



## **GCG MEMORANDUM CIRCULAR NO. 2012-09 (Fourth Issue)**

**SUBJECT : THE CHIEF EXECUTIVE OFFICER (CEO)**

**DATE : JUL 05 2019**

### **I. DEFINITIONS, DOCTRINES AND PRINCIPLES**

#### **1. THE “CHIEF EXECUTIVE OFFICER”**

Section 3(g) of the “*GOCC Governance Act of 2011*” (R.A. No. 10149) defines the “**CHIEF EXECUTIVE OFFICER (CEO)**” as the “***the highest-ranking executive***, who could be the President or the General Manager, Chairman or the Administrator of a GOCC.”<sup>1</sup> On the other hand, Section 18 of R.A. No. 10149 refers to the CEO as “***the highest-ranking officer provided in the charters of the GOCCs.***”<sup>2</sup>

#### **2. APPOINTIVE POWER AND TERM OF OFFICE OF CEOs UNDER R.A. No. 10149**

Section 18 establishes the principle that the CEO of every GOCC covered by R.A. No. 10149 “shall be elected annually by the members of the Board from among its ranks,” which means that a would-be CEO must first have been qualified under the Fit and Proper Rule, and appointed by the President of the Philippines into the Governing Board of the GOCC, and only thereafter will he/she be qualified to be elected as the CEO of the company.

In addition, Section 17 of R.A. No. 10149 provides that “Any provision in the charters of each GOCC to the contrary notwithstanding, the term of office of each Appointive Director shall be for one (1) year, unless sooner removed for cause,” which means that necessarily the maximum term of office of every CEO coincides with his/her remaining a member of the Governing Board, thus:

X X X

***Any provision of law to the contrary notwithstanding, all incumbent CEOs and appointive members of the Board of GOCCs shall, upon approval of this Act, have a term of office until June 30, 2011, unless sooner replaced by the President: Provided, however, That the incumbent CEOs and appointive members of the Board shall continue in office until the successor have been appointed by the President.***<sup>3</sup>

<sup>1</sup> *Emphasis supplied.*

<sup>2</sup> *Emphasis supplied.*

<sup>3</sup> *Emphasis supplied.*

In accordance with GCG Memorandum Circular (MC) No. 2012-03,<sup>4</sup> the Term of Office of Appointive Directors in GOCCs shall begin on 01 July of each year and shall end on 30 June of the following year.

Consequently, all provisions to the contrary in the charters of Chartered GOCCs, or in the Articles of Incorporation (AOI) and/or By-laws of Nonchartered GOCCs, are deemed amended by Sections 17 and 18 of R.A. No. 10149 in that:

- (a) In spite of their provisions that the CEO shall be appointed by the President of the Philippines, the CEO of every GOCC that is covered by R.A. No. 10149, shall be elected by the members of the Governing Board from among their ranks;
- (b) In the case of provisions where the appointment by the President of the CEO makes the latter an *ex officio* Member of the Governing Board, under R.A. No. 10149 *ipso jure* such *ex officio* position has been converted into an appointive position;
- (c) In case of provisions where the CEO is appointed by the President of the Philippines without being entitled to become a member of the Governing Board, it shall mean that henceforth the CEO must be nominated by the Governing Board from among their ranks, without adding to the number of the membership of the Board; and
- (d) Notwithstanding the provisions granting the CEO a fixed term of office, the CEO of every GOCC covered by R.A. No. 10149 has a term of office that coincides with his/her term of office as a member of the Governing Board, unless sooner removed by the Board for cause.

### **3. GOVERNANCE PRINCIPLE APPLICABLE TO CEOs UNDER R.A. No. 10149**

In addition to the *Ex Officio* Members having been nominated by the President of the Philippines to respective Governing Boards of GOCCs, under Section 15 of R.A. No. 10149, all "Appointive Director[s] shall be appointed by the President of the Philippines from a shortlist prepared by the GCG."

