (f) Nationalism. - Public officers shall be loyal to  
8 the Republic and to the Filipino people, promote the people's  
9 preference for the use of the locally produced goods,  
10 resources and technology and encourage appreciation and  
11 pride of the Philippines and the Filipino people.

12 (g) Commitment to Democracy. Public officers shall  
13 commit themselves to the democratic way of life and values,  
14 maintaining accountability to the people through elected  
15 officials and their representatives, upholding the supremacy  
16 of civilian authority over the military, and undertaking  
17 public hearings and consultations on key political adminis-  
18 trative decisions except in cases of national emergencies.  
19 They shall at all times uphold the Constitution and put  
20 loyalty to country above loyalty to persons or party.

21 (h) Simple Living. Public officers and their families  
22 shall lead modest lives appropriate to their positions and  
23 income. They shall not indulge in extravagant or ostentatious  
24 display of wealth in any form. Public officers have an  
25 obligation to disclose, and the public has a right to know,  
26 a public official's assets, liabilities, net worth and  
27 financial and business interests including those of his  
28 or her spouse and of his or her unmarried children below  
29 eighteen years of age living in their household.



1. SEC. 6. Prohibited Acts and Transactions. In addition  
2 to acts and omissions of public officers now proscribed in  
3 existing laws and the Constitution, the following shall  
4 constitute prohibited transactions of any public officer  
5 and are hereby declared to be unlawful:
- 6 (a) Financial, Material and Pecuniary Interest.  
7 Public officers shall not, directly or indirectly, have  
8 any financial, material or pecuniary interest in any  
9 transaction requiring the approval of their office.
- 10 (b) Outside Employment and Other Activities Related  
11 Thereeto. Public officers during their incumbency shall not:
- 12 1. Accept employment as officer, employee, consultant,  
13 counsel, broker, agent, trustee or nominee in any private  
14 enterprise regulated, supervised or licensed by their office  
15 unless expressly allowed by law;
- 16 2. Engage in the private practice of their profession  
17 unless expressly authorized by law and provided that such  
18 practice will not conflict or tend to conflict with their  
19 official functions;
- 20 3. Own, control or manage any private business or  
21 enterprise which may be affected by the functions of their  
22 office; and
- 23 4. Recommend a relative within the fourth civil degree  
24 of consanguinity or affinity, to any position in private  
25 enterprise which has a regular or pending official transaction  
26 with their office.
- 27 These prohibitions will continue to apply for a period  
28 of one (1) year after resignation, retirement, or separation  
29 from public office, except in the case of sub-paragraph (b) 2,  
30 above, but the professional concerned cannot practice his  
31 profession in connection with any matter before the office he

1 used to be with, in which case the one-year prohibition will  
2 likewise apply.

3 (c) Disclosure and Misuse of Confidential Information.

4 Public officers shall not use, divulge, or repeat valuable  
5 and classified information officially known to them but  
6 not made available to the public, either:

7 1. To further their private interests, or give  
8 undue advantage to anyone; or

9 2. To prejudice the public interest.

10 (d) Solicitation or Acceptance of Gifts. Public  
11 officers shall not solicit or accept, directly or indirectly,  
12 any gift, gratuity, favor, entertainment, loan or anything  
13 of monetary value from any person in the course of their  
14 official duties or in connection with any operation being  
15 regulated by, or transaction which may be affected by the  
16 functions of, their office.

17 SEC. 7. Statements and Disclosures.

18 (A) Statement of Assets and Liabilities and Financial  
19 Disclosure. All public officers, except those who serve  
20 without compensation, shall file under oath their Statement  
21 of Assets, Liabilities and Net Worth and those of their  
22 spouses and unmarried children under eighteen (18) years of  
23 age living in their household, and a Disclosure of Business  
24 Interests and Financial Connections.

25 The two documents required under this Act shall contain  
26 information on the following:

27 (a) real property, its improvements, acquisition cost,  
28 assessed value and current fair market value;

29 (b) personal property and acquisition cost;

30 (c) all other assets such as investments, cash on  
31 hand or in banks, stocks, and bonds, and the like;

1 (d) liabilities; and

2 (e) all business interests and financial connections.

3 The two documents must be filed:

4 (a) within thirty (30) days upon assumption of  
5 office,

6 (b) on or before April 30, of every year there-  
7 after, and

8 (c) within thirty (30) days after separation from the  
9 service.

10 Husband and wife who are both public officers may  
11 file the statements required jointly or separately.

12 The Statements of Assets, Liabilities and Net Worth  
13 and the Disclosure of Business Interests and Financial  
14 Connections shall be filed by:

15 1. Constitutional and national elective officials,  
16 with the National Office of the Ombudsman;

17 2. In addition, Senators and Congressmen shall file  
18 certified true copies of the same with the Secretaries  
19 of the Senate and the House, respectively.

20 3. All justices and judges, with the Office of the  
21 Chief Justice of the Supreme Court; and all National  
22 executive officers with the Office of the President.

23 4. Regional and local officials with the deputy  
24 Ombudsman in their respective regions.

25 5. Officers of the armed forces from the rank of  
26 colonel or naval captain, with the Office of the President,  
27 and those below said ranks, with the Military Deputy  
28 Ombudsman.

29 6. All other public officers as defined in Republic  
30 Act No. 3019, as amended, with their respective heads  
31 of office.

1 (B) Accessibility of Documents. (1) Any and all  
2 statements filed under this Act, shall be made available  
3 for inspection at reasonable hours.

4 (2) Such statements shall be made available for  
5 copying or reproduction after ten (10) days from the time  
6 they are filed as required by law.

