



## **GCG MEMORANDUM CIRCULAR NO. 2012 - 12**

**SUBJECT : "NO GIFT POLICY" OF THE GOVERNANCE COMMISSION  
FOR GOCCS (GCG)**

**DATE : 18 SEPTEMBER 2012**

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### **BACKGROUND**

#### **1. CONSTITUTIONAL POLICY GOVERNING PUBLIC OFFICERS**

Section 1, Article XI of the 1987 Constitution delineates the accountability of public officers, thus:

#### **ARTICLE XI ACCOUNTABILITY OF PUBLIC OFFICERS**

**SECTION 1. PUBLIC OFFICE IS A PUBLIC TRUST. PUBLIC OFFICERS AND EMPLOYEES MUST, AT ALL TIMES, BE ACCOUNTABLE TO THE PEOPLE; SERVE THEM WITH UTMOST RESPONSIBILITY, INTEGRITY, LOYALTY, AND EFFICIENCY; ACT WITH PATRIOTISM AND JUSTICE; AND LEAD MODEST LIVES.**

The principle is reiterated in Section 1 of the Code of Conduct and Ethical Standards for Public Officials and Employees,<sup>1</sup> thus:

*SEC. 2. Declaration of Policies.* – It is the policy of the State to promote a high standard of ethics in public service. Public officials and employees shall at all times be accountable to the people and shall discharge their duties with utmost responsibility, integrity, competence, and loyalty, act with patriotism and justice, lead modest lives, and uphold public interest over personal interest.

#### **2. STATUTORY POLICIES AND RULES AGAINST ACCEPTANCE OF GIFTS BY PUBLIC OFFICERS AND EMPLOYEES.**

**2.1.** It is the policy of the Philippine Government, in line with the principle that public office is a public trust, to repress certain acts of public officers and

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<sup>1</sup>Rep. Act No. 6713.

private persons alike ***which constitute graft or corrupt practices or which may lead thereto.***<sup>2</sup>

2.2. Section 3 of the Anti-Graft and Corrupt Practices Act provides that, among other acts or omissions, the following shall constitute corrupt practices of any public officer and thereby declared to be unlawful:

“(b) “Directly or indirectly requesting or receiving any gift, present, share, percentage, or benefit, for himself or for any other person, in connection with any contract or transaction between the Government and any other party, wherein the public officer in his official capacity has to intervene under the law.”

“(c) Directly or indirectly requesting or receiving any gift, present or other pecuniary or material benefit, for himself or for another, from any person for whom the public officer, in any manner or capacity, has secured or obtained, or will secure or obtain, any Government permit or license, in consideration for the help given or to be given . . .”

2.3. Section 7(d) of the Code of Conduct and Ethical Standards for Public Officials and Employees, provides that “[p]ublic officials and employees shall not solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan or anything of monetary value from any person in the course of their official duties or in connection with any operation being regulated by, or any transaction which may be affected by the functions of their office.”

### **3. MANDATE OF GOCCs TO FORMALLY ADOPT A “NO-GIFT POLICY”.**

3.1. Whereas, under Section 29 of the Code of Corporate Governance for GOCCs,<sup>3</sup> it is mandated that “Every Governing Board shall formally adopt a ‘No Gift Policy’ within the GOCC and ensure its full advertisement to the community and its strict implementation by particular set of rules.”

3.2. Therefore, under the internal policy of the Governance Commission for GOCCs (the “Commission”) that it shall not ask of the government-owned or -controlled corporations (“GOCCs”) and their Governing Boards what the Commission itself cannot implement or undertake for itself, the Commission hereby promulgates this “No Gift Policy” for itself, its officers and employees, in all their dealings with the public.

### **THE GCG “NO GIFT POLICY”**

4. **Declaration of Policy.** – Being constituted of public servants who adhere to the principle that public office is a public trust, the Commission is committed to the highest standards of ethics and conduct. The Commission requires that all of its officers and employees practice and demonstrate equal treatment, unbiased professionalism, and non-discriminatory actions in the performance of their duties and functions, without expectation of any undue favor or reward.

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<sup>2</sup>Sec. 1, Rep. Act No. 3109, Anti-Graft and Corrupt Practices Act.

