

REPUBLIC OF THE PHILIPPINES

EXECUTIVE ORDER NO. 292

INSTITUTING THE "ADMINISTRATIVE CODE OF 1987"

July 25, 1987

WHEREAS, the Administrative Code currently in force was first forged in 1917 when the relationship between the people and the government was defined by the colonial order then prevailing;

WHEREAS, efforts to achieve an integrative and over-all recodification of its provisions resulted in the Administrative Code of 1978 which, however, was never published and later expressly repealed;

WHEREAS, the effectiveness of the Government will be enhanced by a new Administrative Code which incorporates in a unified document the major structural, functional and procedural principles and rules of governance; and

WHEREAS, a new Administrative Code will be of optimum benefit to the people and Government officers and employees as it embodies changes in administrative structures and procedures designed to serve the people;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, by the powers vested in me by the Constitution, do hereby promulgate the Administrative Code of 1987, as follows:

INTRODUCTORY PROVISIONS

Sec. 1. Title. - This Act shall be known as the "Administrative Code of 1987."

Sec. 2. General Terms Defined. - Unless the specific words of the text, or the context as a whole, or a particular statute, shall require a different meaning:

(1) "Government of the Republic of the Philippines" refers to the corporate governmental entity through which the functions of government are exercised throughout the Philippines, including, save as the contrary appears from the context, the various arms through which political authority is made effective in the Philippines, whether pertaining to the autonomous regions, the provincial, city, municipal or barangay subdivisions or other forms of local government.

(2) "National Government" refers to the entire machinery of the central government, as distinguished from the different forms of local

governments.

(3) "Local Government" refers to the political subdivisions established by or in accordance with the Constitution.

(4) "Agency of the Government" refers to any of the various units of the Government, including a department, bureau, office, instrumentality, or government-owned or controlled corporations, or a local government or a distinct unit therein.

(5) "National agency" refers to a unit of the National Government.

(6) "Local agency" refers to a local government or a distinct unit therein.

(7) "Department" refers to an executive department created by law. For purposes of Book IV, this shall include any instrumentality, as herein defined, having or assigned the rank of a department, regardless of its name or designation.

(8) "Bureau" refers to any principal subdivision or unit of any department. For purposes of Book IV, this shall include any principal subdivision or unit of any instrumentality given or assigned the rank of a bureau, regardless of actual name or designation, as in the case of department-wide regional offices.

(9) "Office" refers, within the framework of governmental organization, to any major functional unit of a department or bureau including regional offices. It may also refer to any position held or occupied by individual persons, whose functions are defined by law or regulation.

(10) "Instrumentality" refers to any agency of the National Government, not integrated within the department framework vested within special functions or jurisdiction by law, endowed with some if not all corporate powers, administering special funds, and enjoying operational autonomy, usually through a charter. This term includes regulatory agencies, chartered institutions and government-owned or controlled corporations.

(11) "Regulatory agency" refers to any agency expressly vested with jurisdiction to regulate, administer or adjudicate matters affecting substantial rights and interests of private persons, the principal powers of which are exercised by a collective body, such as a commission, board or council.

(12) "Chartered institution" refers to any agency organized or operating under a special charter, and vested by law with functions relating to specific constitutional policies or objectives. This term includes the state universities and colleges and the monetary authority of the State.

(13) "Government-owned or controlled corporation" refers to any agency organized as a stock or non-stock corporation, vested with functions relating to public needs whether governmental or proprietary in nature, and owned by the Government directly or through its instrumentalities either wholly, or, where applicable as in the case of stock corporations, to the extent of at least fifty-one (51) per cent of its capital stock: Provided, That government-owned or controlled corporations may be further categorized by the Department of the Budget, the Civil Service Commission, and the Commission on Audit for purposes of the exercise and discharge of their respective powers, functions and responsibilities with respect to such corporations.

(14) "Officer" as distinguished from "clerk" or "employee", refers to a person whose duties, not being of a clerical or manual nature, involves the exercise of discretion in the performance of the functions of the government. When used with reference to a person having authority to do a particular act or perform a particular function in the exercise of governmental power, "officer" includes any government employee, agent or body having authority to do the act or exercise that function.

(15) "Employee", when used with reference to a person in the public service, includes any person in the service of the government or any of its agencies, divisions, subdivisions or instrumentalities.

BOOK I

SOVEREIGNTY AND GENERAL ADMINISTRATION

Chapter 1

THE NATIONAL TERRITORY

Sec. 3. What Comprises National Territory. - The national territory comprises the Philippine archipelago, with all the islands and waters embraced therein, and all other territories over which the Philippines has sovereignty or jurisdiction, consisting of its terrestrial, fluvial, and aerial domains, including its territorial sea, the seabed, the subsoil, the insular

shelves, and other submarine areas. The waters around, between, and connecting the islands of the archipelago, regardless of their breadth and dimensions, form part of the internal waters of the Philippines.

Sec. 4. Territorial Subdivision of the Philippines. - The territorial and political subdivisions of the Philippines are the autonomous regions, provinces, subprovinces, cities, municipalities and barangays.

Chapter 2 THE PEOPLE

Sec. 5. Who are Citizens. - The following are the citizens of the Philippines:

- (1) Those who are citizens of the Philippines at the time of the adoption of the Constitution;
- (2) Those whose fathers or mothers are citizens of the Philippines;
- (3) Those born before January 17, 1973, of Filipino mothers, who elect Philippine citizenship, unless by the act or omission they are deemed, under the law, to have renounced it.

Sec. 6. Effect of Marriage. - Citizens of the Philippines who marry aliens shall retain their citizenship, unless by their act or omission they are deemed, under the law, to have renounced it.

Sec. 7. Natural-born Citizen. - Natural-born citizens are those who are citizens of the Philippines from birth without having to perform any act to acquire or perfect their Philippine citizenship. Those who elect Philippine citizenship in accordance with the Constitution shall be deemed natural-born citizens.

Sec. 8. Loss or Reacquisition of Citizenship. - Philippine citizenship may be lost or reacquired in the manner provided by law.

Sec. 9. Dual Allegiance. - Dual allegiance is inimical to the national interest and shall be dealt with by law.

Chapter 3 STATE IMMUNITY FROM SUIT

Sec. 10. Non-suability of the State. - No suit shall lie against the State except with its consent as provided by law.

Sec. 11. The State's Responsibility for Acts of Agents. - (1) The State shall be legally bound and responsible only through the acts performed in accordance with the Constitution and the laws by its duly authorized representatives.

(2) The State shall not be bound by the mistakes or errors of its officers or agents in the exercise of their functions.

Chapter 4 NATIONAL SYMBOLS AND OFFICIAL LANGUAGES

Sec. 12. National Flag. - (1) The flag of the Philippines shall be red, white and blue, with a sun and three stars, as consecrated and honored by the people and recognized by law.

(2) The custody, ceremonial use, occasion and manner of display, and the proper care and disposition of the flag shall be governed by appropriate rules and regulations.

Sec. 13. National Anthem. - Until otherwise provided by law, the musical arrangement and composition of Julian Felipe is adopted as the national anthem. It shall be sung or played upon the opening or start of all state celebrations or gatherings and on such other occasions as may be prescribed by appropriate rules and regulations.

Sec. 14. Arms and Great Seal of the Republic of the Philippines. - (1) The Arms shall have paleways of two (2) pieces, azure and gules; a chief argent studded with three mullets equidistant from each other; and, in point of honor, ovoid argent over all the sun rayonnant with eight minor and lesser rays. Beneath shall be a scroll with the words "Republic of the Philippines, " or its equivalent in the national language, inscribed thereon.

(2) The Great Seal shall be circular in form, with the arms as described in the preceding paragraph, but without the scroll and the inscription thereon, and surrounding the whole, a double marginal circle within which shall appear the words "Republic of the Philippines," or its equivalent in the national language. For the purpose of placing the Great Seal, the color of the arms shall not be deemed essential.

Sec. 15. Use and Custody of Great Seal. - The Great Seal shall be affixed to or placed upon all commissions signed by the President and upon such other official documents and papers of the Republic of the

Philippines as may be required by custom and usage. The President shall have custody of the Great Seal.

Sec. 16. Arms, Seals and Banners of Government Offices. - The various offices of government may adopt appropriate coats-of-arms, seals and banners.

Sec. 17. Official Languages. - Until otherwise provided by law, Pilipino and English shall be the official languages.

Chapter 5 OPERATION AND EFFECT OF LAWS

Sec. 18. When Laws Take Effect. - Laws shall take effect after fifteen (15) days following the completion of their publication in the Official Gazette or in a newspaper of general circulation, unless it is otherwise provided.

Sec. 19. Prospectivity. - Laws shall have prospective effect unless the contrary is expressly provided.

Sec. 20. Interpretation of Laws and Administrative Issuances. - In the interpretation of a law or administrative issuance promulgated in all the official languages, the English text shall control, unless otherwise specifically provided. In case of ambiguity, omission or mistake, the other texts may be consulted.

Sec. 21. No Implied Revival of Repealed Law.- When a law which expressly repeals a prior law itself repealed, the law first repealed shall not be thereby revived unless expressly so provided.

Sec. 22. Revival of Law Impliedly Repealed. - When a law which impliedly repeals a prior law is itself repealed, the prior law shall thereby be revived, unless the repealing law provides otherwise.

Sec. 23. Ignorance of the Law. - Ignorance of the law excuses no one from compliance therewith.

Chapter 6 OFFICIAL GAZETTE

Sec. 24. Contents. - There shall be published in the Official Gazette all legislative acts and resolutions of a public nature; all executive and administrative issuances of general application; decisions or abstracts of decisions of the Supreme Court and the Court of Appeals, or other courts of

similar rank, as may be deemed by said courts of sufficient importance to be so published; such documents or classes of documents as may be required so to be published by law; and such documents or classes of documents as the President shall determine from time to time to have general application or which he may authorize so to be published.

The publication of any law, resolution or other official documents in the Official Gazette shall be prima facie evidence of its authority.

Sec. 25. Editing and Publications. - The Official Gazette shall be edited in the Office of the President and published weekly in Pilipino or in the English language. It shall be sold and distributed by the National Printing Office which shall promptly mail copies thereof to subscribers free of postage.

Chapter 7 REGULAR HOLIDAYS AND NATIONWIDE SPECIAL DAYS

Sec. 26. Regular Holidays and Nationwide Special Days. - (1) Unless otherwise modified by law, order or proclamation, the following regular holidays and special days shall be observed in this country:

(A) Regular Holidays

New Year's Day - January 1

Maundy Thursday - Movable date

Good Friday - Movable date

Araw ng Kagitingan (Bataan - April 9 and Corregidor Day)

Labor Day - May 1

Independence Day - June 12

National Heroes Day - Last Sunday of August

Bonifacio Day - November 30

Christmas Day - December 25

Rizal Day - December 30

(B) Nationwide Special Days

All Saints Day - November 1

Last Day of the Year - December 31

(2) The terms "legal or regular holiday" and "special holiday", as used in laws, orders, rules and regulations or other issuances shall be referred to as "regular holiday" and "special day", respectively.

