

**[OFFICE OF THE GOVERNMENT CORPORATE
COUNSEL, September 05, 2011]**

**RULES GOVERNING THE EXERCISE BY THE OFFICE OF THE
GOVERNMENT CORPORATE COUNSEL (OGCC) OF ITS
AUTHORITY, DUTIES AND POWERS AS PRINCIPAL LAW OFFICE
OF ALL GOVERNMENT OWNED OR CONTROLLED CORPORATIONS**

Pursuant to the provisions of Section 10, Chapter 3, Title III, Book IV of the Administrative Code of 1987 and other relevant laws, the Government Corporate Counsel hereby promulgates the following rules to efficiently discharge the OGCC's functions and powers as principal law office of all government-owned or controlled corporations, their subsidiaries, other corporate offsprings and government acquired asset corporations, as well as government instrumentalities with corporate powers and government corporate entities, and effectively exercise its power of control and supervision over their respective legal departments.

To keep abreast with the legal developments and emerging needs of the GOCCs, the OGCC issues its revised rules and regulations.

**RULE I
Title and Construction**

Section 1. Title — These Rules shall be known as the "OGCC Rules and Regulations."

Section 2. Scope — These Rules shall cover all matters referred to the OGCC for advice or representation pursuant to its role as the principal law office of all government corporations whether incorporated under the law or created by a charter.

Section 3. Construction — These Rules shall be liberally construed so that the OGCC may perform its functions in an efficient, effective, equitable, just, speedy and inexpensive manner, in view of its larger role in the national government's agenda for development and good governance.

Section 4. OGCC's client corporations — The OGCC shall be the principal and statutory law office of all government-owned or controlled corporations, their subsidiaries, corporate offsprings, and government acquired asset corporations, as well as government instrumentalities vested with corporate powers or government corporate entities.¹

For purpose of these Rules, the term "government-owned or controlled corporations (GOCCs)" refers to any agency organized as a stock or non-stock corporation, vested

with function relating to public needs whether governmental or proprietary in nature, and owned by the Government of the Republic of the Philippines directly or through its instrumentalities whether wholly or, where applicable as in the case of stock corporations, to the extent of at least a majority of its outstanding capital stock. This term shall also include subsidiaries, offsprings, acquired asset corporations, government instrumentalities with corporate powers (GICP), government corporate entities (GCE)² and government financial institutions (GFI)³ and other government entities of which the OGCC is the principal law office.

RULE 2

Declaration of Policy

As the statutory counsel of all GOCCs, the OGCC shall dutifully safeguard their legal interest and diligently provide them legal services and uphold justice under the rule of law with integrity, excellence and professionalism.

RULE 3

Powers of the OGCC

Section 1. Powers —

Section 1.1 As principal law office and as supervisor — The OGCC, as principal law office exercising control and supervision over the legal departments of GOCCs, shall have the following powers and duties:

- a. Represent GOCCs in the litigation of appropriate cases brought before the courts or quasi-judicial bodies in the Philippines or abroad in accordance with Rule 5 of these Rules;
- b. Review and, if necessary, recommend revisions or modifications on contracts referred by GOCCs, as required by law, and/or prepare such contracts when so requested in . appropriate cases in accordance with Rule 6 of these Rules; and
- c. Render legal opinions, as required by law, on-all important legal questions referred by the GOCCs conformably with Rule 6 of these Rules.

Section 1.2 Regular assignments — The OGCC's regular assignments shall consist of handling of cases, rendering of opinion and contract review.

Section 1.3 Special Assignments —When the exigency of the service requires, any member of the OGCC legal staff may be assigned or designated to a GOCC to perform additional or special tasks as may be determined by the Government Corporate Counsel which shall include, but not limited to, the following:

1. Be detailed or assigned to GOCCs upon their request provided, that the Government Corporate Counsel approves the assignment or designation, including attendance in meetings requested by GOCCs;
2. Mediate and act as hearing officers under relevant laws in accordance with Rule 11 of these Rules, and arbitrate disputes, claims and controversies between or among GOCCs inappropriate cases in accordance with Rule 12 of these Rules;
3. Investigate and, in appropriate cases, hear administrative disciplinary cases involving all lawyers, officials and employees of GOCCs upon the latter's request and recommend appropriate administrative or disciplinary sanctions in accordance with Rule 7 of these Rules;
4. Conduct periodic performance audit of the in-house lawyers or legal departments of the GOCCs and to recommend appropriate actions to GOCCs;
5. Require the in-house lawyers or legal departments of GOCCs to submit periodic reports of work performed and/or accomplished and to supervise and control the necessary legal action;
6. Conduct research and/or submit position papers on novel/important questions or issues affecting GOCCs;
7. Conduct fact-finding and preliminary investigation in appropriately referred cases;
8. Act as corporate officers of GOCCs upon their request;
9. Be assigned as members of technical working groups, bids and awards committee tasks force and other committees in relation to GOCC projects; and
10. Represent the OGCC in the Board of GOCCs and management committees.

