

## 5. CREATION OF A NEW GOCC

### Schedule of Availability of Service

Monday to Friday  
8:00 A.M. to 5:00 P.M.

### Who may avail of the Service

- GOCCs
- NGAs

### What are the Requirements

- Feasibility Study(ies)
- Executive summary of the proposed creation of a new GOCC
- Financial/non-financial justification/s for creation of a new GOCC (including savings to the NG or additional functions that may be)
- Background information about the corporation (Mandate, Vision, Mission, Objectives and Functions)
- Corporate Strategic/Business Plan
- Additional functions to be assumed by the GOCC, if any
- Subsidies received from NG
- Proposed Articles of Incorporation and By-laws
  - Appointive and *Ex-Officio* directors.
- Draft Executive Order creating the GOCC and designating ex officio board members (if applicable)
- Organizational Plan
  - Proposed organizational charts (highest level to the lowest level)
  - Proposed functional description of organizational units (highest level to the lowest level)
  - Proposed Staffing Pattern with job description and Salary Grade.
- Five(5)-year (i) historical (if applicable) and (ii) projected Financial Statements
  - Sources and Uses of Funds
  - Balance Sheet
  - Income Statement
  - Cash Flow Statement
  - Statement of Changes in Equity
  - For the projected FS, dividends remittance to NG (as mandated by RA 7656)

- Table of Key Assumptions used such as revenue, asset and earnings growth rates; interest rates; dividend payout ratios; effective corporate income tax rates, etc. along with the underlying reasons for using them
- Accompanying Financial Footnotes detailing significant accounting policies and accounts
- Interim and Annualized Financial Statements (if applicable)
  - Sources and Uses of Funds
  - Balance Sheet
  - Income Statement
  - Cash Flow Statement
  - Statement of Changes in Equity
- Breakdown of Projected Revenues
  - Per business unit of the proposed GOCC
  - Per business unit of the existing entity to be corporatized (if applicable)
- Performance Evaluation System (PES) to cover the GOCC including the performance scorecard that applies to the classification to which the GOCC belongs.
- Exit plan or privatization plan.
- Endorsement from the Supervising Agency, which proposes the creation of the GOCC and under which it shall be attached.
- Endorsement from stakeholders affected, including the LGUs where the program/project is to be pursued, if any.
- If the request involves the corporatization of an existing NG agency, a schedule of income remittance to the Bureau of Treasury for the last five (5) years.
- Any further studies/document showing the necessity of pursuing the program/project through the GOCC in order to ensure that the formation and registration of the GOCC is “in the interest of the common good”<sup>1</sup> and would comply with the policy under R.A. No. 10149 “to promote financial viability and fiscal discipline in the government-owned or -controlled corporations.

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<sup>1</sup> Art. XII, Sec. 16, 1987 Constitution.

**Duration:** 45 days and 15 minutes

<b>Step</b>	<b>Applicant/Client</b>	<b>Activity</b>	<b>Duration of Activity (under normal circumstances)</b>	<b>Person in Charge</b>	<b>Forms</b>
1	Send the Request for the Creation of a New GOCC through mail	Receive documents, record in GCG's logbook and forward to the Office of the Chairman.	15 minutes	Receiving Admin Officer	-
2	Receipt of acknowledgement letter	Issue acknowledgement letter from the office of the Chairman and forward the request to the Commissioner-in-Charge (CGO A or B).	1 day	Chief of Staff-Office of the Chairman	-
3		Assign the request to the Director-in-Charge (CGO A or B).	1 day	Commissioner-in-Charge	-
4		Assign the request to the Division Chief-in-Charge (CGO A or B).	1 day	Director-in-Charge	
5		Assign the request to the Corporate Governance Officer/s-in-Charge(CGO A or B)	1 day	Division Chief-in-Charge	-
6		Review the documents for completion. Note: Return request after 5 days of follow-up without action from the GOCC Upon receipt of completed documents, evaluate and prepare Memorandum for the President (MFP), draft Memorandum Order (MO) and transmittal letter with corresponding	30 days	Corporate Governance Officer/s	-

		annexes.			
7		Review the draft MFP, MO and transmittal letter and forward the same to the Director for final review.	2 days	Division Chief	-
8		Conduct final review of the draft MFP, MO and transmittal letter. The Director affixes his/her initials and subsequently recommends/endorse for the approval of the Commission.	2 days	Director	-
9		Upon final approval of the recommendation on the GOCC request, the GCG Chairman, Appointive Commissioners and the two <i>Ex-Officio</i> Members, as necessary, sign the MFP and MO. The Chairman affixes his signature on the transmittal letter and on the annexes.	5 days	The Chairman, the Appointive Commissioners and the <i>Ex-Officio</i> Members	-
10		Signed MFP is transmitted to the Office of the Executive Secretary (OES) for the final approval of the President.	1 day	Admin Officer	-
11	Receipt of MO and transmittal letter.	Upon receipt of the concurrence of the OES, send MO and the transmittal letter to the GOCC.	1 day	Admin Officer	-