Sec. 27. Local Special Days. - The President may proclaim any local special day for a particular date, group or place.

Sec. 28. Pretermission of Holiday. - Where the day, or the last day, for doing any act required or permitted by law falls on a regular holiday or special day, the act may be done on the next succeeding business day.

Chapter 8

LEGAL WEIGHTS MEASURES AND PERIOD

Sec. 29. Official Use of Metric System. - The metric system of weights and measures shall be used in the Philippines for all products, articles, goods, commodities, materials, merchandise, utilities, services, as well as for commercial transactions like contracts, agreements, deeds and other legal instruments publicly and officially attested, and for all official documents. Only weights and measures of the metric system shall be officially sealed and licensed.

Sec. 30. Mandatory Nation-wide Use. - The metric system shall be fully adopted in all agricultural, commercial, industrial, scientific and other sectors. Persons or entities allowed under existing laws to use the English system or other standards and weights are given until the date to be fixed by the Metric System Board to adopt the metric system.

Sec. 31. Legal Periods. - "Year" shall be understood to be twelve calendar months; "month" of thirty days, unless it refers to a specific calendar month in which case it shall be computed according to the number of days the specific month contains; "day," to a day of twenty-four hours; and "night," from sunset to sunrise.

Chapter 9

GENERAL PRINCIPLES GOVERNING PUBLIC OFFICERS

Sec. 32. Nature of Public Office. - Public office is a public trust. Public officers and employees must at all times be accountable to the people, serve them with the utmost responsibility, integrity, loyalty and efficiency, act with patriotism and justice, and lead modest lives.

Sec. 33. Policy on Change of Citizenship. - Public officers and employees owe the Senate and the Constitution allegiance at all times, and any public officer or employee who seeks to change his citizenship or acquire the status of an immigrant of another country during his tenure shall be dealt with by law.

Sec. 34. Declaration of Assets, Liabilities and Net Worth. - A public officer or employee shall upon assumption of office and as often thereafter as may be required by law, submit a declaration under oath of his assets, liabilities, and net worth.

Sec. 35. Ethics in Government. - All public officers and employees shall be bound by a Code of Ethics to be promulgated by the Civil Service Commission.

Sec. 36. Inhibition Against Purchase of Property at Tax Sale. - No officer or employee of the government shall purchase directly or indirectly any property sold by the government for the non-payment of any tax, fee or other public charge. Any such purchase by an officer or employee shall be void.

Sec. 37. Powers Incidental to Taking of Testimony. - When authority to take testimony or receive evidence is conferred upon any administrative officer or any non-judicial person, committee, or other body, such authority shall include the power to administer oaths, summon witnesses, and require the production of documents by a subpoena duces tecum.

Sec. 38. Liability of Superior Officers. - (1) A public officer shall not be civilly liable for acts done in the performance of his official duties, unless there is a clear showing of bad faith, malice or gross negligence.

(2) Any public officer who, without just cause, neglects to perform a duty within a period fixed by law or regulation, or within a reasonable period if none is fixed, shall be liable for damages to the private party concerned without prejudice to such other liability as may be prescribed by law.

(3) A head of a department or a superior officer shall not be civilly liable for the wrongful acts, omissions of duty, negligence, or misfeasance of his subordinates, unless he has actually authorized by

written order the specific act or misconduct complained of.

Sec. 39. Liability of Subordinate Officers. -No subordinate officer or employee shall be civilly liable for acts done by him in good faith in the performance of his duties. However, he shall be liable for willful or negligent acts done by him which are contrary to law, morals, public policy and good customs even if he acted under orders or instructions of his superiors.

Chapter 10 OFFICIAL OATHS

Sec. 40. Oaths of Office for Public Officers and Employees. - All public officers and employees of the government including every member of the armed forces shall, before entering upon the discharge of his duties, take an oath or affirmation to uphold and defend the Constitution; that he will bear true faith and allegiance to it; obey the laws, legal orders and decrees promulgated by the duly constituted authorities; will well and faithfully discharge to the best of his ability the duties of the office or position upon which he is about to enter; and that he voluntarily assumes the obligation imposed by his oath of office, without mental reservation or purpose of evasion. Copies of the oath shall be deposited with the Civil Service Commission and the National Archives.

Sec. 41. Officers Authorized to Administer Oath. - (1) The following officers have general authority to administer oath: Notaries public, members of the judiciary, clerks of courts, the Secretary of the either House of the Congress of the Philippines, of departments, bureau directors, registers of deeds, provincial governors and lieutenant-governors, city mayors, municipal mayors and any other officer in the service of the government of the Philippines whose appointment is vested in the President.

(2) Oaths may also be administered by any officer whose duties, as defined by law or regulation, require presentation to him of any statement under oath..

Sec. 42. Duty to Administer Oath. - Officers authorized to administer oaths, with the exception of notaries public, municipal judges and clerks of court, are not obliged to administer oaths or execute certificates save in matters of official business; and with the exception of notaries public, the officer performing the service in those matters shall charge no fee, unless specifically authorized by law.

Chapter 11 OFFICIAL REPORTS

Sec. 43. Annual Reports. - The heads of the several branches, subdivisions, department and agencies or instrumentalities of the Government shall prepare and submit annual reports to the President on or before the first day of July 1 of each year.

Sec. 44. Contents of Reports. - The contents of the annual reports shall be prescribed by law or, in the absence thereof, by executive order.

Sec. 45. Special Reports. - Each chief of Bureau or other officer of the government shall make such special reports concerning the work of his Bureau or Office as may from time to time be required of him by the President of the Philippines or Head of Department.

Sec. 46. Deposit with Archives. - Official copies of annual reports shall be deposited with the National Archives and shall be open to public inspection.

Chapter 12 PUBLIC CONTRACTS AND CONVEYANCES

Sec. 47. Contracts and Conveyances. - Contracts or conveyances may be executed for and in behalf of the Government or of any of its branches, subdivisions, agencies, or instrumentalities, including government-owned or controlled corporations, whenever demanded by the exigency or exigencies of the service and as long as the same are not prohibited by law.

Sec. 48. Official Authorized to Convey Real Property. - Whenever real property of the Government is authorized by law to be conveyed, the deed of conveyance shall be executed in behalf of the government by the following:

(1) For property belonging to and titled in the name of the Republic of the Philippines, by the President, unless the authority therefor is expressly vested by law in another officer.

(2) For property belonging to the Republic of the Philippines but titled in the name of any political subdivision or of any corporate agency or instrumentality, by the executive head of the agency or instrumentality.

Sec. 49. Authority to Convey other Property. - Whenever property

other than real is authorized to be conveyed, the contract or deed shall be executed by the head of the agency with the approval of the department head. Where the operations of the agency regularly involve the sale or other disposition of personal property, the deed shall be executed by any officer or employee expressly authorized for that purpose.

Sec. 50. Conveyance of National Government Property to Local Governments. - When the real property belonging to the National Government is needed for school purposes, or other official use by any local government, the President shall authorize its transfer, and the department head or other authority concerned shall execute in favor of the local government the necessary deed of conveyance by way of gift, sale, exchange, or otherwise, and upon such terms as shall be for the interest of the parties concerned. Nothing herein provided shall be deemed to authorize the conveyance of unreserved public land, friar land or any real property held by the Government in trust or for a special purpose defined by law.

Sec. 51. Execution of Contracts. - (1) Contracts in behalf of the Republic of the Philippines shall be executed by the President unless authority therefor is expressly vested by law or by him in any other public officer.

(2) Contracts in behalf of the political subdivisions and corporate agencies or instrumentalities shall be approved by their respective governing boards or councils and executed by their respective executive heads.

BOOK II

DISTRIBUTION OF POWERS OF GOVERNMENT

Chapter 1 BASIC PRINCIPLES AND POLICIES

Sec. 1. Guiding Principles and Policies in Government. - Governmental power shall be exercised in accordance with the following basic principles and policies:

(1) The Philippines is a democratic and republican State. Sovereignty resides in the people and all government authority emanates from them.

(2) The State values the dignity of every human person and guarantees full respect for human rights.

- (3) Civilian authority is, at all times, supreme over the military.
- (4) The State shall ensure the autonomy of local governments.
- (5) The territorial and political subdivisions of the Republic of the Philippines are the provinces, cities, municipalities, and barangays. There shall be autonomous regions, in accordance with the Constitution, in Muslim Mindanao and the Cordilleras as may be provided by law.
- (6) The separation of Church and State shall be inviolable.
- (7) The right of the people and their organizations to effective and reasonable participation at all levels of social, political, and economic decision-making shall not be abridged. The State shall, by law, facilitate the establishment of adequate consultation mechanisms.
- (8) The powers expressly vested in any branch of the Government shall not be exercised by, nor delegated to, any other branch of the Government, except to the extent authorized by the Constitution.

Chapter 2 LEGISLATIVE POWER

Sec. 2. Seat of Legislative Power. - The legislative power shall be vested in the Congress of the Philippines which shall consist of a Senate and a House of Representatives, except to the extent reserved to the people by the Constitutional provision on initiative and referendum.

Sec. 3. Inhibitions Against Members of Congress. - (1) No Senator or Member of the House of Representatives may hold any other office or employment in the Government, or any subdivision agency, or instrumentality thereof, including government-owned or controlled corporations or their subsidiaries, during his term without forfeiting his seat. Neither shall he be appointed to any office which may have been created or the emoluments thereof increased during the term for which he was elected.

(2) No Senator or Member of the House of Representatives may personally appear as counsel before any court of justice or before the Electoral Tribunals, or quasi-judicial and other administrative bodies. Neither shall he, directly or indirectly, be interested financially in any contract with, or in any franchise or special privilege granted by the

Government, or any subdivision, agency or instrumentality thereof including any government-owned or controlled corporation, or its subsidiary, during his term of office. He shall not intervene in any matter before any office of the Government for his pecuniary benefit or where he may be called upon to act on account of his office.

Sec. 4. Electoral Tribunal. - The Senate and the House of Representatives shall each have an Electoral Tribunal which shall be the sole judge of all contests relating to the election, returns, and qualifications of their respective Members. Each Electoral Tribunal shall be composed of nine (9) Members, three (3) of whom shall be Justices of the Supreme Court to be designated by the Chief Justice, and the remaining six (6) shall be Members of the Senate or the House of Representatives, as the case may be, who shall be chosen on the basis of proportional representation from the political parties and the parties or organizations registered under the party-list system represented therein. The senior Justice in the Electoral Tribunal shall be its Chairman.