In the performance of their special functions, the designated OGCC lawyers shall be entitled to receive such additional compensation and privileges as may be granted by the GOCC concerned.⁴

Further, GOCCs are authorized to extend to OGCC such benefits and privileges as are given to their employees.⁵

Section 1.4 Power of Administrative Supervision — In exercising its power of administrative supervision over the legal departments of the GOCCs, the OGCC shall:

- a. regularly consult with concerned GOCCs on the referred case/s to ensure satisfactory collaborative formulation of legal strategies and evidence presentation and on relevant legal matters;
- b. monitor the progress of cases and other concerns being handled by in-house counsels/legal departments or their duly retained external lawyers; and
- c. issue such rules and directives to standardize pleadings and practice of all lawyers in the GOCCs.

Section 1.5 Power to enforce the Property Insurance Law — The OGCC, upon its its on initiative, shall have the power to enforce the Property Insurance Law pursuant to Republic Act 656, as amended by P.D. 245, in domestic or international transactions.

Section 1.6 Power to assess and to receive attorney's fees —

- a. In addition to the regular assessment mentioned in Sec. 4 of P.D. 1415, the Government Corporate Counsel is authorized to make special assessments upon GOCCs serviced by its office, to meet contingencies, obligations, and undertakings necessary to maintain and promote service efficiency.
- b. The OGCC is authorized to receive attorney's fees adjudged in favor of GOCCs in judicial or arbitral proceedings handled by it. These attorney's fees shall accrue to a special fund of the OGCC, and shall be deposited in an authorized government depository as a trust liability and shall be made available for expenditure without the need for a cash disbursement ceiling, for purposes of upgrading facilities and equipment, granting of employees' incentive pay and other benefits, and defraying such other incentive expenses not provided for in the General Appropriations Act as may be determined by the Government Corporate Counsel.⁶

RULE 4
Organizational Set-Up

Section 1. Composition — The OGCC shall be composed of the Government Corporate Counsel, Deputy Government Corporate Counsel (DGCC), Assistant Government Corporate Counsels (AGCCs), all of whom shall be appointed by the President of the Philippines. All other members of the legal staff of the OGCC shall be appointed by the Government Corporate Counsel, the ranks of which shall be as follows: Government Corporate Attorney IV (GCA-IV), Government Corporate Attorney III (GCA-III), Government Corporate Attorney II (GCA-II), Government Corporate Attorney I (GCA-I), Associate Government Corporate Attorney II, and Associate Government Corporate Attorney I.

Section 2. Administrative Staff — The OGCC shall be supported by an administrative staff all of whom shall be appointed by the Government Corporate Counsel.

Section 3. Organization into Teams — Unless otherwise determined by the Government Corporate Counsel, the Legal Staff shall be divided into teams, each to be headed by an Assistant Government Corporate Counsel as team leader. The classification of the teams shall include, but shall not be limited to: (1) Gaming & Allied Services; (2) Ecozones; (3) Information & Energy; (4) Environment & Water; (5) Banking & Finance; (6) Transportation, Communication & Infrastructure; (7)

Agriculture & Trade; and (8) Housing & Urban Development.

A senior Assistant Government Corporate Counsel may also be appointed as in-charge for Litigation and another one as in-charge for Opinion/Contract Review.

3.1 Each team leader shall be designated by the Government Corporate Counsel and shall be directly responsible for the supervision of the members of his/her team. The Government Corporate Counsel, assisted by the Deputy Government Corporate Counsel, shall have over-all direct supervision and control over all the Teams.

3.2 Special Project Teams may be created by the Government Corporate Counsel as the need arises.

RULE 5

Procedures in Handling Cases

Section 1. The OGCC shall handle all cases by the GOCCs unless their respective legal departments are duly authorized or deputized, or when the engagement of a private lawyer has been authorized in accordance with Rule 9 of these Rules. For this purpose, additional reimbursable and other allowances shall be granted to OGCC lawyers assigned to it.

Section 2. The OGCC shall accept only cases that have been officially endorsed by the GOCC through its duly authorized officer.

Section 3. All referred cases shall be accompanied by the following:

- a. detailed historical background of the case;
- b. (b)photocopies of pertinent documents; and
- c. the names and contact details of officials, proposed witnesses and all those knowledgeable about the case.

RULE 6

Opinion and Contract Review

Section 1. Requests for Legal Opinion and Contract Review — All GOCCs, through their duly authorized officer, shall refer to the OGCC for review all proposed contracts or agreements.

All important matters shall also be referred to the OGCC for opinion or advice.

Section 2. Form and Substance of the Request for Opinion — For effective, efficient and prompt disposition of requests for opinion, GOCCs shall clearly state or submit the following: (1) factual circumstances; statement of the issue/s sought to