In turn, under Section 18 of R.A. No. 10149, "The CEO or the highest-ranking officer provided in the charters of the GOCCs, shall be elected annually by the members of the Board from among its ranks."

Finally, under Section 19 of R.A. No. 10149, among the fiduciary duties imposed on the Governing Boards is to "Elect and/or employ only Officers who are fit and proper to hold such office with due regard to the qualifications, competence, experience and integrity."

Such configuration under R.A. No. 10149 is meant to institutionalize within the GOCC Sector the underlying public governance principle that "*The Governing Board of every GOCC is responsible to the State and its Stakeholders; while Management, headed by the CEO, is responsible to the Governing Board.*"

---

<sup>4</sup> Status of Holdover and Acting Appointive Directors/Trustees in GOCC Boards and Requiring the Submission of Information on their Respective Qualifications.

Consequently, by the process of mandating that the CEO must be elected by the members of the Governing Board from among their ranks, it ensures that Management is accountable to the Governing Board.

In addition, Section 18 of R.A. No. 10149 provides in clear terms that “The CEO shall be subject to the disciplinary powers of the Board and may be removed by the Board for cause.”

## II. SITUATIONS INVOLVING CEOs

### 4. CEO AS BOARD MEMBER OF GOCCs AND SUBSIDIARIES

In all GOCCs covered by R.A. No. 10149, whether chartered or nonchartered, the position of the CEO in the Governing Board which may have originally been in an *ex officio* capacity shall have been deemed *ipso jure* converted into an Appointive Director’s position to be included in the shortlist submitted by the GCG to the President pursuant to Section 18 of R.A. No. 10149. Thus, the following rules shall apply:

4.1. In every GOCC where the Charter or the AOI/By-Laws provide that the CEO is appointed by the President of the Philippines or elected by the Board members, then:

(a) Where it is provided expressly that the CEO is allotted a seat in *ex officio* capacity in the Governing Board, it shall henceforth be construed to mean that:

(i) At the organizational meeting of a newly-appointed Governing Board, they shall elect the CEO from among their ranks under the following terms:

- Preference shall be given to the individual nominated by the President in accordance with the President’s Constitutional power of control and supervision over the Executive Branch;<sup>5</sup> and
- The CEO should not be the Chairman, unless provided in the Charter of the AOI/By-Laws.

(b) Where there is no provision that expressly allots a seat for the CEO in the Governing Board:

(i) Where there is an available Appointive Director’s seat (*i.e.*, either a private sector representative or sectoral non-government representative) in the Governing Board, the nominated CEO-nominee shall be deemed to be allotted to any one of those available positions. Thus, where the board of five (5) is composed of:

---

<sup>5</sup> Section 17, Article VII of the 1987 Constitution provides that “[t]he President shall have control of all the executive departments, bureaus, and offices.”

- Cabinet Secretary as *ex officio* member
- Three (3) sectoral representatives; and
- A private sector representative,

the CEO-nominee may be allotted the seat of the private sector representative as member of the Board;

(ii) Where there is no available Appointive Director's position, such as when all seats are *ex officio*, then *ipso jure* a new Appointive Director's seat shall be deemed to have been created by virtue of Section 18 of R.A. No. 10149 to be occupied by the CEO-nominee.

4.2 Where the GOCC Charter or AOI/By-Laws is completely silent or do not provide for a CEO position:

- (a) The President may designate from among the Appointive Directors the CEO-nominee, who shall then be nominated and elected formally by the newly constituted Governing Board at its organizational meeting;
- (b) If the President does not designate specifically a CEO, the Governing Board shall, at its organizational meeting, nominate and elect from among themselves the CEO, who preferably should not be the Chairman of the Board.

