



GCG MEMORANDUM CIRCULAR NO. 2016 – 02

SUBJECT : REVISED WHISTLEBLOWING POLICY FOR THE GOCC SECTOR

DATE : 22 APRIL 2016

1. **STATEMENT OF POLICY.** – It is the State's policy that the governance of GOCCs shall be carried out in a transparent, responsible and accountable manner and with the utmost degree of professionalism and effectiveness.¹ Furthermore, the Governing Boards of every GOCC and its subsidiaries must be competent to carry out the GOCCs functions, be fully accountable to the State as its fiduciaries, and act in the best interest of the GOCC and the State.²

GOCCs, acting through their Governing Boards and duly authorized Officers and Employees, shall conduct the affairs, operations and business of the GOCC in full compliance with applicable laws, rules, regulations. As public officers, all GOCC Directors/Trustees, Officers and Employees, as well as Officers and Employees of the Governance Commission, must exemplify the behavior and professional demeanor consistent with such laws, rules, regulations, policies and procedures of the highest standard.

2. **BACKGROUND AND PURPOSE.** – The purpose of this Whistleblowing Policy (Policy) is to enable any concerned individual to report and provide information, anonymously if he/she wishes, and even testify on matters involving the actions or omissions of the Directors/Trustees, Officers and Employees of GOCCs, as well as the Chairman, Commissioners, Officers and Employees of the Governance Commission, that are illegal, unethical, violate good governance principles, are against public policy and morals, promote unsound and unhealthy business practices, are grossly disadvantageous to the GOCC and/or the Government.
3. **COVERAGE.** – This Policy shall be applicable to all GOCCs, GFIs, GICPs/GCEs, including their Subsidiaries and Affiliates, which are covered by the provisions of Republic Act (R.A.) No. 10149 and are subject to the regulatory jurisdiction of the Governance Commission.
4. **REPORTABLE CONDITIONS.** – Whistleblowers may report to the Governance Commission such acts or omissions that are illegal, unethical, violate good governance principles, are against public policy and morals, promote unsound and unhealthy business practices, are grossly disadvantageous to the GOCC and/or the Government, such as, but not limited to:

¹ R.A. No. 10149, Sec. 2(c).

² R.A. No. 10149, Sec. 2(e).

- (a) Abuse of Authority;
- (b) Bribery;
- (c) Conflict of Interest;
- (d) Destruction/Manipulation of Records;
- (e) Fixing;
- (f) Inefficiency;
- (g) Making False Statements;
- (h) Malversation;
- (i) Misappropriation of Assets;
- (j) Misconduct;
- (k) Money Laundering;
- (l) Negligence of Duty;
- (m) Nepotism;
- (n) Plunder;
- (o) Receiving a Commission;
- (p) Solicitation of Gifts;
- (q) Taking Advantage of Corporate Opportunities;
- (r) Undue Delay in Rendition of Service;
- (s) Undue Influence;
- (t) Violation of Procurement Laws;

Whistleblowers may also report such other acts or omissions that otherwise involve violations of the following laws, rules and regulations:

- (a) R.A. No. 6713, "Code of Conduct and Ethical Standards for Public Officials and Employees";
- (b) R.A. No. 3019, "Anti-Graft and Corrupt Practices Act";
- (c) R.A. No. 7080, as amended, "The Plunder Law";
- (d) Book II, Title VII, Crimes Committed By Public Officers, The Revised Penal Code;
- (e) Executive Order (E.O.) No. 292, s. 1987, "Administrative Code of 1987";
- (f) R.A. No. 10149, the "GOCC Governance Act of 2011";

- (g) GCG M.C. No. 2012-05, "Fit and Proper Rule";
- (h) GCG M.C. No. 2012-06, "Ownership and Operations Manual Governing the GOCC Sector;
- (i) GCG M.C. No. 2012-07, "Code of Corporate Governance for GOCCs";
- (j) Violations of the Charter of the GOCC; and
- (k) Other GCG Circulars and Orders, and applicable laws and regulations;

5. GCG WHISTLEBLOWING WEB PORTAL. – The Governance Commission has established the website www.whistleblowing.gcg.gov.ph as its primary reporting channel for whistleblowers under this memorandum circular.

This reporting channel is an online-based platform by which whistleblowers may securely submit reports electronically while at the same time ensuring their anonymity and the confidentiality of their reports.

Whistleblowers are encouraged to utilize this online reporting channel.

6. ALTERNATIVE REPORTING CHANNELS. – Whistleblowers may also submit whistleblowing reports to the Governance Commission through the following alternative reporting channels:

- (a) Face-to-Face Meetings : with GCG Officers and Employees;
- (b) E-Mail : feedback@gcg.gov.ph;
- (c) Mail : 3/F Citibank Center 8741 Paseo De Roxas, Makati City Philippines 1226;
- (d) Telephone : (632) 328-2030 to 33; and
- (e) Fax : (632) 328-2030 to 33;

7. CONFIDENTIALITY. – Except when the whistleblower does not invoke anonymity and/or confidentiality when invoking the Policy under this Memorandum Circular, the Governance Commission shall ensure confidentiality of all information arising from whistleblowing reports submitted pursuant to this memorandum circular. It shall treat all reports, including the identity of the whistleblower and the person/s complained of, in a confidential and sensitive manner. The identity of the whistleblower will be kept confidential, unless compelled by law or the Courts to be revealed, or unless the whistleblower authorized the release of his/her identity.