Sec. 5. Commission on Appointments. - There shall be a Commission on Appointments consisting of the President of the Senate, as ex officio Chairman, and twelve (12) Senators and twelve (12) Members of the House of Representatives, elected by each House on the basis of proportional representation from the political parties and parties or organizations registered under the party-list system represented therein. The Chairman of the Commission shall not vote, except in case of a tie. The Commission shall act on all appointments submitted to it within thirty (30) session days of the Congress from their submission. The Commission shall rule by a majority vote of all its Members.

Sec. 6. Legislative Investigation. - The Senate or the House of Representatives or any of its respective committees may conduct inquiries in aid of legislation in accordance with its duly published rules of procedure. The rights of persons appearing in or affected by such inquiries shall be respected.

Sec. 7. Appearance of Heads of Departments.- The heads of departments may upon their own initiative, with the consent of the President, or upon the request of either House, as the rules of each House shall provide, appear before and be heard by such House on any matter pertaining to their departments. Written questions shall be submitted to the President of the Senate or the Speaker of the House of Representatives at least three (3) days before their scheduled appearance. Interpellations shall not be limited to written questions, but may cover matters related thereto. When the security of the State or the public interest so requires and the President so states in writing,

the appearance shall be conducted in executive session.

Sec. 8. Initiative and Referendum.- The Congress shall, as early as possible, provide for a system of initiative and referendum and the exceptions therefrom, whereby the people can directly propose and enact laws or approve or reject any act or law or part thereof passed by the Congress or local legislative body after the registration of a petition therefor signed by at least ten (10) per centum of the total number of registered voters, of which every legislative district must be represented by at least three (3) per centum of the registered voters thereof.

Sec. 9. Power to Propose Constitutional Amendments. - (1) Any amendment to, or revision of the Constitution may be proposed by: (a) The Congress, upon a vote of three-fourths (3/4) of all its Members; or (b) a constitutional convention. The Congress may, by a vote of two-thirds (2/3) of all its Members, call a constitutional convention, or by a majority vote of all its Members, submit to the electorate the question of calling such a convention.

(2) Amendments to the Constitution may likewise be directly proposed by the people through initiative upon a petition of at least twelve (12) per centum of the total number of registered voters, of which every legislative district must be represented by at least three (3) per centum of the registered voters therein. No amendments under this paragraph shall be authorized within five years following the ratification of the 1987 Constitution nor oftener than once every five years thereafter. The Congress shall provide for the implementation of the exercise of this right.

Sec. 10. Validity of Constitutional Amendments.- (1) Any amendment to or revision of the Constitution proposed by Congress or a constitutional convention shall be valid when ratified by a majority of the votes cast in a plebiscite which shall be held not earlier than sixty days (60) nor later than ninety days (90) after the approval of such amendment or revision.

(2) Any amendment to or revision of the Constitution directly proposed by the people through initiative shall be valid when ratified by a majority of the votes cast in a plebiscite which shall be held not earlier than sixty days (60) nor later than ninety days (90) after the certification by the Commission on Elections of the sufficiency of the petition.

EXECUTIVE POWER

Sec. 11. Exercise of Executive Power. - The Executive power shall be vested in the President.

Sec. 12. The Vice-President. - There shall be a Vice-President who shall have the same qualifications and term of office and be elected with and in the same manner as the President. He may be removed from office in the same manner as the President.

The Vice-President may be appointed as a Member of the Cabinet. Such appointment requires no confirmation.

Sec. 13. Vacancy in Office of the President.- In case of death, permanent disability, removal from office, or resignation of the President, the Vice-President shall become the President to serve the unexpired term. In case of death, permanent disability, removal from office, or resignation of both the President and Vice-President, the President of the Senate or, in case of his inability, the Speaker of the House of Representatives, shall then act as President until the President or Vice-President shall have been elected and qualified.

The Congress shall, by law, provide who shall serve as President in case of death, permanent disability, or resignation of the Acting President. He shall serve until the President or Vice-President shall have been elected and qualified, and be subject to the same restrictions of powers and disqualifications as the Acting President.

Sec. 14. Vacancy in Office of the Vice-President. - Whenever there is a vacancy in the Office of the Vice-President during the term for which he was elected, the President shall nominate a Vice-President from among the Members of the Senate and the House of Representatives who shall assume office upon confirmation by a majority vote of all the Members of both Houses of the Congress, voting separately.

Sec. 15. Inhibitions Against Executive Officials. - The President, Vice-President, the Members of the Cabinet, and their deputies or assistants shall not, unless otherwise provided in this Constitution, hold any other office or employment during their tenure. They shall not, during said tenure, directly or indirectly practice any other profession, participate in any business, or be financially interested in any contract with, or in any franchise, or special privilege granted by the Government or any subdivision, agency, or instrumentality thereof, including government-owned or controlled corporations or their subsidiaries. They shall strictly avoid conflicts of interest in the

conduct of their office.

The spouse and relatives by consanguinity or affinity within the fourth civil degree of the President shall not during his tenure be appointed as Members of the Constitutional Commissions, or the Office of the Ombudsman, or as Secretaries, Undersecretaries, chairmen or heads of bureaus or offices, including government-owned or controlled corporations and their subsidiaries.

Chapter 4 JUDICIAL POWER

Sec. 16. Judicial Power. - The judicial power shall be vested in one (1) Supreme Court, and in such lower courts as may be established by law. Such lower courts include the Court of Appeals, Sandiganbayan, Court of Tax Appeals, Regional Trial Courts, Shari's District Courts, Metropolitan Trial Courts, Municipal Trial Courts and Municipal Circuit Trial Courts, and Shari'a Circuit Courts and they shall continue to exercise their respective jurisdiction until otherwise provided by law.

Judicial power includes the duty of the courts of justice to settle actual controversies involving rights which are legally demandable and enforceable, and, in cases prescribed by law, to determine whether or not there has been a grave abuse of discretion amounting to lack or excess of jurisdiction on the part of any branch or instrumentality of the Government.

Sec. 17. Composition of the Supreme Court. - The Supreme Court shall be composed of a Chief Justice and fourteen Associate Justices. It may sit en banc or in its discretion, in divisions of three, five or seven Members.

Sec. 18. Jurisdiction and Powers of Supreme Court. - The Supreme Court shall have the following powers:

(1) Exercise original jurisdiction over cases affecting ambassadors, other public ministers and consuls, and over petitions for certiorari, prohibition, mandamus, quo warranto, and habeas corpus.

(2) Review, revise, reverse, modify, or affirm on appeal or certiorari as the law or the Rules of Court may provide, final judgments and orders of lower courts in:

(a) All cases in which the constitutionality or validity of any treaty, international or executive agreement, law, presidential decree, proclamation, order, instruction, ordinance, or regulation is in question.

(b) All cases involving the legality of any tax, impost, assessment, or toll, or any penalty imposed in relation thereto.

(c) All cases in which the jurisdiction of any lower court is in issue.

(d) All criminal cases in which the penalty imposed is reclusion perpetua or higher.

(e) All cases in which only an error or question of law is involved.

(3) Assign temporarily judges of lower courts to other stations as public interest may require. Such temporary assignment shall not exceed six (6) months without the consent of the judge concerned.

(4) Order a change of venue or place of trial to avoid a miscarriage of justice.

(5) Promulgate rules concerning the protection and enforcement of constitutional rights, pleading, practice, and procedure in all courts, the admission to the practice of law, the Integrated Bar, and legal assistance to the underprivileged. Such rules shall provide a simplified and inexpensive procedure for the speedy disposition of cases, shall be uniform for all courts of the same grade; and shall not diminish, increase, or modify substantive rights. Rules of procedure of special courts and quasi-judicial bodies shall remain effective unless disapproved by the Supreme Court.

(6) Appoint all officials and employees of the Judiciary in accordance with the Civil Service law.

Sec. 19. Apportionment of Jurisdiction. - Congress shall define, prescribe and apportion the jurisdiction of the various courts but may not deprive the Supreme Court of its jurisdiction enumerated in the immediately preceding section. Neither shall a law be passed increasing its appellate jurisdiction as therein specified without its advice and concurrence.

No law shall be passed reorganizing the Judiciary when it undermines the security of tenure of its Members.

Sec. 20. Administrative Supervision.- The Supreme Court shall have administrative supervision over all courts and the personnel thereof.

Sec. 21. Judicial and Bar Council. - (1) A Judicial and Bar Council is hereby created under the supervision of the Supreme Court composed of the Chief Justice as ex officio Chairman, the Secretary of Justice, and a representative of the Congress as ex officio Member, a representative of the Integrated Bar, a professor of law, a retired Member of the Supreme Court, and a representative of the private sector.

(2) The regular members of the Council shall be appointed by the President for a term of four (4) years with the consent of the Commission of Appointments. Of the Members first appointed, the representative of the Integrated Bar shall serve for four (4) years, the professor of law for three (3) years, the retired Justice for two (2) years, and the representative of the private sector for one (1) year.

(3) The Clerk of the Supreme Court shall be the Secretary ex officio of the Council and shall keep a record of its proceedings.

(4) The regular Members of the Council shall receive such emoluments as may be determined by the Supreme Court. The Supreme Court shall provide in its annual budget the appropriations for the Council.

(5) The Council shall have the principal function of recommending appointees to the Judiciary. It may exercise such other functions and duties as the Supreme Court may assign to it.

Sec. 22. Appointment of Members of Judiciary. - The Members of the Supreme Court and judges of lower courts shall be appointed by the President from a list of at least three (3) nominees prepared by the Judicial and Bar Council for every vacancy. Such appointments need no confirmation.

For the lower courts, the President shall issue the appointments within ninety (90) days from the submission of the list.

Sec. 23. Prohibition Against Performing Quasi-Judicial or Administrative Functions. - The Members of the Supreme Court and of other courts established by law shall not be designated to any agency

performing quasi-judicial or administrative functions.

Chapter 5 CONSTITUTIONAL COMMISSIONS

Sec. 24. Constitutional Commissions. - The Constitutional Commissions, which shall be independent, are the Civil Service Commission, the Commission on Elections, and the Commission on Audit.

Sec. 25. Inhibitions Against Constitutional Commissioners. - No member of a Constitutional Commission shall, during his tenure, hold any other office or employment. Neither shall he engage in the practice of any profession or in the active management or control of any business which in anyway may be affected by the functions of his office, nor shall he be financially interested, directly or indirectly, in any contract with, or in any franchise or privilege granted by the Government, any of its subdivisions, agencies, or instrumentalities, including government-owned or controlled corporations or their subsidiaries.