4.3. In all nonchartered GOCCs covered by R.A. No. 10149, regardless of what may be provided for in their AOI and/or By-Laws, the following rules shall apply:

- (a) The CEO shall be elected by the newly-appointed Governing Board from among the Appointive Directors so nominated by the President.
- (b) Where the Articles and/or By-Laws provide that the CEO sits as an *ex officio* member of the Board, all such provisions are deemed to have *ipso jure* been amended to provide for the CEO's seat in the Governing Board to be an Appointive Director's position.

4.4. The CEO shall not be appointed as a member of the Audit Committee, or of any Board Committee that was merged with the Audit Committee and thus also performs the same functions, among others. This rule shall also apply to Chief Financial Officers, Treasurers or officers holding equivalent positions.

## 5. NOMINATION AND APPOINTMENT OF CEOs

Nomination and appointment of CEO-nominees into the Governing Boards shall be in accordance with the requirements laid down under GCG MC No. 2012-04.<sup>6</sup>

## 6. CEO'S COMPENSATION PACKAGE; ENTITLEMENT TO PER DIEMS

6.1. By express mandate under Section 18 of R.A. No. 10149, the CEO occupies two positions:

- (a) Primarily as an Appointive Member of the Governing Board; and
- (b) Thereafter elected by the Board as the highest-ranking executive officer of the GOCC.

Thus, the CEO is entitled to receive the *per diems* allowed to an Appointive Member under existing legal issuances, *i.e.*, Executive Order No. 24, s. 2011 (E.O. No. 24) as implemented under GCG MC No. 2012-02 (Re-Issued), and also to the compensation package that is officially attached to the office of the CEO.

6.2. Likewise, as any other Appointive Director and any other Officer of a GOCC, the CEO may be: (a) nominated to represent the GOCC in the Governing Boards of subsidiaries and affiliates, but not exceeding two (2) positions; (b) entitled to receive the *per diems* granted to the members of the Governing Boards of such subsidiaries and affiliates, subject to the limitations provided under GCG MC No. 2012-02 (Re-Issued), including the obligation to remit to the GOCC all profits, interests and amounts received or benefited beyond the limits provided for in said memorandum circular.

6.3. In cases where the CEO is designated in an *ex officio* capacity in the Governing Boards of other GOCCs, he/she would not, under the terms of E.O. No. 24, and as indicated in GCG MC No. 2012-02 (Re-Issued), be entitled to receive for himself any of the *per diems* paid by said GOCCs to the Appointive Members of their Boards, thus:

### 3. EX OFFICIO DIRECTORS: Rules on Entitlement/Non-Entitlement to Per Diems

- 3.1. ***Ex Officio Directors Are Generally Not Entitled to Per Diems and Other Allowable Compensations with the Parent/Holding GOCC*** – Section 7(a) of E.O. 24 specifically prohibits Department Secretaries, Undersecretaries, Assistant Secretaries ***and other government officials***, who are *Ex Officio* Board Members, ***including their Authorized Alternates/Representatives***,<sup>7</sup> from receiving any

---

<sup>6</sup> *Nomination and Appointment of Appointive Members of the Board of Directors/Trustees of GOCCs, Subsidiaries and Affiliates.*

<sup>7</sup> "The agent, alternate or representative cannot have a better right than his principal, the *ex officio* member. The laws, rules, prohibitions or restrictions that cover the *ex officio* members apply with equal force to his representative. In short, since the *ex officio* member is prohibited from receiving

form of *per diem* and other forms of compensations "for their services as such," thus:

- a) Department Secretaries, Undersecretaries, Assistant Secretaries and other government officials, who are *Ex-Officio* Board Members, including their Authorized Alternates/ Representatives, shall not be entitled to any additional compensation for their services as such.

