



MEMORANDUM ORDER NO. 20-038-18
Series of 2020

SUBJECT : REVISED GUIDELINES IN THE REVIEW AND COMPLIANCE PROCEDURES IN THE FILING AND SUBMISSION OF STATEMENT OF ASSETS, LIABILITIES AND NETWORTH AND DISCLOSURE OF BUSINESS INTEREST AND FINANCIAL CONNECTIONS

This guideline is hereby issued for the review and compliance procedure for the filing and submission of SALN and disclosure of business interest and financial connections of Plantilla Personnel of the Cagayan Economic Zone Authority (CEZA).

I. Legal Basis

- a. Section 8 of Republic Act 6713 or the “Code of Conduct and Ethical standards for Public Officials and Employees;
- b. CSC Memorandum Circular No. 10 series of 2006 on the “Review and Compliance Procedure in the Filing and Submission of Assets, Liabilities and Networth and Disclosure of Business Interest and Financial Connections”;
- c. CSC Resolution No. 1300455 dated March 4, 2013 on the “Review and Compliance Committee for the Statement of Assets, Liabilities and Networth (SALN); and
- d. Office of the Ombudsman Memorandum Circular No. 2 dated August 2, 2017 or the “Additional Guidelines on the Submission of Statement of Assets, Liabilities, and Net Worth (SALNs) and Disclosures of Business Interests and Financial Connection to the Office of the Ombudsman as required under Section 8 of Republic Act No. 6713.

II. Purpose

- a. The 1987 Constitution of the Republic of the Philippines requires public officers and employees to submit upon assumption of office and during such period as may be required by law, a declaration under oath of their assets, liabilities and networth (SALN). The same shall be accomplished under oath as the public has the right to know their assets, liabilities, networth and financial and business interests including their spouses and unmarried children below eighteen (18) years of age living in their households. As it is endowed with public interest, there is a need to establish a review and compliance procedure in the filing and submission thereof thus this Memorandum Order.
- b. To require all Plantilla Employees of the Cagayan Economic Zone Authority (CEZA) to declare and submit detailed statement of Assets and Liabilities, including disclosure of business interests, financial connection(s) and Relative(s) in the government service, pursuant to CSC Memorandum Circular No. 03. Series



of 2015 dated 17 February 2015, in conjunction to Republic Act (RA) 6713 (Code of Conduct and Ethical Standards for Public Officials and Employees); and

- c. To provide guidelines and procedures in the proper filling out and disposition of SALN.

III. Coverage

This covers all Plantilla Personnel regardless of employment status.

IV. Operational Guidelines

1. GENERAL INFORMATION AND GUIDELINES:

- a. CEZA Plantilla personnel required by law to file SALN shall, within 30 days after assumption of office, and on or before 30 April of every year thereafter, and within 30 days following separation/retirement from the service, accomplish and declare under oath, his/her Assets Liabilities, Networth, and Financial connection and Business Interest including that of the spouse, If married and of unmarried children below 18 years of age, living with the Declarant;
- b. Within 30 days from the date of assumption of office, the personnel concerned shall be required to sign/execute document giving authority in favor of the Ombudsman to obtain from all appropriate government agencies, such documents as may show assets, liabilities, and also business interest(s) and financial connection(s) in previous years, Including the year they first assumed office in the government;
- c. Personnel shall identify and disclose to the best of his/her knowledge and information, relatives in government. up to the fourth (4th) civil degree of relationship, either by consanguinity or affinity;
- d. SALN may be available to the public for scrutiny upon showing legitimate purpose thereof. Reasonable charges to cover cost of reproduction, mailing, certification may be assessed. For security reason, the address of the Declarant and that of his/her spouse and children may be shaded;
- e. Spouses who are both public officer/employee shall have the option to file either jointly or separately. In case of joint and separate filing. All real and personal properties shall be declared, including their respective capital and paraphernal properties. However, in separate filing, properties shall be declared, but only properties as pertains to the Declarant shall be computed;
- f. In case where the Declarant's spouse or children (below 18 years of age, living with the Declarant) has properties to declare that cannot be accommodated in the SALN Form, additional sheet may be used to be attached as an Integral part thereof.