7 (3) Any person requesting a copy of a statement may  
8 be required to pay a reasonable fee to cover the cost of  
9 reproduction and mailing of such statement, as well as  
10 the cost of certification, if requested.

11 (4) Any statement filed under this Act shall be  
12 available to the public for a period of seven (7) years  
13 after receipt of the statement. After such period, the  
14 statement may be destroyed unless needed in an ongoing  
15 investigation.

16 (C) Prohibited Act. It shall be unlawful for any  
17 person to obtain or use any statement filed under this  
18 Act for:

- 19 (a) any unlawful purpose; and,
- 20 (b) any commercial purpose other than by news and  
21 communications media for dissemination to the general  
22 public;

23 SEC. 8. Divestment. A public officer shall avoid  
24 conflict of interest. Where such conflict of interest  
25 exists he shall resign from his position in said enterprise  
26 within thirty (30) days from his assumption of office  
27 and/or must divest himself of his shareholdings or interest  
28 within ninety (90) days from such assumption of office.

29 The same rule shall apply where the public officer is  
30 a partner in a partnership or, if a limited partner, has

10

10

1 an interest, directly or indirectly, to the extent of at  
2 least twenty (20) per cent of the capital and/or profits  
3 of the partnership.

4 In the case of presidential appointees in the Executive  
5 Department, except members of the Cabinet and their  
6 deputies or assistants, the President of the Philippines may,  
7 in the public interest, and after full disclosure of the  
8 conflict of interest by the officer concerned, waive the  
9 requirements of divestment. This waiver shall be in writing  
10 and shall be published immediately in the Official Gazette  
11 and in at least three (3) national newspapers of general  
12 circulation in the Philippines.

13 The requirement of divestment shall not apply to those  
14 who serve the Government without receiving compensation  
15 therefrom.

16 SEC. 9 (a) Review and Compliance Procedure. The  
17 designated Committee of the House of Representatives and the  
18 designated Committee of the Senate shall establish procedures  
19 for the review of reports sent to them under Section 7 of this  
20 Act, to determine whether the statements filed have been  
21 submitted on time, are complete, and are in proper form.  
22 In the event a determination is made that a statement is  
23 not so filed, the appropriate Committee shall so inform  
24 the reporting individual and direct him to take all  
25 necessary corrective action.

26 (b) In order to carry out their responsibilities  
27 under this Act, the designated Committee of the House of  
28 Representatives and the designated Committee of the Senate  
29 have power, within their respective jurisdictions, to  
30 render any advisory opinion interpreting this Act, in  
31 writing, to persons covered by this Act. Notwithstanding

1 any other provisions of law, the individual to whom a  
 2 public advisory opinion is rendered in accordance with  
 3 this subsection, and any other individual covered by  
 4 this Act who is involved in a fact situation which is  
 5 indistinguishable in all material aspects, and who,  
 6 after issuance of the advisory opinion acts in good  
 7 faith in accordance with the provisions and findings of  
 8 such advisory opinion shall not, as a result of such act,  
 9 be subject to any sanction provided in this Act.

10 (c) The heads of other offices shall perform the  
 11 duties stated in subsections a) and b) hereof insofar  
 12 as their respective offices are concerned.

13 SEC. 10. Penalties. (a) Any public officer or  
 14 employee, regardless of whether or not he holds office or  
 15 employment in a casual, temporary, holdover, permanent  
 16 or regular capacity, committing any violation of this Act  
 17 shall be punished with a fine not exceeding the equivalent  
 18 of six (6) months' salary or suspension not exceeding  
 19 one (1) year, or removal depending on the gravity of the  
 20 offense. Violation of Sections 5, 6, 7, or 8 of this Act  
 21 shall be punished with imprisonment not exceeding five (5)  
 22 years, or fine not exceeding Five Thousand Pesos (P5,000.00),  
 23 or both, and, in the discretion of the Court of competent  
 24 jurisdiction, disqualification to hold public office.

25 (b) Any violation hereof proven in a proper adminis-  
 26 trative proceeding shall be sufficient cause for removal  
 27 or dismissal of a public officer, even if no criminal  
 28 prosecution is instituted against him, or is instituted  
 29 unsuccessfully for failure to prove guilt beyond a  
 30 reasonable doubt or due to some technicality.

1 Private individuals who participate, in conspiracy  
2 as co-principals, accomplices or accessories, with public  
3 officers or employees, in violation of this Act, shall be  
4 subject to the same penal liabilities as the public officers  
5 or employees and shall be tried jointly with them.

6 (c) The officials concerned may bring an action  
7 against any person who obtains or uses a report for any  
8 purpose prohibited by Section 7(C) of this Act. The  
9 Court in which such action is brought may assess against  
10 such person a penalty in any amount not to exceed Twenty-  
11 five Thousand Pesos (P25,000.00). Such remedy shall be in  
12 addition to any other sanction hereunder or under any other  
13 law or statute.

14 SEC. 11. Separability Clause. If any provision of  
15 this Act or the application of such provision to any person  
16 or circumstances is declared invalid, the remainder of  
17 the Act or the application of such provision to other  
18 persons or circumstances shall not be affected by such  
19 declaration.

20 SEC. 12. Repealing Clause. All laws, rules and  
21 regulations and other issuances or parts thereof which  
22 are contrary to or inconsistent with this Act are hereby  
23 repealed or modified accordingly, unless the same provide  
24 for a heavier penalty.

25 SEC. 13. Effectivity. This Act shall take effect  
26 after fifteen (15) days following its publication in the  
27 Official Gazette or in two (2) national newspapers of  
28 general circulation.

Approved,