3.1.2. **Resolution of the Conflict with Respect to Non-Cabinet Officials.** – When it comes to Non-Cabinet Officials who become *Ex Officio* Directors, the non-entitlement clause under Section 7(a) of E.O. 24 prevails over limited-multiple-position-with-compensation rule under Section 49, Chapter 10, Book IV of the Administrative Code of 1987, because the former rule is consistent with prevailing jurisprudence that an *ex officio* position is not "another office" but merely a designation of additional duties to the primary office, and would not authorize the drawing of additional *per diems* and other allowance compensation, thus:

The *ex-officio* position being actually and in legal contemplation part of the principal office, it follows that the official concerned has no right to receive additional compensation for his services in the said position. The reason is that these services are already paid for and covered by the compensation attached to his principal office. . . . For such attendance, therefore, he is not entitled to collect any extra compensation, whether it be in the form of a *per diem* or an honorarium or an allowance, or some other such euphemism. By whatever name it is nominated, such additional compensation is prohibited by the Constitution.<sup>8</sup>

3.2. **Ex Officio Directors Are Generally Not Entitled to Per Diems and Other Allowable Compensations Given by the Subsidiary or Affiliate.**

3.2.1. **Obligation to Remit to the Parent/Holding GOCC the Per Diems and Other Forms of Compensation Received.** – Section 7(c) of E.O. 24 obliges *Ex Officio* Directors to remit to the GOCC represented (*i.e.*, Parent/Holding GOCC) the *per diems* and other forms of compensation they may have received or be entitled from the Subsidiaries and Affiliates ("private corporations") wherein a GOCC has investment, thus:

- c) Compensation granted to *Ex-Officio* Board Members of subsidiaries or private corporations wherein a GOCC has investments shall accrue to the GOCC represented;

---

additional compensation for a position held in an *ex officio* capacity, so is his representative likewise restricted." *National Amnesty Commission v. COA*, 437 SCRA 655, 668 (2004).

<sup>8</sup> *Civil Liberties Union v. Executive Secretary*, 194 SCRA 317, 335 (1991).

As previously discussed, Section 20 of R.A. 10149 governs the treatment of *per diems* and other forms of compensation that have been received by *Ex Officio* Directors but who were disqualified from receiving such items for themselves.

6.4. *Ex officio* positions are not to be counted as part of the two (2) other allowable positions in subsidiaries and affiliates of the Parent GOCC since the *Rule Limiting to Two Additional Positions Where Multiple Positions Is Allowed for Members of the Executive Branch* found in Section 49, Chapter 10 of Book IV (THE EXECUTIVE BRANCH) of the Administrative Code of 1987 refers to "compensable" positions.

## **7. CHAIRMAN AND CEO**

7.1. Section 3(g) of R.A. No. 10149 in defining CEO clearly distinguishes the CEO from the Chairman of the Board. The same is true even with the inclusion of "Chairman" in the enumeration in line with the principle of *ejusdem generis* in statutory construction, which inclusion was made to accommodate the exceptional situation in some GOCCs wherein the Chairman of the Board is also the CEO.

7.2. Under R.A. No. 10149, the Governing Board, headed by the Chairman, has primacy over the Management, headed by the CEO. Thus, under Section 18, "the CEO shall be subject to the disciplinary powers of the Board and may be removed by the Board for cause." The Commission encourages the GOCCs to adopt a policy of electing different individuals as Chairman and CEO to provide a structure of checks-and-balances between the Board and Management.

7.3. The following rules apply in nominating and electing the Chairman and CEOs:

- (a) A Board Member may not be nominated and elected as CEO of more than one (1) GOCC;
- (b) A Board Member may be nominated and elected as CEO of a Parent GOCC, as well as, a Member of not more than two (2) subsidiaries of the Parent GOCC;
- (c) For Chartered GOCCs, a Board Member may be nominated and elected as CEO and Chairperson of a GOCC only when so provided by the GOCC's Charter; and
- (d) For Nonchartered GOCCs, a Board Member may be nominated and elected as CEO and Chairperson of a GOCC only when so provided by the GOCC's AOI and By-laws.

