

**[IC CIRCULAR LETTER NO. 2013-37, December
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NO GIFTS POLICY

1. Background

The Insurance Commission being a government regulatory agency is guided by the policy of the state to uphold honesty and integrity in serving the public and take affirmative and effective measures against graft and corruption. This "No Gifts Policy" provides a more transparent and effective framework that aims to promote ethical business practices and high standards of corporate governance.

2. Constitutional Policy Governing Public Officers

- 2.1 Section 27, Article II of the 1987 Constitution declares the values of public officers, to wit:

"THE STATE SHALL MAINTAIN HONESTY AND INTEGRITY IN THE PUBLIC SERVICE AND TAKE POSITIVE AND EFFECTIVE MEASURES AGAINST GRAFT AND CORRUPTION."

- 2.2 Section 1, Article XI of the 1987 Constitution states that:

"PUBLIC OFFICE IS A PUBLIC TRUST AND ALL PUBLIC OFFICERS AND EMPLOYEES MUST AT ALL TIMES BE ACCOUNTABLE TO THE PEOPLE, SERVE THEM WITH UTMOST RESPONSIBILITY, INTEGRITY, LOYALTY, AND EFFICIENCY, ACT WITH PATRIOTISM AND LEAD MODEST LIVES."

**3. Statutory Policies and Rules Against Acceptance of Gifts by
Public
Officers and Employees**

- 3.1 Section 1 of Republic Act No. 3019, otherwise known as Anti-Graft and Corrupt Practices Act, provides that:

"IT IS THE POLICY OF THE PHILIPPINE GOVERNMENT, IN LINE WITH THE PRINCIPLE THAT A PUBLIC OFFICE IS A PUBLIC TRUST, TO REPRESS CERTAIN ACTS OF PUBLIC OFFICERS AND PRIVATE PERSONS ALIKE WHICH CONSTITUTE GRAFT OR CORRUPT PRACTICES WHICH MAY LEAD THERETO."

- 3.2 Section 3 of the Anti-Graft and Corrupt Practices Act pronounces that, among other acts or omissions, the succeeding shall constitute corrupt practices of any public officer and thereby declared to be unlawful:

“(B) DIRECTLY OR INDIRECTLY REQUESTING OR RECEIVING ANY GIFT, PRESENT, SHARE, PERCENTAGE, OR BENEFIT, FOR HIMSELF OR FOR ANY OTHER PERSON, IN CONNECTION WITH ANY CONTRACT OR TRANSACTION BETWEEN THE GOVERNMENT AND ANY OTHER PARTY, WHEREIN THE PUBLIC OFFICER IN HIS OFFICIAL CAPACITY HAS TO INTERVENE UNDER THE LAW.

(C) DIRECTLY OR INDIRECTLY REQUESTING OR RECEIVING ANY GIFT, PRESENT OR OTHER PECUNIARY OR MONETARY BENEFIT, FOR HIMSELF OR FOR ANOTHER, FROM ANY PERSON FOR WHOM THE PUBLIC OFFICER, IN ANY MANNER OR CAPACITY, HAS SECURED OR OBTAINED, OR WILL SECURE OR OBTAIN, ANY GOVERNMENT PERMIT OR LICENSE, IN CONSIDERATION FOR THE HELP GIVEN OR TO BE GIVEN...”

- 3.3 Section 2 of Republic Act No. 6713, otherwise known as the Code of Conduct and Ethical Standards for Public Officials and Employees, declares:

“IT IS THE POLICY OF THE STATE TO PROMOTE A HIGH STANDARD OF ETHICS IN PUBLIC SERVICE. PUBLIC OFFICIALS AND EMPLOYEES SHALL AT ALL TIMES BE ACCOUNTABLE TO THE PEOPLE AND SHALL DISCHARGE THEIR DUTIES WITH UTMOST RESPONSIBILITY, INTEGRITY, COMPETENCE, AND LOYALTY, ACT WITH PATRIOTISM AND JUSTICE, LEAD MODEST LIVES, AND UPHOLD PUBLIC INTEREST OVER PERSONAL INTEREST.

- 3.4 Section 7(d) of the Code of Conduct and Ethical Standards for Public Officials and Employees, provides that “[p]ublic officials and employees shall not solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan or anything of monetary value from any person in the course of their official duties or in connection with any operation being regulated by, or any transaction which may be affected by the functions of the office.”

- 3.5 Rule II of Department Order No. 21-2010^[1] of the Department of Finance, known as Policy on Gift Giving and Acceptance of Gifts, Donations and Sponsorship, mandates:

xxx THE DOF SHALL MAINTAIN A “NO GIFT POLICY”.

4. Accountability

This Policy shall apply to all officials and employees, including contractual and job order employees of the Insurance Commission as well as consultants, conservators, receivers, and liquidators appointed by the Commissioner with respect to the company assigned to them. This shall also cover the agents of the persons mentioned above.

5. Definitions

- 5.1 Gift - refers to a thing disposed of gratuitously in favor of another, and shall include a simulated sale or a disposition onerous to the giver and/or unduly beneficial to the recipient. Gift shall also include a right, privilege, entertainment, exemption or any other similar act of

liberality in favor of another. This shall also include invitation for breakfast, lunch, snacks or dinner outside the premises of the Office.

- 5.2 Agent - a person who acts in representation of another.
- 5.3 Official event - refers to any event sanctioned by the Insurance Commission and covered by an Office Order.

6. Declaration of Policy

- 6.1 Being constituted of public servants who uphold the principle that public office is a public trust, the Commission is devout to the highest standards of ethics and conduct. The Commission mandates that all of its officers and employees practice and demonstrate equal treatment, unbiased professionalism, and non-discriminatory actions in the performance of their duties and functions, without expectation of any unwarranted favor or remuneration.
- 6.2 To avoid any conflicts of interest, the appearance of a conflict of interest, or the need for the Commission's officers and employees to examine the ethics of acceptance, the Commission adopts this "No Gifts Policy".

7. Guidelines

The Commission, its officers and employees, shall NOT SOLICIT, DIRECTLY OR INDIRECTLY, any gifts, gratuity, favor, entertainment, loan, or use, anything of pecuniary value from a person, groups, associations, suppliers, or juridical entities, whether from the public or the private sectors, at any time, on or off the work premises, in the course of their official duties or in connection with any operation being regulated by, or any transaction which may be affected by the functions of their office.

- 7.1 In the course of their official functions, Insurance Commission officials and employees shall not accept any fee or remuneration beyond what they are legally entitled to receive in their official capacity in accordance with law.
- 7.2 The prohibition on the receiving of gifts shall include, but are not limited to:
 - (a) Honoraria given as speaker or resource person in seminars or where the Commission officer or employee is participating by reason of his/her office with the Commission;
 - (b) Sponsorship in any form of any of the internal programs, activities, and affairs of the Commission, such as Christmas parties, anniversary commemorations, etc;
 - (c) Advertisements in the publications of the Commission;
 - (d) Discounts, rebates, waivers and other forms of monetary incentives or benefits given to the Commission, its officers and employees, in availing of the services and/or facilities of persons or entities under the jurisdiction of the Commission; and
 - (e) Acceptance of invitations to social lunches and dinners with persons or entities under the jurisdiction of the Commission.