

## **REVIEW AND COMPLIANCE COMMITTEE**

### **MEMORANDUM No. 2018 - 01**

**FOR** : All PCC Officials and Employees Concerned

**SUBJECT** : **Guidelines in the Submission of Sworn Statements of Assets, Liabilities and Net Worth (SALN) and Disclosure of Business Interests and Financial Connections (Annual Declaration)**

**DATE** : 10 April 2018

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### **I. GUIDELINES IN THE FILLING OUT OF THE SALN FORM**

#### **A. OBJECTIVES**

1. To enjoin all public officers and employees to declare and submit annually a true, detailed and sworn statement of their assets, liabilities and net worth, including disclosure of business interests and financial connections, and to declare to the best of their knowledge their relatives who are in government service; and
2. To ensure that the assets, liabilities, net worth, financial connections and business interests of the declarant's spouse and unmarried children below eighteen (18) years of age living in declarant's household are also disclosed.

#### **B. GOVERNING LAW**

For purposes of declaring one's assets, liabilities, and net worth, the governing law shall be the Republic Act (RA) No. 6713 or the Code of Conduct and Ethical Standards for Public Officials and Employees, and its implementing rules and regulations.

#### **C. SCOPE**

The following are required to submit their SALN and Annual Declaration:

1. All PCC officials and employees holding plantilla positions;
2. New appointees upon their assumption of office; and
3. Those resigning from PCC or retiring from service.

## **D. RULES IN ACCOMPLISHING THE SALN FORM**

*(For definition of terms, please refer to Annex A.)*

### 1. BASIC INFORMATION

- 1.1. Spouses who are both public officers and employees shall have the option to file their SALN either jointly or separately.
- 1.2. In case the declarant is single or married but whose spouse is not in the government service, he/she shall tick off the box marked as “Not Applicable.”.
- 1.3. In case of joint filing, all real and personal properties shall be declared including their respective paraphernal and capital property, if there are any.
- 1.4. The change of civil status of the declarant after December 31 of the preceding year shall not affect the nature of the properties declared.
- 1.5. Declarant must provide the information required for all his/her unmarried children below eighteen (18) years of age and living in his/her household, whether legitimate or illegitimate.
- 1.6. The declarant shall provide information on his/her address. However, whenever a third-party requests for a copy of the SALN Form of the declarant, the agency has the option to shade the declarant’s address for purposes of security.

### 2. ASSETS, LIABILITIES, AND NET WORTH

- 2.1. The SALN shall contain a true and complete declaration of assets, liabilities and net worth, including a disclosure of business interests and financial connections of the declarant, his/her spouse and unmarried children below eighteen (18) years of age living in his/her household.
- 2.2. It shall also contain a disclosure of the declarant’s relatives within the 4th degree of consanguinity and affinity who are in government service.
- 2.3. Assets include those within or outside the Philippines, whether real or personal, whether used in trade or business.

### 3. REAL PROPERTIES

- 3.1. Declaration of real properties shall include its description, kind, location, year and mode of acquisition, assessed value, fair market value, acquisition cost of land, building, etc., including improvements thereon.
- 3.2. In declaring an improvement to the land, the declarant may opt to declare it separately or together with the land to which such improvement is attached.
- 3.3. The declarant shall indicate those real properties which are already titled or registered under his/her name, the name of his/her spouse, or under the name of his/her unmarried children below 18 years of age who are living in the declarant's household. However, real properties already covered by a deed of sale, inherited or subject of an extrajudicial settlement of estate but not yet titled under declarant's name shall also be disclosed.
- 3.4. In case of properties received gratuitously, e.g. donation or inheritance, no acquisition cost shall be declared. However, the fair market value and the assessed value of said properties as found in the tax declaration thereof must be declared.