## **8. APPOINTMENT OR DESIGNATION OF OFFICER-IN-CHARGE (OIC)**

8.1. As the governing body that exercises the corporate powers of a GOCC,<sup>9</sup> it is within the power of the Governing Board to appoint Officers of the

---

<sup>9</sup> Section 3(c), R.A. No. 10149.

corporation. Section 19 of R.A. No. 10149 provides among the fiduciary duties of the Governing Board is to "Elect and/or employ only Officers who are fit and proper to hold such office with due regard to the qualifications, competence, experience and integrity."

- 8.2. All provisions of law which empower the Head of Supervising Agencies to appoint an Officer-in-Charge (OIC) when a vacancy occurs in the CEO position of a GOCC are deemed overturned by Section 18 of R.A. No. 10149 which provides that the "CEO or the highest-ranking officer provided in the charters of the GOCCs, shall be elected annually by the members of the Board from among its ranks [who] shall be subject to the disciplinary powers of the Board and may be removed by the Board for cause."
  
- 8.4. In the event of vacancy in the office of the CEO brought about by his/her resignation, death or legal incapacity, the following rules shall apply in appointing an **Officer-In-Charge (OIC)** for GOCCs covered by R.A. No. 10149:
  - (a) When the exigencies of public service require the same, the Chairperson of the Board shall automatically act as the OIC, subject to the following rules:
    - (i) The Chairperson shall act only as the temporary/acting CEO;
    - (ii) Within forty-eight (48) hours, the Chairperson shall call for a Board meeting for the formal appointment of the OIC; and
    - (iii) The duly-designated OIC shall then serve until the regular CEO shall have been elected.
  - (b) It is within the power of the Governing Board to appoint the next highest-ranking executive or any other suitable Senior Officer as OIC of the GOCC, while awaiting for the regular CEO to be formally elected.

As such OIC, he/she shall not be considered part of the GOCC Board, as he/she was never appointed by the President of the Philippines under the authority of R.A. No. 10149.
  - (c) In accordance with the Civil Service Commission (CSC) Resolution No. 000778 dated 24 March 2000, "an OIC enjoys limited power which are confined to functions of administration and ensuring that the office continues its usual activities."
  - (d) The OIC shall turn-over the management of the GOCC immediately to the person elected as the regular CEO.



### III. SECURITY OF TENURE ISSUES

#### 9. CEOs COVERED BY R.A. No. 10149 FALL UNDER “NON-CAREER SERVICE”

- 9.1. Under Section 17, upon the enactment of R.A. No. 10149, all CEO positions have been converted into regular appointive positions with one (1) year terms, thus:

*SEC 17. Term of Office. – Any provision in the charters of each GOCC to the contrary notwithstanding, the term of office of each Appointive Director shall be for one (1) year, unless sooner removed for cause. x x x*

*Any provision of law to the contrary notwithstanding, incumbent CEOs and appointive members of the Board of GOCCs shall, upon approval of this Act, have a term of office until June 30, 2011, unless sooner replaced by the President; Provided, however, That the incumbent CEOs and appointive members of the Board shall continue in office until their successors have been appointed by the President.<sup>10</sup>*

- 9.2. Due to the one (1) year term of office as provided in R.A. No. 10149, all GOCC Board Members including the CEOs now fall within the definition of “Non-Career Service” as stated in Executive Order No. 292 (E.O. No. 292) otherwise known as the Administrative Code of 1987, which specifically provides that Non-Career Service shall include “**Chairman and members of commissions and boards with fixed terms of office and their personal or confidential staff.**”<sup>11</sup>

#### 10. CEOs WHO WERE CESO AT PROMULGATION OF R.A. No. 10149

The rules hereunder constitute the Commission’s understanding on the applicable laws, rules and regulations pertaining to CEOs of GOCCs covered by R.A. No. 10149 who at the time of its enactment had already earned CESO title to their positions as CEO of a covered GOCC.