Sec. 26. Fiscal Autonomy. - The Constitutional Commissions shall enjoy fiscal autonomy. The approved annual appropriations shall be automatically and regularly released.

Sec. 27. Promulgation of Rules. - Each Commission en banc may promulgate its own rules concerning pleadings and practice before it or before any of its offices. Such rules however shall not diminish, increase, or modify substantive rights.

Sec. 28. Decisions by the Constitutional Commissions.- Each Commission shall decide, by a majority vote of all its Members, any case or matter brought before it within sixty (60) days from the date of its submission for decision or resolution. A case or matter is deemed submitted for decision or resolution upon the filing of the last pleading, brief, or memorandum required by the rules of the Commission or by the Commission itself. Unless otherwise provided by the Constitution or by law, any decision, order, or ruling of each Commission may be brought to the Supreme Court on certiorari by the aggrieved party within thirty (30) days from receipt of a copy thereof.

Chapter 6 OTHER BODIES

Sec. 29. Other Bodies. - There shall be in accordance with the Constitution, an Office of the Ombudsman, a Commission on Human

Rights, an independent central monetary authority, and a national police commission. Likewise, as provided in the Constitution, Congress may establish an independent economic and planning agency.

BOOK III

OFFICE OF THE PRESIDENT

Title I POWERS OF THE PRESIDENT

Chapter 1 POWER OF CONTROL

Sec. 1. Power of Control.- The President shall have control of all the executive departments, bureaus, and offices. He shall ensure that the laws be faithfully executed.

Chapter 2 ORDINANCE POWER

Sec. 2. Executive Orders. - Acts of the President providing for rules of a general or permanent character in implementation or execution of constitutional or statutory powers shall be promulgated in executive orders.

Sec. 3. Administrative Orders. - Acts of the President which relate to particular aspect of governmental operations in pursuance of his duties as administrative head shall be promulgated in administrative orders.

Sec. 4. Proclamations. - Acts of the President fixing a date or declaring a status or condition of public moment or interest, upon the existence of which the operation of a specific law or regulation is made to depend, shall be promulgated in proclamations which shall have the force of an executive order.

Sec. 5. Memorandum Orders. - Acts of the President on matters of administrative detail or of subordinate or temporary interest which only concern a particular officer or office of the Government shall be embodied in memorandum orders.

Sec. 6. Memorandum Circulars. - Acts of the President on matters relating to internal administration, which the President desires to bring to the attention of all or some of the departments, agencies, bureaus or offices of the Government, for information or compliance,

shall be embodied in memorandum circulars.

Sec. 7. General or Special Orders.- Acts and commands of the President in his capacity as Commander-in-Chief of the Armed Forces of the Philippines shall be issued as general or special orders.

Chapter 3 POWER OVER ALIENS

Sec. 8. Power to Deport. - The President shall have the power to deport aliens subject to the requirements of due process.

Sec. 9. Power to Change Non-Immigrant Status of Aliens. - The President, subject to the provisions of law, shall have the power to change the status of non-immigrants by allowing them to acquire permanent residence status without necessity of visa.

Sec. 10. Power to Countermand Decisions of the Board of Commissioners of the Bureau of Immigration. - The decision of the Board of Commissioners which has jurisdiction over all deportation cases shall become final and executory after thirty (30) days from promulgation, unless within such period the President shall order the contrary.

Sec. 11. Power over Aliens under the General Principles of International Law. - The President shall exercise with respect to aliens in the Philippines such powers as are recognized by the generally accepted principles of international law.

Chapter 4 POWERS OF EMINENT DOMAIN, ESCHEAT, LAND RESERVATION AND RECOVERY OF ILL-GOTTEN WEALTH

Sec. 12. Power of Eminent Domain. - The President shall determine when it is necessary or advantageous to exercise the power of eminent domain in behalf of the National Government, and direct the Solicitor General, whenever he deems the action advisable, to institute expropriation proceedings in the proper court.

Sec. 13. Power to Direct Escheat or Reversion Proceedings. - The President shall direct the Solicitor General to institute escheat or reversion proceedings over all lands transferred or assigned to persons disqualified under the Constitution to acquire land.

Sec. 14. Power to Reserve Lands of the Public and Private Domain of the Government. - (1) The President shall have the power to reserve for settlement or public use, and for specific public purposes, any of the lands of the public domain, the use of which is not otherwise directed by law. The reserved land shall thereafter remain subject to the specific public purpose indicated until otherwise provided by law or proclamation;

(2) He shall also have the power to reserve from sale or other disposition and for specific public uses or purposes, any land belonging to the private domain of the Government, or any of the Friar Lands, the use of which is not otherwise directed by law, and thereafter such land shall be used for the purposes specified by such proclamation until otherwise provided by law.

Sec. 15. Power over Ill-gotten Wealth. - The President shall direct the Solicitor General to institute proceedings to recover properties unlawfully acquired by public officials or employees, from them or from their nominees or transferees.

Within the period fixed in, or any extension thereof authorized by, the Constitution, the President shall have the authority to recover ill-gotten properties amassed by the leaders and supporters of the previous regime and protect the interest of the people through orders of sequestration or freezing of assets or accounts.

Chapter 5 POWER OF APPOINTMENT

Sec. 16. Power of Appointment. - The President shall exercise the power to appoint such officials as provided for in the Constitution and laws.

Sec. 17. Power to Issue Temporary Designation. - (1) The President may temporarily designate an officer already in the government service or any other competent person to perform the functions of an office in the executive branch, appointment to which is vested in him by law, when: (a) the officer regularly appointed to the office is unable to perform his duties by reason of illness, absence or any other cause; or (b) there exists a vacancy;

(2) The person designated shall receive the compensation attached to the position, unless he is already in the government service in which case he shall receive only such additional compensation as, with his existing salary, shall not exceed the salary authorized by law for the position filled. The compensation hereby authorized shall be paid out

of the funds appropriated for the office or agency concerned.

(3) In no case shall a temporary designation exceed one (1) year.

Chapter 6 GENERAL SUPERVISION OVER LOCAL GOVERNMENTS

Sec. 18. General Supervision Over Local Governments. - The President shall exercise general supervision over local governments.

Chapter 7 OTHER POWERS

Sec. 19. Powers Under the Constitution. - The President shall exercise such other powers as are provided for in the Constitution.

Sec. 20. Residual Powers. - Unless Congress provides otherwise, the President shall exercise such other powers and functions vested in the President which are provided for under the laws and which are not specifically enumerated above, or which are not delegated by the President in accordance with law.

Title II ORGANIZATION

Chapter 8 ORGANIZATION OF THE OFFICE OF THE PRESIDENT

Sec. 21. Organization. - The Office of the President shall consist of the Office of the President Proper and the agencies under it.

Sec. 22. Office for the President Proper. - (1) The Office of the President Proper shall consist of the Private Office, the Executive Office, the Common Staff Support System, and the Presidential Special Assistants/Advisers System;

(2) The Executive Office refers to the Offices of the Executive Secretary, Deputy Executive Secretaries and Assistant Executive Secretaries;

(3) The Common Staff Support System embraces the offices or units under the general categories of development and management, general government administration and internal

administration; and

(4) The President Special Assistants/Advisers System includes such special assistants or advisers as may be needed by the President.

Sec. 23. The Agencies under the Office of the President. - The agencies under the Office of the President refer to those offices placed under the chairmanship of the President, those under the supervision and control of the President, those under the administrative supervision of the Office of the President, those attached to it for policy and program coordination, and those that are not placed by law or order creating them under any specific department.

Title III FUNCTIONS

Chapter 9 FUNCTIONS OF THE DIFFERENT OFFICES IN THE OFFICE OF THE PRESIDENT PROPER

A - PRIVATE OFFICE

Sec. 24. Functions of the Private Office. - The Private Office shall provide direct services to the President and shall for this purpose attend to functions and matters that are personal or which pertain to the First Family.

B - THE EXECUTIVE OFFICE

Sec. 25. Declaration of Policy. - The Executive Office shall be fully responsive to the specific needs and requirements of the President to chieve the purposes and objectives of the Office.

Sec. 26. The Executive Secretary, the Deputy Executive Secretaries, and the Assistant Executive Secretaries. - The Executive Office shall be headed by the Executive Secretary who shall be assisted by one (1) or more Deputy Executive Secretaries and one (1) or more Assistant Executive Secretaries.

Sec. 27. Functions of the Executive Secretary. - The Executive Secretary shall, subject to the control and supervision of the President, carry out the functions assigned by law to the Executive Office and shall perform such other duties as may be delegated to him. He shall:

(1) Directly assist the President in the management of the affairs

pertaining to the Government of the Republic of the Philippines;

- (2) Implement presidential directives, orders and decisions;
- (3) Decide, for and in behalf of the President, matters not requiring personal presidential attention;
- (4) Exercise supervision and control over the various units in the Office of the President Proper including their internal administrative requirements;
- (5) Exercise supervision, in behalf of the President, over the various agencies under the Office of the President;
- (6) Appoint officials and employees of the Office of the President whose appointments are not vested in the President;
- (7) Provide overall coordination in the operation of the Executive Office;
- (8) Determine and assign matters to the appropriate units in the Office of the President;
- (9) Have administrative responsibility for matters in the Office of the President coming from the various departments and agencies of government;
- (10) Exercise primary authority to sign papers "By authority of the President", attest executive orders and other presidential issuances unless attestation is specifically delegated to other officials by him or by the President;
- (11) Determine, with the President's approval, the appropriate assignment of offices and agencies not placed by law under any specific executive department;
- (12) Provide consultative, research, fact-finding and advisory service to the President;
- (13) Assist the President in the performance of functions pertaining to legislation;
- (14) Assist the President in the administration of special projects;
- (15) Take charge of matters pertaining to protocol in State and

ceremonial functions;

(16) Provide secretarial and clerical services for the President, the Cabinet, the Council of State, and other advisory bodies to the President

(17) Promulgate such rules and regulations necessary to carry out the objectives, policies and functions of the Office of the President Proper;

(18) Perform such other functions as the President may direct.