2. CONTENT OF THE STATEMENTS AND DISCLOSURES:

2.1 ASSET - Include personal and real properties located within or outside the Philippines, whether used in trade or business, owned by the Declarant, including those of spouse and unmarried children below 18 years of age living in his/her household.

2.1.1 **Real Property** - refers to property which is immovable by nature. It shall indicate description, such as land, or land with building, a house, a house and lot, condominium unit or improvement. I.e. extension of the house or garage, and the like. It shall also be classified/described according to use, i.e, residential, commercial, agricultural, industrial, or mixed, etc.

- a. Declaration of real property shall indicate its Description, Kind, Exact Location, Year and Mode of Acquisition, Assessed Value. Fair Market Value. Acquisition Cost, including Improvements thereon.
- b. The Declarant shall indicate whether property is titled, covered by a deed of sale, inherited, donated or subject of an extrajudicial settlement of estate but whose title is not yet transferred.
- c. Assessed Value -the amount indicated in the Tax Declaration of the real property issued by the Local Government Unit (LGU) (Assessor Office) where the property is located.
- d. Fair Market Value - the prevailing rate of the property In an area/community indicated in the Tax Declaration of the real property concerned.
- e. Improvement(s) - work(s) made and/or introduced that add value to the property, such as development, repair/renovation made on the land or building after acquisition. Improvement to the land or building/structure maybe declared either separately or integrated with the land to which the improvement pertains.
- f. Acquisition Cost - amount of money paid to acquire the property. It may also mean expenses incurred for the manufacture and construction of property. For property received gratuitously, e.g. donation or inheritance, no acquisition cost shall be declared thereof. However, the fair market value and the assessed value of the said property must be declared.

2.1.2 **Personal Property** - Items that are generally movable/tangible, such as firearm, jewelry, appliance, furniture, motor vehicle, etc. It shall also include investment, Cash on Hand/Bank, negotiable instrument, securities, stock, bond, and the like.

- a. Entry shall indicate the date/year, mode and cost of acquisition or the value of the said property.
- b. Personal properties collectively acquired that are considered of minimal value, such as books, clothing, etc., maybe declared collectively, indicating there in the estimated total cost, in which case, the Declarant may indicate "accumulated" under the column for Year Acquired.
- c. Personal property, such as Cash on Hand/Bank, as well as stocks and the like, denominated in foreign currency shall be converted in Philippine currency, computed at the prevailing exchange rate as of 31 December of the period covered.
- d. Property owned with other individuals shall disclose/indicate only the proportionate value/share in the property.
- e. Property subject of either a chattel or real estate mortgage shall be declared. The acquisition cost shall carry the actual lease/mortgage price.
- f. Property being paid on installment basis shall declare the total contract price with the outstanding balance of the loan as of 31 December of the year covered to be treated as Liability.

2.2 LIABILITY - refers to financial obligation or anything that may result to a transfer or disposal of an asset. It includes not only those incurred by the Declarant but that of his/her spouse and unmarried children below 18 years of age living in his/her household. Liability exclusively incurred by either spouse, without the consent of the other shall be considered as exclusive/separate liability. It shall indicate the nature of liability, name of creditor(s) and the outstanding balance.

- a. Outstanding balance - refers to the amount of money that is still due and demandable as of 31 December of the year covered.
- b. Nature of Liability - refers to the type of loan obtained, such as Government Service Insurance System (GSIS), Pag-IBIG Fund, and the like.

2.3 NETWORTH - the amount by which asset exceeds liability. It is the sum total of assets (real and personal) less liability. The acquisition cost both in personal and real properties shall be used as baseline in the computation of Networth.

- a. In case of separate filing by married Individuals, Networth shall be computed from the properties and liabilities pertaining only to the Declarant.