- 10.1. Under Section 1, Rule II of the Career Executive Service Board (CESB) Resolution No. 554,<sup>12</sup> a “CESO” is defined thus:

**Career Executive Service Officer (CESO)** – refers to one who is conferred CES Eligibility by the Board, assigned to a CES position, and appointed by the President to a CES rank upon recommendation by the Board;

- 10.2. CESOs were further classified in Rule III of CESB Resolution No. 554, “CESOs in Active and Inactive Status,” as thus:

---

<sup>10</sup> *Emphasis supplied.*

<sup>11</sup> THE ADMINISTRATIVE CODE OF 1987, Executive Order No. 292, Book V, Chapter II, Section 9, Par. 3, (25 July 1987).

<sup>12</sup> “*The Rules and Procedure Governing the Deactivation and Reactivation of Career Executive Service (CES) Ranks,*” CAREER EXECUTIVE SERVICE BOARD (CESB) Resolution 554, s. 2004, Rule II, Section 1, (15 June 2004).

**Section 1. Classification of a CESO.** There are two (2) classes of CESOs in the CES. These are **1) CESOS in active status and 2) CESOS in inactive status.** The CESOS in active status are further subclassified into Presidential and Non-presidential appointees.<sup>13</sup>

10.3. A CESO in “inactive status” is defined thus:

**7. CESO in inactive Status** – is a CESO who no longer occupies a position in the CES as a result of any of the modes of separation from the government service, provided that such separation is not due to dismissal from the service for cause.<sup>14</sup>

10.4. R.A. No. 10149 in making the Term of Office of the CEO one (1) year does not violate the security of tenure of the CESO CEO since it does not affect his/her CES eligibility. The CEO still retains his/her CES Rank and Eligibility. Upon the appointment to and the subsequent acceptance of a Board Member position, a CESO’s CES Rank is deemed merely deactivated.

10.5. Security of tenure of employees in the career executive service (except first and second-level employees in the civil service), pertains only to rank and not to the office or to the position to which they may be appointed. Thus, a career executive service officer may be transferred or reassigned from one position to another without losing his rank which follows him wherever he is transferred or reassigned. In fact, a CESO suffers no diminution of salary even if assigned to a CES position with lower salary grade, as he is compensated according to his CES rank and not on the basis of the position or office he occupies.<sup>15</sup>

10.6. **ACCEPTANCE OF CEO POSITION DEACTIVATES CES RANKS:**

(a) As stated in CESB Resolution No. 554, CESOs sitting in the CEO position of a GOCC have not been totally severed from the CES and the privileges incumbent on them. The CES Ranks of CESO individuals who are appointed as Board Members are not revoked but merely deactivated.

(b) The deactivation of the CES Rank should only be with the consent of the CESO individual who will be appointed as member of the GOCC Governing Board and elected as CEO. Consent is obtained through the voluntary acceptance of the appointment from the President of the Philippines into the GOCC Board.

---

<sup>13</sup> “The Rules and Procedure Governing the Deactivation and Reactivation of Career Executive Service (CES) Ranks,” CAREER EXECUTIVE SERVICE BOARD (CESB) Resolution 554, s. 2004, Rule III, Section 1, (15 June 2004), *Emphasis Supplied*.

<sup>14</sup> “The Rules and Procedure Governing the Deactivation and Reactivation of Career Executive Service (CES) Ranks,” CAREER EXECUTIVE SERVICE BOARD (CESB) Resolution 554, s. 2004, Rule II, Section 1, (15 June 2004).

<sup>15</sup> *General v. Roco*, G.R. No. 143366, (29 January 2001) *citing* the CAREER EXECUTIVE SERVICE HANDBOOK, 5-6, *Emphasis supplied*.