C - COMMON STAFF SUPPORT SYSTEM

Sec. 28. Functions of the Common Staff Support System. - The various staff units in the Office of the President Proper shall form a common staff support system and shall be organized along the various tasks of the Office namely:

(1) The Cabinet Secretariat which shall assist the President in the establishment of agenda topics for the Cabinet deliberation, or facilitate the discussion of cabinet meetings. It shall have such organization, powers and functions as are prescribed by law;

(2) The Presidential Management Staff (PMS) which shall be the primary government agency directly responsible to the Office of the President for providing staff assistance in the Presidential exercise of overall management of the development process. It shall have such organization, powers and functions as are prescribed by law;

(3) General Government Administration Staff which shall provide the President with staff support on matters concerning general government administration relative to the operations of the national government including the provision of legal services, administrative services, staff work on political and legislative matters, information and assistance to the general public, measures toward resolution of complaints against public officials and employees brought to the attention of the Office of the President and such other matters as the President may assign;

(4) Internal Administrative Staff which shall render auxiliary and support services for the internal administration of the Office

of the President.

D - PRESIDENTIAL ASSISTANT/ADVISERS SYSTEM

Sec. 29. Functions of Presidential Assistants/Advisers Systems. - The Special Assistants/Advisers System shall provide advisory or consultative services to the President in such fields and under such conditions as the President may determine.

Chapter 10 FUNCTIONS OF THE AGENCIES UNDER THE OFFICE OF THE PRESIDENT

Sec. 30. Function of Agencies Under the Office of the President. - Agencies under the Office of the President shall continue to operate and function in accordance with their respective charters or laws creating them, except as otherwise provided in this Code or by law.

Sec. 31. Continuing Authority of the President to Reorganize his Office. - The President, subject to the policy in the Executive Office and in order to achieve simplicity, economy and efficiency, shall have continuing authority to reorganize the administrative structure of the Office of the President. For this purpose, he may take any of the following actions:

(1) Restructure the internal organization of the Office of the President Proper, including the immediate Offices, the Presidential Special Assistants/Advisers System and the Common staff Support System, by abolishing, consolidating or merging units thereof or transferring functions from one unit to another;

(2) Transfer any function under the Office of the President to any other Department or Agency as well as transfer functions to the Office of the President from other Departments and Agencies; and

(3) Transfer any agency under the Office of the President to any other department or agency as well as transfer agencies to the Office of the President from other departments or agencies.

BOOK IV THE EXECUTIVE BRANCH

Chapter 1 THE DEPARTMENTS

Sec. 1. Purpose and Number of Departments. - The Executive Branch shall have such Departments as are necessary for the functional distribution of the work of the President and for the performance of their functions.

Chapter 2 SECRETARIES, UNDERSECRETARIES, AND ASSISTANT SECRETARIES

Sec. 6. Authority and Responsibility of the Secretary. - The authority and responsibility for the exercise of the mandate of the Department and for the discharge of its powers and functions shall be vested in the Secretary, who shall have supervision and control of the Department.

Sec. 7. Powers and Functions of the Secretary. - The Secretary shall:

(1) Advise the President in issuing executive orders, regulations, proclamations and other issuances, the promulgation of which is expressly vested by law in the President relative to matters under the jurisdiction of the Department;

Sec. 9. Submission of Budget Estimates. - The Secretary shall prepare and submit to the President through the Department of Budget and Management an estimate of the necessary expenditures of the department during the next fiscal year, on the basis of the reports and estimates submitted by bureaus and officers under him.

(1) Advise and assist the Secretary in the formulation and implementation of department objectives and policies;

Chapter 3 DEPARTMENT SERVICES

Sec. 12. Department Services. - Except as otherwise provided by law, each Department shall have Department Services which shall include the Planning Service, the Financial and Management Service, the Administrative Service, and whenever necessary the Technical and Legal Services.

Chapter 4 BUREAUS

Sec. 18. Bureaus in General. - (1) A Bureau is any principal subdivision of the department performing a single major function or closely related functions. Bureaus are either staff or line.

(a) Advise and assist the Office of the Secretary on matters pertaining to the Bureau's area of specialization;

(3) The staff bureau shall avail itself of the planning, financial and administrative services in the department proper. The bureau may have a separate administrative division, if circumstances so warrant.

(a) Exercise supervision and control over all division and other units, including regional offices, under the bureau;

Chapter 5 FIELD OFFICES

Sec. 21. Regional Offices. - Regional Offices shall be established according to law defining field service areas. The administrative regions shall be composed of a National Capital Region and Regions I to XII. Provincial and district offices may be established only by law whenever necessary.

(a) Implement laws, policies, plans, programs, rules and regulations of the department or agency in the regional area;

(1) Implement laws, policies, rules and regulations within the responsibility of the agency;

Chapter 6 POWERS AND DUTIES OF HEADS OF BUREAUS OR OFFICES

Sec. 29. Powers and Duties in General. - The head of bureau or office shall be its chief executive officer. He shall exercise overall authority in matters within the jurisdiction of the bureau, office or agency, including those relating to its operations, and enforce all laws and regulations pertaining to it.

Chapter 7 ADMINISTRATIVE RELATIONSHIP

Sec. 38. Definition of Administrative Relationship. - Unless otherwise expressly stated in the Code or in other laws defining the special relationships of particular agencies, administrative relationships shall be categorized and defined as follows:

Chapter 8 SUPERVISION AND CONTROL

Sec. 39. Secretary's Authority. - (1) The Secretary shall have supervision and control over the bureaus, offices, and agencies under him, subject to the following guidelines:

(a) Initiative and freedom of action on the part of subordinate units shall be

encouraged and promoted, rather than curtailed, and reasonable opportunity to act shall be afforded those units before control is exercised;

(2) This Chapter shall not apply to chartered institutions or government-owned or controlled corporations attached to the department.

Chapter 9 RELATIONSHIP OR GOVERNMENT-OWNED OR CONTROLLED CORPORATIONS AND REGULATORY AGENCIES TO THE DEPARTMENT

Sec. 42. Government-Owned or Controlled Corporations. - Government-owned or controlled corporations shall be attached to the appropriate department with which they have allied functions, as hereinafter provided, or as may be provided by executive order, for policy and program coordination and for general supervision provided in pertinent provisions of this Code.

Chapter 10 APPOINTMENTS AND QUALIFICATIONS

Sec. 44. Appointment of Secretaries. - The Secretaries of Departments shall be appointed by the President with the consent of the Commission on Appointments, at the beginning of his term of office, and shall hold office, unless sooner removed, until the expiration of his term of office, or until their successors shall have been appointed and qualified.

Chapter 11 ADMINISTRATIVE ISSUANCES

Sec. 50. General Classification of Issuances. - The administrative issuances of Secretaries and heads of bureaus, offices or agencies shall be in the form of circulars or orders.

Chapter 12 MISCELLANEOUS RECEIPTS

Sec. 54. Charges for Property Sold or Services Rendered; Refunds. - (1) For services required by law to be rendered for a fee, for supplies furnished, or articles of any kind sold to other divisions of the government or to any person, the head of bureau, office or agency may, upon approval of the Secretary charge and collect the cost of the service, supplies, or articles or other rate in excess of cost prescribed by law or approved by the same authority. For local governments, the rate, except where otherwise prescribed by law, shall be affixed at cost or at such other reasonable rate in excess of cost by the boards or councils concerned;

Chapter 13

CONTRACTS

Sec. 57. Conveyances and Contracts to which the Government is a Party. - Any deed, instrument or contract conveying the title to real estate or to any other property the value of which does not exceed fifty million pesos (P50,000,000) awarded through public bidding, and five million pesos (P5,000,000) awarded through negotiation, shall be executed and signed by the respective Secretary on behalf of the Government of the Philippines. Where the value of the property exceeds the aforesaid ceilings, such deed, instrument or contract shall be executed and signed by the President of the Philippines on behalf of the Government.

Chapter 14 CONTROVERSIES AMONG GOVERNMENT OFFICES AND CORPORATIONS

Sec. 66. How Settled. - All disputes, claims and controversies, solely between or among the departments, bureaus, offices, agencies and instrumentalities of the National Government, including government-owned or controlled corporations, such as those arising from the interpretation and application of statutes, contracts or agreements, shall be administratively settled or adjudicated in the manner provided in this Chapter. This Chapter shall, however, not apply to disputes involving the Congress, the Supreme Court, the Constitutional Commissions, and local governments.

Title I FOREIGN AFFAIRS

Chapter 1 GENERAL PROVISIONS

Sec. 1. Declaration of Policy. - The State shall pursue an independent foreign policy. In its relations with other states the paramount consideration shall be national sovereignty, territorial integrity, national interest, and the right to self-determination.

Chapter 2 DEPARTMENT PROPER

Sec. 5. Offices Under the Direct Supervision of the Secretary. - The Secretary shall exercise direct supervision over the following:

Chapter 3 DEPARTMENT SERVICES

Sec. 10. Office of the Legal Adviser. - The Office of the Legal Adviser shall be headed by a Legal Adviser, who shall be a career Chief of Mission.

However, the Legal Adviser may be appointed by the President, upon the recommendation of the Secretary, from outside the career service, in which case he shall have the assimilated rank of a Chief of Mission. His term shall be co-terminus with the tenure of the Secretary, unless sooner terminated, and he is not eligible for foreign assignment. The Legal Adviser shall provide legal advice and services to the Department.

Chapter 4 BOARD OF FOREIGN SERVICE ADMINISTRATION

Sec. 15. Composition. - The Board of Foreign Service Administration shall be composed of nine (9) members: one (1) Undersecretary as Chairman; the other Undersecretary as Vice-Chairman; the six (6) Assistant Secretaries and the Legal Adviser, as members.

Chapter 5 BOARD OF FOREIGN SERVICE EXAMINERS

Sec. 17. Composition. - The Board of Foreign Service Examiners shall be composed of one (1) Undersecretary as Chairman; and the Assistant Secretary for Personnel and Administrative Services and a Commissioner of the Civil Service Commission as members. The Board shall be under the administrative supervision of such Undersecretary.

Chapter 6 ATTACHED AGENCIES

Sec. 19. Attached Agencies. - The Law of the Sea Secretariat, the Inter-Agency Technical Committee on Economic, Scientific and Technical Cooperation with Socialist Countries (SOCCOM), the Inter-Agency Technical Committee on Technical Cooperation Among Developing Countries (IATC-TC), the Permanent Inter-Agency Technical Committee on ESCAP Matters (PITCEM), and other agencies attached to the Department shall continue to operate and function in accordance with their respective charters or laws creating them, except as otherwise provided in this Code.

Chapter 7 THE FOREIGN SERVICE

Sec. 20. Functions of Diplomatic Missions. - The Diplomatic Missions shall:

Chapter 8 ATTACHES AND REPRESENTATIVES

Sec. 22. Attaches of the Department. - The Department Head shall designate attaches of the Department from the ranks of Foreign Service

Officers and Foreign Service Staff Officers.

Chapter 9 PERSONNEL

Sec. 29. Policy. - To enable the Foreign Service to effectively serve abroad the interests of the Republic of the Philippines, it shall be the policy of the Department that only persons who are competent, of good moral character, and fully informed of the Philippine History and current trends in Filipino life shall be appointed to the service.