<sup>3</sup>GCG Memorandum Circular No. 2012-07.

To avoid any conflict of interest, the appearance of a conflict of interest, or the need for the Commission officers and employees to examine the ethics of acceptance, the Commission adopts this "No Gift Policy".

5. **NO GIFT POLICY.** – The Commission, its officers and employees, shall NOT SOLICIT OR ACCEPT, directly or indirectly, any gift, gratuity, favor, entertainment, loan, or use, anything of monetary value from a person, groups, associations, or juridical entities, whether from the public or the private sectors, at any time, on or off the work premises, in the course of their official duties or in connection with any operation being regulated by, or any transaction which may be affected by the functions of, their office. The prohibition shall include, but not be limited to:
  - 5.1. Honoraria given as speaker or resource person in seminars or where the Commission officer or employee is participating by reason of his/her office with the Commission.
  - 5.2. Sponsorship in any form of any of the internal programs, activities, and affairs of the Commission, such as Christmas parties, anniversary commemorations, etc.
  - 5.3. Advertisements in the publications of the Commission.
  - 5.4. Discounts, rebates, waivers and other forms of monetary incentives or benefits given to the Commission, its officers and employees, in availing of the services and/or facilities of persons or entities under the jurisdiction of the Commission.
  - 5.5. Acceptance of invitations to social lunches and dinners with persons or entities under the jurisdiction of the Commission.
6. **Exceptions.** Exempted from this "No Gift Policy" are the following:
  - 6.1. The acceptance and retention of certificates, plaques, cards, thank you notes, or other written forms of souvenir or mark of courtesy.<sup>4</sup>
  - 6.2. The acceptance of seminar bags and contents, and partaking of moderately priced meals and beverages that officers and employees obtain at events, such as conferences and seminars, and which are offered equally to all members of the public attending the event;
  - 6.3. Acceptance of books, pamphlets, publications, and data and other information or reading materials that are directly useful to the Commission in the performance of its mandates, objectives and, and which books and other materials are given by individuals or organizations that have no pending business with the Commission as to create an actual or potential conflict of interest.

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<sup>4</sup>Adopted from Section 6(i) of the Code of Conduct and Ethical Standards for Public Officials and Employees.

- 6.4. The acceptance by GCG Officers and employees of a scholarship or fellowship grant, travel grants or expense for travel taking place within or outside of the Philippines (such as allowances, transportation, food and lodging) or more than nominal value, if such acceptance is appropriate and consistent with the interests of the Government, and permitted by the Chairman of the Commission.<sup>5</sup>
- 6.5. The acceptance or availment by the Commission of grants from local or foreign institutions in the pursuit of the mandates, projects and activities, such as those coming from ADB, World Bank, USAID, etc., provided that the availment thereof shall be strictly in compliance with applicable procurement laws, rules and regulations.
7. **Requirement to Inform.** – Commission officers and employees are required to professionally inform any individual or organization with any actual or potential business with the Commission of this “No Gift Policy”, the reasons the Commission has adopted this policy, and request that such individual or organization respect such policy. Notices informing walk-in clients and visitors of the Policy shall likewise be posted in conspicuous areas within GCG premises.
8. **Return and Acknowledgement of Gift.** – If the Commission, any of its officers or employees, receives a gift covered by this policy, such gift, if feasible, shall immediately and politely be declined. In the event that it is not feasible, or it is inappropriate or impractical, to return the gift, e.g., it is a perishable item, the gift shall be donated to an appropriate charitable or social welfare institution. An acknowledgement letter shall be sent to the donor informing him/her of the “No Gift Policy” or that the gift has been returned or donated to a charitable or social welfare institution.
9. **Written Exemption.** Any exception to this “No Gift Policy” may be made only with the written permission of the Chairman of the Commission.

BY AUTHORITY OF THE COMMISSION:



CESAR L. VILLANUEVA  
*Chairman*



MA. ANGELA E. IGNACIO  
*Commissioner*



RAINIER B. BUTALID  
*Commissioner*

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<sup>5</sup>Adopted from Section 7(ii) and (iii), Code of Conduct and Ethical Standards for Public Officials and Employees.