

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

18th Congress
First Regular Session
House Bill 1898



Introduced By: **HON. LORNA C. SILVERIO**

EXPLANATORY NOTE

The Governance Commission for Government-Owned and Controlled Corporations (GCG) was created through Republic Act No. 101149 to promote financial viability and fiscal discipline in Government-Owned- or Controlled Corporation and to strengthen the role of the state in its governance and management to make them more responsive to the needs of public interest. Likewise, its primary function of overseeing the operations of all the GOCC is in recognition of the potential of GOCC's as significant tools for economic development of our nation.

However, instead of directing the development and growth of GOCCs, the GCG became another bureaucratic layer in the already perplexed structure of checks and balances, which takes up valuable time and resources of the GOCC. Long processing and red-tape are among the criticisms against the bureaucracy. In fact, for the past six years, GOCCs have been constantly complaining of the additional impositions and requirements laid down by the GCG which hinders their day-to-day operations, thereby placing the GOCCs under the unpredictable caprice and mercy of the GCG.

Prior to the passage of Republic Act 10149, otherwise known as the "GOCC Governance Act of 2011", all GOCC were under the direct control and supervision of the Office of the President. In addition, the GOCCs are also answerable to (1) Congress, which includes, but is not limited to its oversight functions; (2) the Commission on Audit (COA), with respect to all accounts and expenditures of funds and properties of the government; (3) the National Economic and Development Authority (NEDA), in terms of economic development planning, and joint venture activities; (4) Government Procurement Policy Board (GPPB), with respect to all its procurement projects; and (5) the Office of the Government Corporate Counsel (OGCC), as the statutory counsel of all GOCCs.


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AN ACT TO ABOLISH THE GOVERNANCE COMMISSION FOR GOCCs REPEALING FOR THE PURPOSE RA 10149 OTHERWISE KNOWN AS "GOCC GOVERNANCE ACT OF 2011"

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

SECTION 1. The Governance Commission for Government-Owned or Controlled Corporations (hereinafter referred to as GCG) is hereby abolished.

SECTION 2. All officers and employees of the abolished GCG are hereby given two and a half (2 1/2) months salary for each year of service as separation pay.

SECTION 3. The functions and duties of the abolished GCG are hereby transferred to the different Departments of the government with the similar functions and duties.

SECTION 4. Implementing Rules and Regulations - the Department of Finance, the Department of Budget and Management and the Commission on Audit shall issue the necessary rules and regulations necessary for the full implementation of this Act.

SECTION 5. Appropriation - The necessary funding needed for the payment of the separation benefits provided for in this Act shall be included in the General Appropriations Act of 2019.

SECTION 6. Separability Clause – If any portion or provision of this Act is declared unconstitutional, the same shall not affect the validity and effectivity of the other provisions not affected thereby.

SECTION 7. Repealing Clause – All laws, parts of laws, decrees, presidential issuances, proclamations, orders, ordinances, and administrative resolutions in conflict with the provisions of this Act are hereby amended, modified or repealed accordingly.

SECTION 8. Effectivity – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation, whichever comes earlier.

Approved,

Lorna L. Mhuiris