Chapter 10 APPOINTMENTS, COMPENSATION AND BENEFITS

Sec. 35. Foreign Service Officers. - (1) Foreign Service Officers shall be appointed by the President.

Chapter 11 PROMOTIONS

Sec. 39. Merit Promotion System. - The Board of the Foreign Service shall establish a merit promotion system for all officers and employees of the Department.

Chapter 12 ASSIGNMENTS AND TRANSFERS

Sec. 43. Rotation Plan. - The secretary shall establish a system of assignments and transfers to ensure that all qualified officers and employees, except the employees in the non-career service, shall serve in diplomatic and consular establishments in different regions of the world. The assignment and transfer of personnel shall follow a regular rotation plan. For purposes of assignments, the home office shall be considered a post. All personnel shall be available for assignment to any post.

Chapter 13 PASSPORT

Sec. 48. Definition. - A Philippine passport is an official document of identity of Philippine citizenship of the holder issued for travel purposes.

Chapter 14 MISCELLANEOUS PROVISIONS

Sec. 55. Use of Savings. - The Secretary is authorized to use any savings in the appropriations for the Department for the payment of: (a) expenses for the evacuation or repatriation to the Philippines, when necessary due to an

emergency, of members of the household of the personnel of any diplomatic or consular establishment as well as the transportation of their personal effects; (b) actual return passage by the most direct and economical means of transportation and the cost of shipment of the household effects to Manila of any officer or employee in the Foreign Service, including the immediate dependent members of his family, who resigns or is separated from the service for cause; (c) the cost of preparing and transporting the remains of an officer or employee who is a citizen of the Philippines and the immediate members of his family who may die abroad or while in travel status; or (d) contingent and unforeseen expenses that may arise in connection with the operation of the Foreign Service.

Title II FINANCE

Chapter 1 GENERAL PROVISIONS

Sec. 1. Declaration of Policy. - It is the policy of the State that the Department of Finance shall be primarily responsible for the sound and efficient management of the financial resources of the Government, its subdivisions, agencies and instrumentalities.

Chapter 2 DEPARTMENT PROPER

Sec. 5. Office of the Secretary. - The Office of the Secretary shall consist of the Secretary, his Undersecretary and their immediate staffs.

Chapter 3 DEPARTMENT SERVICES

Sec. 8. Policy Development and Management Services Group. - The Policy Development and Management Services Group, which shall be headed by an Undersecretary, shall consist of the following:

Chapter 4 BUREAUS

Sec. 16. Operations Groups. - The Operation Groups, each of which shall be headed by an Undersecretary, shall consist of the following:

Chapter 5 REGIONAL OFFICES

Sec. 40. Regional Offices. - There shall be a Regional Office in each region. Each Regional Office shall be headed by a Regional Director.

Chapter 6 ATTACHED AGENCIES

Sec. 42. Attached Agencies. - The following agencies are hereby attached to the Department:

Title III - JUSTICE

Chapter I GENERAL PROVISIONS

Sec. 1. Declaration of Policy. - It is the declared policy of the State to provide the government with a principal law agency which shall be both its legal counsel and prosecution arm; administer the criminal justice system in accordance with the accepted processes thereof consisting in the investigation of the crimes, prosecution of offenders and administration of the correctional system; implement the laws on the admission and stay of aliens, citizenship, land titling system, and settlement of land problems involving small landowners and members of indigenous cultural minorities; and provide free legal services to indigent members of the society.

Chapter 2 DEPARTMENT PROPER

Sec. 5. The Department Proper. - The Department Proper shall be composed of the Office of the Secretary and the Undersecretaries, Technical and Administrative Service, Financial Management Service, Legal Staff and the Office of the Chief State Prosecutor.

Chapter 3 OFFICE OF THE GOVERNMENT CORPORATE COUNSEL

Sec. 10. Office of the Government Corporate Counsel. - The Office of the Government Corporate Counsel (OGCC) shall act as the principal law office of all government-owned or controlled corporations, their subsidiaries, other corporate off-springs and government acquired asset corporations and shall exercise control and supervision over all legal departments or divisions maintained separately and such powers and functions as are now or may hereafter be provided by law. In the exercise of such control and supervision, the Government Corporate Counsel shall promulgate rules and regulations to effectively implement the objectives of the Office.

Chapter 4 NATIONAL BUREAU OF INVESTIGATION

Sec. 11. National Bureau of Investigation. - The National Bureau of Investigation (NBI) with all its duly authorized constituent units including its regional and district offices and rehabilitation center, shall continue to perform the powers and functions as are now vested in it under the existing law and such additional functions as may hereafter be provided by law.

Chapter 5 PUBLIC ATTORNEY'S OFFICE

Sec. 14. Public Attorney's Office (PAO). - The Citizen's Legal Assistance Office (CLAO) is renamed Public Attorney's Office (PAO). It shall exercise the powers and functions as are now provided by law for the Citizen's Legal Assistance Office or may hereafter be provided by law.

Chapter 6 BOARD OF PARDONS AND PAROLE

Sec. 17. Board of Pardons and Parole. - The Board of Pardons and Parole shall continue to discharge the powers and functions as provided in existing law and such additional functions as may be provided by law.

Chapter 7 PAROLE AND PROBATION ADMINISTRATION

Sec. 23. Parole and Probation Administration. - The Parole and Probation Administration hereinafter referred to as the Administration shall have the following functions:

Chapter 8 BUREAU OF CORRECTIONS

Sec. 26. Bureau of Corrections. - The Bureau of Corrections shall have its principal task the rehabilitation of prisoners. The Bureau of Corrections shall exercise such powers and functions as are now provided for the Bureau of Prisons or may hereafter be provided by law.

Chapter 9 LAND REGISTRATION AUTHORITY

Sec. 28. The Land Registration Authority. - The Land Registration Authority, hereinafter referred to as the Authority shall continue to exercise its powers and functions under existing law on the Land Titles and Deeds Registration Authority and those which may hereafter be provided by law.

Chapter 10 BUREAU OF IMMIGRATION

Sec. 31. Bureau of Immigration. - The Bureau of Immigration is principally responsible for the administration and enforcement of immigration, citizenship and alien admission and registration laws in accordance with the provisions of the Philippine Immigration Act of 1940, as amended (C.A. No. 613, as amended). The following units shall comprise the structural organization of the Bureau:

Chapter 11
COMMISSION ON THE SETTLEMENT OF LAND PROBLEMS

Sec. 32. Commission on the Settlement of Land Problems. - The Commission on the Settlement of Land Problems shall be responsible for the settlement of land problems involving small landowners and members of cultural minorities. It shall also perform such other functions, as are now or may hereafter be provided by law.

Chapter 12
OFFICE OF THE SOLICITOR GENERAL

Sec. 34. Organizational Structure. - The Office of the Solicitor General shall be an independent and autonomous office attached to the Department of Justice.

Title IV - AGRICULTURE

Chapter 1
GENERAL PROVISIONS

Sec. 1. Declaration of Policy. - The State shall promote the well being of farmers, including share tenants, leaseholders, settlers, fishermen, and other rural workers by providing an environment in which they can increase their income, improve their living conditions, and maximize their contributions to the national economy. Toward this end, the State shall accelerate agricultural development and enhance the production of agricultural crops, fisheries, and livestock by optimizing the use of resources and by applying modern farming systems and technology in order to attain food security for domestic use and expand and diversify agricultural production for export. It shall also encourage private initiative in agri-business ventures both in the production and in the exportation and importation of food and other allied commodities.

Chapter 2
DEPARTMENT PROPER

Sec. 5. Office of the Secretary. - The Office of the Secretary shall consist of the Secretary and his immediate staff as determined by him.

Chapter 3 DEPARTMENT SERVICES

Sec. 10. Planning and Monitoring Service. - The Planning and Monitoring Service shall be responsible for the formulation and integration of plans and programs, emanating from all units of the Department, including the Bureau, Regional Offices and Attached Agencies. It shall also be responsible for data analysis and monitoring of the implementation of said plans and programs through its management information system.

Chapter 4 - BUREAUS AND OFFICES

Sec. 18. Bureau of Animal Industries. - The Bureau of Animal Industry shall:

Chapter 5 REGIONAL OFFICES

Sec. 26. Functions. - The Department of Agriculture is authorized to establish, operate, and maintain a Regional Office in each of the administrative regions of the country. Each Regional Office shall be headed by a Regional Director, to be assisted by three (3) Assistant Regional Directors, assigned to Operations, Research, and Support Services, respectively. Each Regional Office shall have, within its administrative regions, the following duties and responsibilities:

-Chapter 6 - ATTACHED AGENCIES

Sec. 47. Attached Agencies. - The following units are hereby attached to the Department:

Title V PUBLIC WORKS AND HIGHWAYS

Chapter 1 GENERAL PROVISIONS

Sec. 1. Declaration of Policy. - The State shall maintain an engineering and construction arm and continuously develop its technology, for the purposes of ensuring the safety of all infrastructure facilities and securing for all public works and highways the highest efficiency and the most appropriate quality in construction. The planning, design, construction and maintenance of infrastructure facilities, especially national highways, flood control and water resources development systems, and other public works in accordance with national development objectives, shall be the responsibility of such an engineering and construction arm. However, the exercise of this responsibility shall be decentralized to the fullest extent feasible.

Chapter 2 DEPARTMENT PROPER

Sec. 5. Office of the Secretary. - The Office of the Secretary shall be composed of the Secretary and his immediate staff.

Chapter 3 DEPARTMENT SERVICES

Sec. 8. Internal Audit Service. - The Internal Audit Service shall conduct comprehensive audit of various Department activities. Specifically, it shall have the following functions:

Chapter 4 THE BUREAU

Sec. 14. Bureau Head. - Each Bureau shall be headed by a Bureau Director who shall be responsible for efficiently and effectively carrying out the functions of the Bureau.

Chapter 5 REGIONAL OFFICES

Sec. 20. Regional Offices. - Regional Offices shall be responsible for highways, flood control and water resource development systems, and other public works within the region, except those defined in Section 3, par. (4) hereof. For this purpose, their duties and responsibilities shall be as follows:

Chapter 6 ATTACHED AGENCIES

Sec. 25. Attached Agencies and Corporations. - Agencies and corporations attached to the Department shall continue to operate and function in accordance with their respective charters/laws/executive orders creating them. Accordingly, the Metropolitan Waterworks and Sewerage System, the Local Water Utilities Administration, the National Irrigation Administration, and the National Water Resources Council, among others, shall continue to be attached to the Department; while the Metropolitan Manila Flood Control and Drainage Council, as reorganized, shall be attached to the Department.

