



GCG MEMORANDUM CIRCULAR NO. 2021-02

SUBJECT : GOOD GOVERNANCE CONDITIONS (GCGs) AND OTHER CONDITIONS AND REQUIREMENTS (OCRs) FOR THE GRANT OF INTERIM PERFORMANCE-BASED BONUS (PBB)

DATE : 06 SEPTEMBER 2021

- 1. BACKGROUND AND PURPOSE.** – This Circular is issued to clarify and update the requisite Good Governance Conditions (GCGs) and Other Conditions and Requirements (OCRs) for the application and grant of the Interim Performance-Based Bonus (PBB) to qualified Officers and Employees of GOCCs covered under Republic Act (R.A.) No. 10149, pursuant to Executive Order (E.O.) No. 80, s.2012.
- 2. COVERAGE.** – This Circular shall cover GOCCs with GCG-approved Performance Scorecards starting 2021 and onwards.
- 3. UPDATED GOOD GOVERNANCE CONDITIONS (GCGs) AND OTHER CONDITIONS AND REQUIREMENTS (OCRs).** – Items 4.2 and 4.3 of GCG Memorandum Circular (M.C.) No. 2019-02 is hereby amended to read as follows:

X X X

4.2. Satisfy 100% of the Good Governance Conditions (GCGs) as follows:

4.2.1 Conditions Specific to GOCCs:

- (a) The GOCC has satisfied all statutory liabilities, including:
 - i. payment of all taxes due to the Government as certified/validated by the Bureau of Internal Revenue;
 - ii. declaration and payment of all dividends to the State as of the end of the applicable calendar year, whenever applicable, as certified/validated by the Department of Finance (DOF);
 - iii. payment of NG Advances as certified/validated by the DOF; and
 - iv. remittance of mandatory contributions as certified/validated by the following agencies: GSIS or SSS, Pag-IBIG, and PhilHealth.
- (b) Maintain/update and implement the GOCC's "*Manual of Corporate Governance*" and "*No Gift Policy*" approved by the GCG and uploaded on the GOCC's website pursuant to the "*Code of Corporate Governance for GOCCs*" and amendments thereto;
- (c) Compliance with all the requirements mentioned in the "*Revised Whistleblowing Policy for the GOCC Sector*" and amendments thereto;

- (d) Compliance with the Executive Order on Freedom of Information: Executive Order No. 2, s.2016 as certified/validated by the Presidential Communications Operations Office (PCOO);
- (e) Compliance with posting on the GOCC's website the information enumerated under Section 43 of the "*Code of Corporate Governance for GOCCs*" and amendments thereto;¹ and
- (f) Compliance with the applicable financial reporting framework (e.g. PFRS, PPSAS) as certified/validated by the Commission on Audit (COA).

4.2.2 Non-compliance with any of the GGCs will render the entire GOCC ineligible for the PBB.

4.3. Other Conditions and Requirements (OCRs). – All GOCCs are required to comply with the following conditions and requirements:

- (a) Maintain and/or attain certification on the GOCC's Quality Management System (QMS) or its equivalent certification;
- (b) Timely submission and posting of Annual Procurement Plans (APP) and results of the Agency Procurement Compliance and Performance Indicator (APCPI) system pursuant to applicable rules and regulations;
- (c) Timely submission of Corporate Operating Budgets (COBs) to the Department of Budget and Management (DBM);
- (d) Submission to the GCG of audit observations and notices of disallowances within seven (7) working days from the time it was received from the COA, all written communications between the GOCC and COA on such matters, which shall include, but not limited to, the concrete and time bound actions plans for addressing the audit observations and notices of disallowances;
- (e) Compliance and submission of reports through the Integrated Corporate Reporting System (ICRS) pursuant to the policies and guidelines under "*Policies and Guidelines on the Integrated Corporate Reporting System (ICRS) for the GOCC Sector*" and amendments thereto;
- (f) Compliance by all Appointive Directors of the Governing Board with the submission of all required forms for the Director Performance Review (DPR) pursuant to the "*Performance Evaluation for Directors (PED)*" and amendments thereto;
- (g) Timely submission of the year-end financial statements and other related financial reports to the COA; and
- (h) Other conditions common to National Government Agencies and GOCCs as stated in the applicable AO 25 IATF PBB Circular, including but not limited to:
 - i. Updating of Transparency Seal (TS);

¹ All information and documents required to be posted on the GOCC's website by December 31.

- ii. Updating of Citizen's or Service Charter;
- iii. PhilGEPS posting of all invitations to bid and awarded contracts;
- iv. Implementation of the prior year's audit recommendations; and
- v. Undertaking of early procurement activities.

4.3.1 Officials and employees responsible for the compliance and implementation of the OCRs, shall not be entitled to the PBB for the applicable year if the GOCC fails to comply with any of these requirements.

- 4. **CHECKLIST AND TIMELINE.** – GOCCs applying to grant the PBB within their respective corporations shall submit its application after it has completed the required documents enumerated in ***Annex A*** in accordance with the prescribed forms and within one (1) year from receipt of the GCG-validated Performance Scorecard.
- 5. **EFFECTIVITY.** – This Circular shall take effect immediately upon its publication in the Commission's website at *www.gcg.gov.ph*.

All other provisions of GCG M.C. No. 2019-02 remain applicable, unless otherwise revised by the Governance Commission.

**CHECKLIST OF DOCUMENTS TO BE SUBMITTED FOR THE GRANT OF
PERFORMANCE-BASED BONUS (PBB)**

DOCUMENTARY REQUIREMENTS	FORM OF SUBMISSION
(a) Board Resolution authorizing the grant of PBB in accordance with applicable laws, rules and regulations, signed by <u>majority of the Board Members</u> (PBB Form 1)	Hard Copy
(b) Omnibus Certification (PBB Form 2)	Hard Copy
(c) Schedule and summary of the distribution of the PBB to qualified Officers and Employees who will receive the PBB and those who are in the “Below Satisfactory” category (PBB Forms 3a and 3b)	Electronic* and Hard Copies
(d) Payment of all statutory liabilities: <ul style="list-style-type: none"> i. Tax clearance from BIR <u>in accordance with BIR Revenue Memorandum Circular No. 32-2021</u>; and ii. Certification/Validation from GSIS or SSS, Pag-IBIG Fund, and PhilHealth. 	Hard Copy

* Electronic copies should be submitted to the GCG through a CD, flash drive, or online link.