8. PROTECTION OF A WHISTLEBLOWER AGAINST RETALIATION. – Retaliatory acts against whistleblowers who submit whistleblowing reports in good faith shall not be tolerated by the Governance Commission which shall extend all possible assistance to the whistleblower under the law and given the circumstances. Such retaliatory acts may include:

- (a) Discrimination or harassment in the workplace;
- (b) Demotion;
- (c) Reduction in salary or benefits;
- (d) Termination of contract;
- (e) Evident bias in performance evaluation; or
- (f) Any acts or threats that adversely affect the rights and interests of the whistleblower.

9. **UNTRUE ALLEGATIONS.** – If a Whistleblower makes allegations that are determined to be fabricated or malicious falsehoods, and/or he/she persists in making them, legal action may be taken against him by the Governance Commission.

10. HANDLING OF WHISTLEBLOWING REPORTS. –

10.1. **Filing of Whistleblowing Reports** – All whistleblowing reports must be submitted to the Governance Commission through the website www.whistleblowing.gcg.gov.ph or through any of the Alternative Reporting Channels identified in paragraph 6 of this memorandum circular.

10.2. **Investigation by the Office of the General Counsel** - All whistleblowing reports will be evaluated and investigated by the Office of the General Counsel which reserves the right to disregard reports that are vague, ambiguous, patently without merit, or are simply made with malicious intent to tarnish the name and reputation of the person/s complained of.

Subject to the approval of the Department of Budget and Management, the Office of the General Counsel shall establish a division to be called the **Integrity Division** with the primary task of implementing the provisions of this memorandum circular and investigating all whistleblowing reports submitted pursuant thereto, as well as recommending policy issuances on whistleblowing to the Governance Commission.

The Office of the General Counsel is hereby authorized to promulgate such regulations and protocols that will facilitate the full implementation of this memorandum circular.

11. GCG ACTION ON WHISTLEBLOWING REPORTS. –

11.1. In cases of whistleblowing reports against GOCCs, their Directors/Trustees, officers, and employees, the Governance Commission may pursue any of the following actions:

- (i) Dismiss the whistleblowing report for want of palpable merit;

- (ii) Forward the whistleblowing report to the concerned GOCC for corresponding official action;
- (iii) Submit a formal recommendation to the Governing Board of the concerned GOCC for the discipline of respondent Officer;
- (iv) Submit a formal recommendation to the Governing Board of the concerned GOCC for the suspension of the respondent Appointive Director;
- (v) Submit a formal recommendation to the President for the removal of the respondent Appointive Director;
- (vi) Indorse to the proper Government Agency, such as the Office of the Ombudsman, the pursuit of the criminal and/or administrative processes against the respondents;
- (vii) Enjoin the GOCC Governing Board and Management to comply with applicable laws or jurisprudence and/or to undertake corrective measures to address the matters raised in the complaint; and
- (viii) Consider the whistleblowing report closed and terminated if the response of the respondent is found to be adequate.

11.2. In cases of whistleblowing reports against the Chairman, the Commissioners, or Directors of the Governance Commission, the Office of the General Counsel may dismiss the whistleblowing report for want of merit, or submit their recommendations on proposed sanctions against the respondents to the Office of the President.

11.3. In cases of whistleblowing reports against other officers and employees of the Governance Commission, the Office of the General Counsel may dismiss the whistleblowing reports for want of merit or submit their recommendations on proposed sanctions against the respondents to the Governance Commission.

12. DUTY OF GOCCs. – Within a period of six (6) months from effectivity of this memorandum circular, all GOCCs under the regulatory jurisdiction of the Governance Commission under R.A. No. 10149 are required to establish an online link in their official websites to GCG's whistleblowing web portal at www.whistleblowing.gcg.gov.ph

Within a period of one (1) year from the effectivity of this memorandum circular, said GOCCs are likewise enjoined to establish their own whistleblowing systems, duly approved by their Governing Boards, which adhere to the policy and purpose enunciated in this memorandum circular.

GOCCs must further provide a working environment that promotes whistleblowing and establish such regulations that provide protection to

whistleblowers against retaliation actions mentioned in paragraph 8 of this memorandum circular.

Full compliance with this paragraph shall be a Good Governance Condition for the grant of Performance-Based Bonus and Performance-Based Incentives starting 2017.

13. **REPEALING CLAUSE.** – All other GCG orders, circulars, issuances, and decisions, or parts of the foregoing, which are inconsistent with this Memorandum Circular are hereby repealed or modified accordingly.

14. **EFFECTIVITY CLAUSE.** – This Circular shall take effect immediately upon publication in a newspaper of general circulation and in the Commission's website www.gcg.gov.ph.

BY AUTHORITY OF THE COMMISSION:



CESAR L. VILLANUEVA

Chairman



MA ANGELA E. IGNACIO
Commissioner



RAINIER B. BUTALID
Commissioner