Title VI EDUCATION, CULTURE AND SPORTS

Chapter 1 GENERAL PROVISIONS

Sec. 1. Declaration of Policy. - The State shall protect and promote the right of all citizens to quality education at all levels and shall take appropriate steps to make such education accessible to all. Pursuant to this, the State shall:

Chapter 2
DEPARTMENT PROPER

Sec. 5. Office of the Secretary. - The Office of the Secretary shall be composed of the Secretary and his immediate staff.

Chapter 3
DEPARTMENT SERVICES

Sec. 7. Functions of the Services. - The Services of the Department shall consist of the following:

Chapter 4
BOARD OF HIGHER EDUCATION

Sec. 8. Organization. - The Board shall be composed of an Undersecretary of the Department of Education, Culture and Sports designated as Chairman and four other members to be appointed by the President of the Philippines upon nomination by the Secretary of Education, Culture and Sports for a term of four years. The four members shall have distinguished themselves in the field of higher education and development either in the public or private sector. The Director of the Bureau of Higher Education shall participate in the deliberation of the Board but without the right to vote.

Chapter 5
STATE COLLEGES AND UNIVERSITIES

Sec. 11. Governance. - By virtue of his chairmanship of their boards of trustees as provided in their respective charters, the Secretary, directly or through his Undersecretaries, shall continue to govern state colleges and universities.

Chapter 6
BUREAUS AND OFFICES

Sec. 12. Bureau of Elementary Education. - The Bureau of Elementary Education shall have following functions:

Chapter 7
REGIONAL OFFICES

Sec. 18. Organization. - The Department is hereby authorized to establish, operate and maintain a Regional Office in each of the administrative regions of the country. Each Regional Office shall be headed by a Regional Director

who shall be assisted by an Assistant Regional Director. The Regional Director shall be responsible for the School Divisions and their Superintendents within his administrative region.

Chapter 8 ATTACHED AGENCIES

Sec. 20. Attached Agencies. - The following agencies are hereby attached to the Department:

Chapter 9 MISCELLANEOUS PROVISIONS

Sec. 23. Medium of Instruction. - The Department shall promulgate rules and the regulations on the medium of instruction for all schools in accordance with the policy declared in Section 7, Article XIV of the Constitution.

Title VII LABOR AND EMPLOYMENT

Chapter 1 GENERAL PROVISIONS

Sec. 1. Declaration of Policy. - (1) The State shall afford full protection to labor and promote full employment and equality of employment opportunities for all.

Chapter 2 DEPARTMENT PROPER

Sec. 5. Office of the Secretary. - The Office of the Secretary shall consist of the Secretary and his immediate staff.

Chapter 3 - DEPARTMENT SERVICES

Sec. 9. Planning Service. - The Planning Service shall provide the Department with efficient, effective and economical services relating to planning, programming, project development and evaluation, and the development and implementation of a management information system.

Chapter 4 BUREAUS

Sec. 16. Bureau of Labor Relations. - The Bureau of Labor Relations shall set policies, standards, and procedures on the registration and supervision of legitimate labor union activities including denial, cancellation and

revocation of labor union permits. It shall also set policies, standards, and procedure relating to collective bargaining agreements, and the examination of financial records of accounts of labor organizations to determine compliance with relevant laws.

Chapter 5 REGIONAL OFFICES

Sec. 24. Regional Offices, District Offices and Provincial Extension Units. - The Department is hereby authorized to establish, operate and maintain such Department-wide Regional Offices, District Offices and Provincial Extension Units in each of the administrative regions of the country, insofar as necessary to promote economy and efficiency in the delivery of its services. Its Regional Office shall be headed by a Regional Director who shall have supervision and control thereof. The Regional Director, whenever necessary, shall be assisted by an Assistant Regional Director. A Regional Office shall have, within its regional areas, the following functions:

Chapter 6 ATTACHED AGENCIES

Sec. 25. Attached Agencies. - The following agencies are attached to the Department for policy and program coordination and administrative supervision:

Title VIII NATIONAL DEFENSE

Subtitle I PRELIMINARY PROVISIONS

Chapter 1 NATIONAL DEFENSE POLICIES

Sec. 1. Declaration of Policies. - (1) The prime duty of the Government is to serve and protect the people. Government may call upon the people to defend the State and, in fulfillment thereof, all citizens may be required, under conditions provided by law, to render personal military or civil service.

Chapter 2 NATIONAL SECURITY COUNCIL

Sec. 2. Declaration of Policies. - (1) The formulation of integrated and rationalized national, foreign, military, political, economic, social and educational policies, programs, and procedures vital to the security of the state.

Chapter 3
NATIONAL INTELLIGENCE COORDINATING AGENCY

Sec. 9. Functions. - The National Intelligence Coordinating Agency, hereinafter referred to as the Agency, shall:

Subtitle II
DEPARTMENT OF NATIONAL DEFENSE

Chapter 1
GENERAL PROVISIONS

Sec. 15. Declaration of Policy. - The defense establishment shall be maintained to maximize its effectiveness for guarding against external and internal threats to national peace and security and provide support for social and economic development.

Chapter 2
DEPARTMENT PROPER

Sec. 19. Office of the Secretary. - The Office of the Secretary shall consist of the Secretary and his immediate staff as determined by him.

Chapter 3
GOVERNMENT ARSENAL

Sec. 24. Organization. - The Government Arsenal shall be headed by a Director who shall be assisted by one or more Assistant Directors. It shall have staff and operating units provided by law.

Chapter 4
OFFICE OF CIVIL DEFENSE

Sec. 27. Organization. - The Office of Civil Defense shall be headed by an Administrator who shall be assisted by a Deputy Administrator. The Office shall have staff and operating units as may be provided by law.

Chapter 5
PHILIPPINE VETERANS AFFAIRS OFFICE

Sec. 31. Organization. - The Philippine Veterans Affairs Office shall be headed by an Administrator who may be assisted by one Deputy Administrator. It shall have staff and operating units provided by law.

Chapter 6
ARMED FORCES OF THE PHILIPPINES

Sec. 33. Functions. - The Armed Forces of the Philippines (AFP) shall:

Chapter 7
GENERAL HEADQUARTERS

Sec. 40. Functions. - The General Headquarters, AFP, shall:

Chapter 8
MAJOR SERVICES

Sec. 46. Organization.- The Major Services shall be organized by the Chief of Staff in accordance with the policies laid down by the Secretary of National Defense. The commanders of the Major Services shall hold such grade as provided by law, and shall be appointed by the President upon the recommendation of the Secretary of National Defense.

Chapter 9
PHILIPPINE MILITARY ACADEMY

Sec. 58. Organization. - (1) The Philippine Military Academy is the primary training and educational institution of the AFP. It shall be the primary sources of regular officers of the Standing Force.

Chapter 10
NATIONAL DEFENSE COLLEGE OF THE PHILIPPINES

Sec. 60. Organization and Administration. - (1) The National Defense College of the Philippines, hereafter referred to as the College, shall be under the direction, supervision and control of the Secretary of National Defense.

Chapter 11
INTEGRATED NATIONAL POLICE

Sec. 63. Composition. - Unless otherwise provided by law, the Integrated National Police shall be composed of the Philippine Constabulary as the nucleus and the Integrated Police Force, Fire Services as Jail Management Services as components, under the Department of National Defense.

Chapter 12
ATTACHED AGENCIES

Sec. 68. Attached Agencies. - Agencies which are attached to the Department shall operate in accordance with their respective organizational structures and perform the functions and duties assigned to them by law, subject to the requirements of economy, efficiency, and effectiveness.

Subtitle III
THE NATIONAL POLICE COMMISSION

Sec. 69. Declaration of Policy. - (1) The State shall establish and maintain one police force which shall be national in scope and civilian in character, to be administered and controlled by a national police commission and shall provide, by law, the authority of local executives over the police units in their jurisdiction.

Title IX
HEALTH

Chapter 1
GENERAL PROVISIONS

Sec. 1. Declaration of Policy. - The State shall protect and promote the right to health of the people and instill health consciousness among them; adopt an integrated and comprehensive approach to health development, with priority for the underprivileged sick, elderly, disabled, women and children; endeavor to make essential goods, health and other social services available to all the people at affordable cost; establish and maintain an effective food and drug regulatory system; and undertake appropriate health manpower development and research, responsive to the country's health needs and problems.

Chapter 2
DEPARTMENT PROPER

Sec. 5. Department Proper. - The Department Proper shall be composed of the Office of the Secretary, the Office for Management Services, the Office for Public Health Services, the Office for Hospital and Facilities Services, the Office for Standards and Regulations, and the Executive Committee for National Filed Operations.

Chapter 3
DEPARTMENT SERVICES

Sec. 12. Office for Management Services. - The Office for Management Services, headed by an Undersecretary who shall be supported by an Assistant Secretary, shall include six (6) staff services involved in providing support services to the Department Proper, field offices and attached agencies, which are as follows:

Chapter 4
OFFICES AND BUREAUS

Sec. 13. Office for Public Health Services. - The Office for Public Health Services, headed by an Undersecretary, shall include ten (10) staff services involved in policy formulation, standards development, programs development, and program monitoring of disease control and service delivery programs implemented by the field offices. The Undersecretary for Public Health Services, who shall be supported by an Assistant Secretary, shall supervise the following:

Chapter 5 FIELD OFFICES

Sec. 16. Office for National Field Operations. - The Office for National Field Operations, through an Executive Committee, shall supervise the operations of the various Regional Field Offices and the National Health Facilities, as enumerated in Section 17(3) and further described in Sections 18, 19 and 20 hereof.

Chapter 6 ATTACHED AGENCIES

Sec. 24. Attached Entities. - The Philippine Medical Care Commission and the Dangerous Drugs Board shall be attached to the Department and shall continue to operate and function in accordance with the law creating them, except as otherwise provided in this Code.

Title X TRADE AND INDUSTRY

Chapter 1 GENERAL PROVISIONS

Sec. 1. Declaration of Policy. - The State shall develop a self-reliant and independent national economy effectively controlled by Filipinos. It recognizes the indispensable role of the private sector, encourages private enterprise, and provides incentives to needed investments.