### 4. PERSONAL PROPERTIES

- 4.1. Declaration of personal properties shall include mode, year and cost of acquisition, or the value or amount of said personal properties.
- 4.2. Personal properties collectively acquired or are of minimal value may be declared generally or collectively. In which case, the declarant may write/indicate "various years" under the column for "Year Acquired".
- 4.3. In case of properties which are co-owned with other individuals, the declarant shall disclose the proportionate amount of his share in the property.
- 4.4. With regard to properties which are subject of a contract to sell, the amount already paid by declarant shall be declared as personal property.
- 4.5. Properties which are subject of either a chattel or real estate mortgage shall be declared in the SALN form. The acquisition cost to be declared shall be the actual purchase price, and the liability to be declared shall be the outstanding balance of the loan as of December 31 of the preceding calendar year.

4.6. Personal properties, such as cash on hand and in bank, as well as stocks and the like, denominated in foreign currency shall be converted into the corresponding Philippine currency equivalent at the rate of exchange prevailing as of December 31 of the preceding calendar year.

5. LIABILITIES

5.1. Under liabilities, the nature of liability, name of creditors and the outstanding balance shall be indicated. The outstanding balance shall refer to the amount of money that is still due as of December 31 of the preceding calendar year.

6. COMPUTATION OF NET WORTH

6.1. Net worth is the sum of all assets (real and personal) less total liabilities.

7. FINANCIAL CONNECTIONS AND BUSINESS INTERESTS

7.1. The declarant, including that of his/her spouse and unmarried children below eighteen (18) years of age living in declarant's household, shall declare their existing interest or connection in any business enterprise or entity, aside from income from government.

7.2. They shall also indicate the business address, nature of business interest and/or financial connection, and date of acquisition of interest or connection.

7.3. In case there are no existing business interests and financial connections in any business enterprise or entity, the declarant shall tick off the appropriate box in the form and indicate "Not Applicable."

8. RELATIVES IN THE GOVERNMENT

8.1. The declarant shall disclose his/her relatives in the government within the 4th civil degree of relationship, either by consanguinity or affinity.

8.2. The disclosure shall also state his/her relationship with the relative, the position of the relative as well as the name of office/agency and address.

8.3. In case the declarant and his/her spouse jointly file their SALN, they shall indicate all their relatives within the 4th civil degree, either by consanguinity or affinity, and shall include the above-mentioned information.

- 8.4. In case the declarant has no relatives in the government within the 4th civil degree of relationship, either by consanguinity or affinity, including bilas, inso, and balae, the declarant shall tick off the appropriate box in the form and indicate “Not Applicable”.

9. OTHER MATTERS

- 9.1. The declarant is strictly required to fill all applicable information in the SALN form. Otherwise, such items should be marked with “N/A” or “not applicable”. The term “N/A” should be provided in each space. Placing a single term “N/A” in all spaces is not acceptable.
- 9.2. In case of joint filing, the declarant and his/her spouse shall sign in the spaces provided for just below the certification.
- 9.3. If the spouse is not a public officer or employee, the declarant shall still cause him/her to sign the SALN.
- 9.4. In case of non-compliance with the signature of the spouse, an explanation should be attached to the SALN form for such non-compliance.
- 9.5. Filling up of the form may be hand written, computerized, or typewritten provided the signature of the declarant is handwritten and original. The declarant is required to write legibly if he/she chose to fill up the form by handwriting.
- 9.6. The SALN form shall be printed in 8.5” x 13” paper. To prevent unauthorized insertions or pull out of pages, pagination shall read as page 1 of <the number of pages>, page 2 of <the number of pages>, and so on.