- (c) CESB Resolution No. 554 further provides the several modes of deactivating a CES rank. The following may be grounds to have one's CES rank suspended, thus:

**Section 1. Modes of Deactivating a CES Rank.** There are three (3) modes by which the CES rank of a CESO may be deactivated from the CES:

1. ***Acceptance of a position by virtue of an appointment outside the coverage of the CES;***

2. Dropping from the rolls of government officials and employees; and

3. Other modes of separation from the CES, provided that separation from the CES resulting from dismissal from the service for cause and after due process shall result in the loss of CES rank and shall not be considered as a mode of deactivation.  
x x x <sup>16</sup>

- (d) Acceptance by a CESO-nominee of his/her appointment to a GOCC Governing Board will result in only the suspension and deactivation of his/her CES Rank. The CES Rank will remain deactivated for the duration of the term of office, until the CES Rank is reactivated in accordance with the reactivation procedures as provided for by the CESB.

- (e) In accordance with Section 2, Rule IV of Resolution No. 554,<sup>17</sup> the Deactivation of CES Rank has the following effects:

**Section 2. Effect of Deactivation of CES Rank.** A CESO whose CES rank has been deactivated by the Board loses all the rights and privileges accorded to him/her by law on account of his/her CES rank.

#### 10.7. REACTIVATION OF CES RANKS:

- (a) CES Rank and privileges can be reactivated through the proper reapplication. In Section 1, Rule II of Resolution No. 554, <sup>18</sup>

**9. Reactivation of CES Rank** – refers to a process by which a CESO in an inactive status is placed by the Board in an active status after his/her appointment to a CES position and upon compliance with the requirements of the Board (CESB).

A CESO who has retired upon reaching the mandatory retirement age of sixty-five (65) shall no longer apply for

---

<sup>16</sup> *Emphasis supplied.*

<sup>17</sup> "The Rules and Procedure Governing the Deactivation and Reactivation of Career Executive Service (CES) Ranks," CAREER EXECUTIVE SERVICE BOARD (CESB) Resolution 554, s. 2004, Rule IV, Section 2, (15 June 2004).

<sup>18</sup> "The Rules and Procedure Governing the Deactivation and Reactivation of Career Executive Service (CES) Ranks," CAREER EXECUTIVE SERVICE BOARD (CESB) Resolution 554, s. 2004, Rule II, Section 1, (15 June 2004).

reactivation of his/her rank in case he/she is re-employed in government.

- (b) The process of Reactivation of CES Rank is provided for in Rule V of CESB Resolution No. 554<sup>19</sup> under the subheading "Reactivation of CES Rank by the Board."
- (c) Upon the full compliance with the Reactivation Process and upon the subsequent approval by the CESB of the application for Reactivation, the CESO whose CES Rank was Deactivated shall be returned to his/her former CES Rank without diminution of rights and privileges. Section 6, Rule V of CESB Resolution No. 554<sup>20</sup> provides:

**Section 6. Reactivation of CES Rank.** After the proper evaluation of the merits of the application, the Board, if warranted, shall reactivate the CES rank of the CESO concerned. **The CES rank to be reactivated shall be the same rank prior to the separation** from the government service, regardless of the CES position to which the CESO is presently appointed.<sup>21</sup>

- (d) Upon proper application, the CES Rank of the former CESOs are reactivated without loss of Rank. This privilege is given to such CESOs, notwithstanding their voluntary separation from the former CESO positions via the acceptance of their appointments to GOCC Boards are therefore restored.

BY AUTHORITY OF THE COMMISSION:

**SAMUEL G. DAGPIN JR.**  
*Chairman*

**MICHAEL P. CLORIBEL**  
*Commissioner*

**MARITES CRUZ-DORAL**  
*Commissioner*

<sup>19</sup> "The Rules and Procedure Governing the Deactivation and Reactivation of Career Executive Service (CES) Ranks," CAREER EXECUTIVE SERVICE BOARD (CESB) Resolution 554, s. 2004, Rule V, (15 June 2004).

<sup>20</sup> "The Rules and Procedure Governing the Deactivation and Reactivation of Career Executive Service (CES) Ranks," CAREER EXECUTIVE SERVICE BOARD (CESB) Resolution 554, s. 2004, Rule V, Section 6, (15 June 2004).

<sup>21</sup> *Emphasis supplied.*