- b. For married Individuals opting for joint filing, the total assets and liabilities of both the Declarant and the spouse (capital and paraphernal, assets and their respective liabilities) shall be the basis in the computation of Networth. Excluded in the computation are real and personal properties of unmarried children below 18 years of age living in the Declarants household.
- c. Capital and Paraphernal properties- refer to both personal and real properties that are exclusively owned by either, the husband or the wife, as provided in the Family Code, as follows:
 - i. Property acquired during the marriage by gratuitous title, by either spouse, and the fruits as well as the income, if any, unless otherwise expressly provided by the donor, testator or grantor that they form part of the community property;
 - ii. Property for personal and exclusive use of either spouse, such as jewelry. etc; and
 - iii. Property acquired before the marriage by either spouse who has legitimate descendants by a former marriage, and the fruits as well as the income, if any, of such property (Article 92, Family Code).
- d. Conjugal or Common property - refers to property acquired during the marriage, whether the acquisition appears to have been made, contracted or registered in the name of one or both spouses, unless proven to be excluded (Article 116, Family Code). The following are conjugal properties;
 - i. Property(ies) acquired by onerous title during the marriage at the expense of the common fund, whether the acquisition be for the partnership, or for only one of the spouses;
 - ii. Property(ies) obtained from labor, industry, work, occupation or profession of either or both of the spouses, such as fishing or hunting;
 - iii. Fruits, natural, industrial, or civil, due or received during the marriage from the common property, as well as the net fruits from the exclusive property of either spouse;
 - iv. Share of either spouse in the hidden treasure which the law awards to the finder or owner of the property where the treasure is found; and
 - v. Property(ies) acquired by chance, such as winnings from gambling or betting.

- 2.4 **FINANCIAL CONNECTION AND BUSINESS INTEREST(S)** - refers to other sources of income or existing interests in any business enterprise or entity, aside from salary In the government. It may also mean the Declarants existing relation with any business enterprise or entity, as owner/proprietor, investor, promoter, partner, shareholder, officer, managing director, executive, creditor, lawyer, legal consultant or adviser, with an expectation of remuneration for the service rendered or investment made.
- 2.5 **RELATIVE(S) IN GOVERNMENT** - refers to the Declarant's degree of relationship, either by consanguinity or affinity up to the fourth (4th) civil degree of relationship. The Declarant shall Indicate his/her relationship, the position as well as the name of office/agency and address of the relative.
- i. Relative by Consanguinity - refers to the relationship by bloodline from the same stock or common ancestor.
 - ii. Relative by Affinity - refers to the relationship of one spouse to the relatives by blood of the other spouse, including Bilas, Inso and Balae. Balae refers to a parent of the Declarant's son or daughter-in-law. Bilas refers to a Declarant's brother/sister-in-law of either spouse. Inso refers to the appellation for the wife of an elder brother or male cousin.

3. INSTRUCTIONS:

- 3.1 In order to prevent unauthorized insertion or pulling out of pages, pagination shall be numbered consecutively and read as page 1 of the total number of pages (page 1 of 3 pages), and so on.
- 3.2 In case of married individuals whose spouse is not employed in government and those both in government opting for separate and joint filing, both spouses shall sign to indicate concurrence. If not available, such as when one is overseas or is physically incapable or actually separated, an explanation shall be provided in a separate sheet, as annex, to be made an integral part of the SALN.
- 3.3 Filling up of SALN may be handwritten, computerized or typewritten with original signatures in all the copies. In case of handwritten, the Declarant is required to write legibly. No unnecessary marking shall be made on the form. In case of mistake/erasure, the wrong entry shall be marked with a single horizontal line to be initialed by the Declarant.
- 3.4 Additional sheet, as provided for in the CSC Memorandum Circular No 03 dated 17 February 2015, may be used, as necessary.
- 3.5 Release of copy of SALN shall be acted only upon request of the person concerned as approved by the person in authority.
- 3.6 Copy of SALN shall be retained within ten (10) years. After which, the same may be disposed, unless needed in an ongoing investigation or trial.