**II. SUBMISSION OF THE SALN FORM**

1. UNDER OMNIBUS RULES, RULE VII, SECTION 1B

- 1.1. Employees: On or before 30 April of every year in which the statement must be reckoned as of the end of the preceding year
- 1.2. New Employees: Within thirty (30) days after hiring, statements must be reckoned as of his first day of service
- 1.3. Separated Employees: Within thirty (30) days after separation from service, statements must be reckoned as of his last day

## 2. REVIEW AND COMPLIANCE COMMITTEE<sup>1</sup>

For purposes of the filing and submission of the SALN for Employees on or before 30 April of every year (1.1. of the preceding paragraph), the following guidelines shall be observed by the PCC officials and employees concerned:

- 2.1. Declarants shall submit the SALN to the RCC before having their oaths administered to ensure that the form is properly filled, and to avoid the resubmission of the revised SALN form to the Administering Officer.
- 2.2. In this regard, the SALN shall be submitted to the RCC on or before the date set in its pertinent issuance. This will allow the RCC sufficient time to review and evaluate the completeness and propriety of SALNs filed, and inform the concerned declarants to complete the data in their SALN or correct/supply the necessary information.
- 2.3. The RCC shall return the SALN to the declarant with its clearance/endorsement for administration of oath. The declarant shall have the option to have his/her oath administered by the PCC's Administering Officers<sup>2</sup> or by a notary public.
- 2.4. The RCC shall submit the list of employees who filed their SALN with complete and incomplete data, or who did not file their SALN, to the office of the PCC Chairman, copy furnished the CSC, on or before 15 May of every year.
- 2.5. In accordance with the procedures provided in CSC MC No. 3, s. 2013, and pursuant to its authority under Special Order No. 2018-082, the RCC shall issue compliance and/or show-cause orders where necessary, and recommend appropriate action to the PCC Chairman through the Executive Director.

For purposes of the filing and submission of the SALN for New Employees and Separated Employees (1.2. and 1.3. of the preceding paragraph), submission to the RCC for review is optional.

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<sup>1</sup> In accordance with Civil Service Commission (CSC) Resolution No. 1300455, in relation to PCC Special Order No. 2018-082 constituting the PCC-Review and Compliance Committee (RCC).

<sup>2</sup> Special Order No. 2017-021 designated Attys. Gianfrancis S. Camacho and Ma. Mercedes Leanne Antonia B. Torrijos as PCC's Administering Officers for the SALN of PCC Officials and Employees.

3. HUMAN RESOURCE DEVELOPMENT DIVISION (HRDD)

After the oath is administered in accordance with paragraph 2.3 of Item II.2 hereof, the declarant must submit four (4) original copies of the sworn SALN to the Human Resource Development Division **on or before 27 April of every year**, for submission to the appropriate repository agency.<sup>3</sup>

**III. FAILURE TO SUBMIT THE SALN FORM**

1. Failure of an official or employee to correct/submit his/her SALN in accordance with the procedures and within the periods specified herein, or as provided in the RCC's issuances, is classified as a *less grave offense* and, pursuant to Section 50(D)(8) Rule 10 of the 2017 Rules on Administrative Cases in the Civil Service, is punishable as follows:

*First Offense* - *Suspension of one (1) month and one (1) day to six (6) months*

*Second Offense* - *Dismissal from the service*

2. Officials or employees who submit their SALN beyond the periods specified herein or in the issuances made by the RCC, or who fail to comply within the period specified in the compliance order of the RCC in accordance with paragraph 2.5 of Item II.2 hereof, shall be considered as not having filed their SALN and shall be made liable for the same sanctions provided above.

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<sup>3</sup> In accordance with CSC MC No. 3 s. 2015, the repository agency for the SALN of the Chairman, Commissioners and Executive Director is the Office of the President (OP), and the CSC for of all other PCC officers and employees. The deadline for the submission of SALN to the OP is on 30 April of every year.

## ANNEX A DEFINITION OF TERMS

Acquisition Cost	Refers to the amount of money paid to acquire or own something. This also refers to the amount of expenses incurred for improvements introduced on a real property. For purposes of computing the declarant's net worth, the acquisition cost shall be made the basis thereof.
Affinity	Refers to the relationship of a husband to the blood relatives of his wife, or a wife to the blood relatives of her husband.
Assessed Value	For purposes of declaration in the SALN, this refers to the amount indicated in the tax declaration of the real properties involved.
Asset	Refers to the declarant's real and personal properties, including those of his/her spouse and unmarried children below eighteen (18) years of age living in his/her household.
<i>Balae</i>	Refers to the parent of the declarant's son-in-law or daughter-in-law.
<i>Bilas</i>	Refers to a declarant's brother-in-law's wife or sister-in-law's husband.
Business Interest	Refers to the declarant's existing interest in any business enterprise or entity, aside from his/her income from the government. This also includes those of his/her spouse and unmarried children below eighteen (18) years of age living in his/her household
Capital Property	Refers to the properties exclusively owned by the husband.
Consanguinity	Refers to the relationship by blood from the same stock or common ancestor.
Contract to Sell	A bilateral contract whereby the prospective seller, while expressly reserving the ownership of the subject property despite delivery thereof to the prospective buyer, binds himself to sell the said property exclusively to the prospective buyer upon fulfillment of the condition agreed upon, that is, full payment of the purchase price. (Coronel vs. CA, 331 Phil. 294,1996)



Fair Market Value	For purposes of declaration in the SALN, this refers to the amount indicated as market value in the tax declaration of the real properties concerned.
Financial Connections	Refer to the declarant's existing connections with any business enterprise or entity, whether as a consultant, adviser and the like, with an expectation of remuneration for services rendered, including those of his/her spouse and unmarried children below eighteen (18) years of age living in his/her household.
Improvements	Refer to all works that are constructed or introduced to the land, or repairs or improvements made to the land or building after its initial acquisition.
<i>Inso</i>	Refers to the appellation for the wife of an elder brother or male cousin.
Liability	Refers to financial liability or anything which can result to a transfer or disposal of an asset. It includes not only those incurred by the declarant, but also those of his/her spouse and unmarried children below eighteen (18) years of age living in his/her household.
Nature of liability	Refers to the type of loan obtained from banks, financial institutions, GSIS, PAG-IBIG and others, such as personal, multi-purpose, salary, calamity loan, etc.
Nature of business interest and/or financial connection	Refers to existing interest or connection in any business enterprise, whether as proprietor, investor, promoter, partner, shareholder, officer, managing director, executive, creditor, lawyer, legal consultant or adviser, financial or business consultant, and the like.
Outstanding Balance	Refers to the amount of money which the declarant still owes on his or her loan as of December 31 of the preceding calendar year.
Paraphernal Property	Refers to the properties exclusively owned by the wife.
Personal Properties	Refer to jewelry, appliances, furniture, motor vehicles, and other tangible/movable properties. Also includes investments or other assets, such as cash in bank, negotiable instruments, securities, stocks, and bonds.

Real Properties	Refer to properties which are immovable by nature. For the purpose of SALN, the kind of real properties are classified according to their use: residential, commercial, agricultural, industrial, or mixed use and the like.
Relatives in the Government	Refer to the declarant's relatives up to the 4 <sup>th</sup> civil degree of relationship, either by consanguinity or affinity, including <i>bilas</i> , <i>inso</i> , and <i>balae</i> .
1 <sup>st</sup> degree of consanguinity	Includes the declarant's father, mother, son/s, and daughter/s.
1 <sup>st</sup> degree of affinity	Includes the declarant's father-in-law and mother- in-law.
2 <sup>nd</sup> degree of consanguinity	Includes the declarant's brother, sister, grandmother, grandfather, grandson and granddaughter
2 <sup>nd</sup> degree of affinity	Includes the declarant' s brother-in-law, sister-in-law, grandmother-in-law.
3 <sup>rd</sup> degree of consanguinity	Includes the declarant's nephew, niece, uncle and aunt.
3 <sup>rd</sup> degree of affinity	Includes declarant's nephew-in-law, niece-in-law, uncle-in-law, auntie-in-law.
4 <sup>th</sup> degree of consanguinity	Includes the declarant's first cousins.
4 <sup>th</sup> degree of affinity	Includes the declarant's first cousin-in-law.