4. REVIEW AND COMPLIANCE COMMITTEE

- a. There shall be a Review and Compliance Committee created, with the following duties and responsibilities:
 - i. Check the completeness of SALN submitted by personnel and employees and to issue Compliance Order thereof. It shall also require those with incomplete data to correct/supply the desired information and those who did not file/submit SALNs to comply within a non-extendible period of 30 days from receipt of the said Order.
 - ii. Evaluate the submitted SALN, if the same has been submitted on time, complete and in proper form;
 - iii. Prepare a list of all submitted SALN in alphabetical order, to be submitted to the Administrator and Chief Executive Officer, copy furnished the Civil Service Commission on or before May 15 of every year, in the following order:
 - a. Those who filed their SALNs with complete data;
 - b. Those who filed their SALNs but with incomplete data; and
 - c. Those who did not file their SALNs.
 - iv. Render opinion interpreting the provision on review and compliance procedure in the filing thereof.
- b. The following personnel shall compose the Review and Compliance Committee:

Official Representative of the A/CEO	- Chairman
Department Manager, Support Services	- Vice Chairman
Head of the Legal Department	- Member/Secretariat
Head of the Finance Services	- Member

5. DUTY OF ADMINISTRATOR AND CHIEF EXECUTIVE OFFICER

Upon receipt of the aforementioned list and recommendation, it shall be the duty of the Administrator and Chief Executive Officer to issue an order requiring those who have incomplete data in their SALN to correct/supply the desired information and those who did not file/submit their SALNs to comply within a non-extendible period of three (3) days from receipt of said order.

Assets and/or properties acquired, donated or transferred for a particular year, but were not declared on their SALN for that year, as the same came to his/her knowledge only after he/she has filed, corrected and/or submitted his/her SALN, must declared or reflected in the next succeeding SALN.

6. DUTY OF THE HUMAN RESOURCE SECTION

It shall be the duty of the Head of the Human Resource Section to receive the SALN forms of all CEZA Official and Employees.

7. DUTY OF THE RECORDS MANAGEMENT SECTION

- a. It shall be the duty of the Head of the Records Management Section, being the repository of all document of CEZA, to file and secure the second copy (original) of the SALN of all CEZA Official and Employees.
- b. Submit all original (hard) copies of the SALNs received, together with electronic copies, on or before June 30 of every year to the Office of the Ombudsman Central Office or its respective area or sectoral offices.
- c. It shall maintain an electronic database and shall be the sole authority to make certifications/authentication for copies from individuals, agencies outside the CEZA.

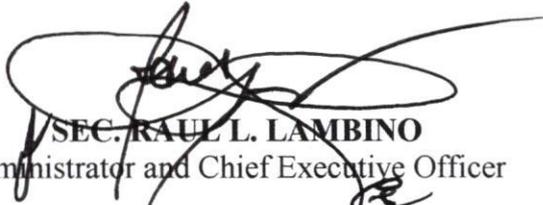
8. SANCTION FOR FAILURE TO COMPLY/ISSUANCE OF A SHOW CAUSE ORDER

Failure to correct/submit SALN in accordance with the procedure and within the given period pursuant to the directive of the Administrator and Chief Executive Officer shall be a ground for disciplinary action. The Administrator and CEO shall issue a show-cause order directing the concerned employee to submit his/her comment or counter-affidavit and if the evidence so warrants, proceed with the conduct of the administrative proceedings pursuant to the 2017 Revised Rules of Administrative Cases in the Civil Service. The offense for failure to file and/or submit SALN shall be:

- 1st Offense – Suspension for one (1) month and one (1) day to six (6) months
- 2nd Offense – Dismissal from the Service

V. EFFECTIVITY

This Order shall take effect immediately and shall remain in full force and effect until revised and revoked.


SEC. RAUL L. LAMBINO
Administrator and Chief Executive Officer

Date : AUGUST 19, 2020