Chapter 2 DEPARTMENT PROPER

Sec. 5. Office of the Secretary. - The Office of the Secretary shall consist of the Secretary, his immediate staff, the Undersecretary for Policy Planning and Support Services, and the Offices and Services directly supportive of the Office of the Secretary. The functions of the foregoing shall be as follows:

Chapter 3 OFFICE OF THE UNDERSECRETARY FOR DOMESTIC TRADE

Sec. 10. Office of the Undersecretary for Domestic Trade. - The Office of the Undersecretary for Domestic Trade shall include all the staff bureaus and services involved in policy formulation, standards development, regulatory, and service delivery programs pertinent to domestic trade and commerce being implemented by the Department's line operating units. The Undersecretary for Domestic Trade shall supervise the following:

Chapter 4
OFFICE OF THE UNDERSECRETARY FOR INTERNATIONAL TRADE

Sec. 11. Office of the Undersecretary for International Trade. - The Office of the Undersecretary for International Trade shall include all the units involved in policy formulation, standards development, program monitoring of the development, regulatory, and service delivery programs of the Department pertinent to international trade and commerce being implemented by the Department's line operating units. The Undersecretary for International Trade shall supervise the following:

Chapter 5
OFFICE OF THE UNDERSECRETARY FOR
INDUSTRY AND INVESTMENTS

Sec. 12. Office of the Undersecretary for Industry and Investments. - The Office of the Undersecretary for Industry and Investments shall supervise all agencies involved in the formulation and implementation of programs and projects pertinent to the development of domestic industries and the promotion of investments in activities or enterprises critical to the Department's trade and industry development program.

Chapter 6
OFFICE OF THE UNDERSECRETARY FOR
REGIONAL OPERATIONS

Sec. 13. Office of the Undersecretary for Regional Operations. - The Office of the Undersecretary for Regional Operations shall exercise supervision and control over the Department's Regional Offices, described in Section 9, par. 1 hereof. It shall be responsible for the field operations of the Department, ensuring full compliance with Department policies, rigorous implementation of Department and regulations, and proper implementation of Department plans and programs by the Regional Offices in their respective administrative jurisdictions.

Chapter 7
ATTACHED AGENCIES

Sec. 15. Line Corporate Agencies and Government Entities. - The following are the Line Corporate Agencies and Government Entities that will perform

their specific regulatory functions, particular developmental responsibilities, and specialized business activities in a manner consonant with the Departments' mandate, objectives, policies, plans, and programs:

Title XI
AGRARIAN REFORM

Chapter 1
GENERAL PROVISIONS

Sec. 1. Declaration of Policy. - The State shall undertake an agrarian reform program founded on the right of farmers and regular farmworkers who are landless to own directly or collectively the lands they till or, in the case of other farmworkers, to receive a just share of the fruits thereof.

Chapter 2
DEPARTMENT PROPER

Sec. 5. Office of the Secretary. - The Office of the Secretary shall consist of the Secretary and his immediate staff.

Chapter 3
DEPARTMENT SERVICES

Sec. 8. Management and Executive Services. - The Management and Executive Services shall have the following functions:

Chapter 4
BUREAUS

Sec. 13. Bureau of Agrarian Legal Assistance. - The Bureau of Agrarian Legal Assistance shall have the following functions:

Chapter 5
REGIONAL AND DISTRICT OFFICES
AND ATTACHED AGENCIES

Sec. 18. Regional Office. - The Regional Office shall be responsible for supporting the field units and supervising program implementation of the Department within the region. It shall:

Title XII
LOCAL GOVERNMENT

Chapter 1
GENERAL PROVISIONS

Sec. 1. Declaration of Policy. - The State shall ensure the autonomy of local governments. For this purpose, it shall provide for a more responsive and accountable local government structure instituted through a system of decentralization. The allocation of powers and resources to local government units shall be promoted, and inter-local government grouping, consolidation and coordination of resources shall be encouraged. The State shall guarantee the local government units their just share in national taxes and their equitable share in proceeds from the use of natural resources, and afford them a wider latitude for resources generation.

Chapter 2 DEPARTMENT PROPER

Sec. 5. Office of the Secretary. - The Office of the Secretary shall consist of the Secretary and his immediate staff.

Chapter 3 DEPARTMENT SERVICES

Sec. 7. Planning Service. - The Planning Service shall be responsible for providing the Department with efficient and effective services relating to planning, programming, research and statistics.

Chapter 4 BUREAUS AND OFFICES

Sec. 12. Bureau of Local Government Supervision. - The Bureau of Local Government Supervision, to be headed by a Bureau Director appointed by the President upon the recommendation of the Secretary, shall have the following functions:

Chapter 5 REGIONAL AND FIELD OFFICES

Sec. 18. Regional and Field Offices. - The Secretary is authorized to establish, operate and maintain one Regional Office in each of the administrative regions established by law. A Regional Office shall have, within its administrative region, the following functions:

Chapter 6 LEAGUES OF PROVINCES, CITIES AND MUNICIPALITIES

Sec. 19. Leagues of Provinces, Cities and Municipalities. - There is hereby created the Leagues of Provinces, Cities and Municipalities.

Title XIII

TOURISM

Chapter 1 GENERAL PROVISIONS

Sec. 1. Declaration of Policy. - The State shall promote, encourage and develop tourism as a major national activity in which private sector investment, effort and initiative are fostered and supported, and through which socio-economic development may be accelerated, foreign exchange earned, international visitors offered the opportunity to travel to the Philippines and appreciate its natural beauty, history and culture, and Filipinos themselves enabled to see more of their country and imbued with greater pride in and commitment to the nation.

Chapter 2 DEPARTMENT PROPER

Sec. 5. Office of the Secretary. - The Office of the Secretary shall consist of the Secretary and his immediate staff.

Chapter 3 DEPARTMENT SERVICES

Sec. 7. Department Service Character and Head. - The Department Services shall be essentially staff in character, each of which shall be headed by a Service Chief.

Sec. 8. Financial and Management Service. - The Financial and Management Service shall provide the Department with staff advice and assistance on budgetary, financial and management matters and shall perform such other related functions as may be assigned or delegated to it by the Secretary.

Chapter 4 BUREAUS AND OFFICES

Sec. 11. Bureau and Office Character and Head. - The Bureaus and Offices shall be essentially staff in character, each of which shall be headed by a Staff Director.

Chapter 5 FOREIGN AND REGIONAL OFFICES

Sec. 19. Foreign Field Offices. - Subject to the approval of the President, the Department shall have foreign offices as may be necessary in the marketing and promotion of the Philippines as an international tourist destination, which shall oversee and implement the marketing and promotional

programs of the Department.

Chapter 6 ATTACHED AGENCIES

Sec. 21. Attached Agencies. - The Philippine Tourism Authority, and Philippine Convention Bureau, Intramuros Administration, and National Parks Development Committee are hereby attached to the Department and shall continue to operate and function in accordance with the respective charters/laws/orders provided in this Code.

Title XIV ENVIRONMENT AND NATURAL RESOURCES

Chapter 1 GENERAL PROVISIONS

Sec. 1. Declaration of Policy. - (1) The State shall ensure, for the benefit of the Filipino people, the full exploration and development as well as the judicious disposition, utilization, management, renewal and conservation of the country's forest, mineral, land, waters, fisheries, wildlife, off-shore areas and other natural resources, consistent with the necessity of maintaining a sound ecological balance and protecting and enhancing the quality of the environment and the objective of making the exploration, development and utilization of such natural resources equitably accessible to the different segments of the present as well as future generations.

Chapter 2 THE DEPARTMENT PROPER

Sec. 6. Composition. - The Department Proper shall be composed of the Office of the Secretary, the Offices of the Undersecretaries and Assistant Secretaries, and the Public Affairs Office, Special Concerns Office, and the Pollution Adjudication Board.

Chapter 3 THE STAFF SECTORAL BUREAUS

Sec. 14. Forest Management Bureau. - The Forest Management Bureau shall be headed by a Director and assisted by an Assistant Director, and shall integrate and absorb the powers of the Bureau of Forest Development and the Wood Industry Development Authority which were abolished by Executive Order No. 131, except those line functions and powers thereof which are transferred to the regional field office.

Chapter 4 THE DEPARTMENT FIELD OFFICES

Sec. 20. Field Offices of the Department. - The Field offices of the Department are the Environmental and Natural Resources Regional Offices in the thirteen (13) administrative regions of the country; the Environment and Natural Resources Provincial Office in every province, and the Community Office in every municipality, whenever deemed necessary.

Chapter 5 ATTACHED AGENCIES AND CORPORATIONS

Sec. 23. Attached Agencies and Corporations. - The following agencies and corporations shall be attached to and under the administrative supervision of the Department:

Title XV TRANSPORTATION AND COMMUNICATIONS

Chapter 1 GENERAL PROVISIONS

Sec. 1. Declaration of Policy. - The State is committed to the maintenance and expansion of viable, efficient, fast, safe and dependable transportation and communications systems as effective instruments for national recovery and economic progress. It shall not compete as a matter of policy with private enterprise and shall operate transportation and communications facilities only in those areas where private initiatives are inadequate or non-existent.

Chapter 2 DEPARTMENT PROPER

Sec. 5. Office of the Secretary. - The Office of the Secretary shall consist of the Secretary, his immediate staff, the Franchising Review Staff and the Investigation, Security and Law Enforcement Staff.

Chapter 3 DEPARTMENT SERVICES

Sec. 13. Department Services. - The Department Services shall include the following:

Chapter 4 REGIONAL OFFICES

Sec. 14. Regional Offices. - The Department shall have three (3) Regional Offices in each of the administrative regions of the country: the Regional Office for Land Transportation, the Regional Office for Telecommunications

and the Regional Office for Postal Services. Each Regional Office shall be headed by a Regional Director to be assisted by an Assistant Regional Director.

Chapter 5 REGULATORY BOARD

Sec. 15. Land Transportation Franchising and Regulatory Board. - The quasi-judicial powers and functions with respect to land transportation shall be exercised through the Land Transportation and Regulatory Board, hereinafter referred to as the "Board".

Chapter 6 ATTACHED AGENCIES

Sec. 23. Attached Agencies and Corporations. - The following agencies and corporations are attached to the Department: The Philippine National Railways, the Maritime Industry Authority, the Philippine National Lines, the Philippine Aerospace Development Corporation, the Metro Manila Transit Corporation, the Office of Transport Cooperatives, the Philippine Ports Authority, the Philippine Merchant Marine Academy, the Toll Regulatory Board, the Light Rail Transit Authority, the Transport Training Center, the Civil Aeronautics Board, the National Telecommunications Commission and the Manila International Airport Authority.

Title XVI SOCIAL WELFARE AND DEVELOPMENT

Chapter 1 GENERAL PROVISIONS

Sec. 1. Declaration of Policy. - The State is committed to the care, protection, and rehabilitation of individuals, families and communities which have the least in life and need social welfare assistance and social work intervention to restore their normal functioning and enable them to participate in community affairs.

Chapter 2 DEPARTMENT PROPER

Sec. 5. Office of the Secretary. - The Office of the Secretary shall consist of the Secretary and the Secretary's immediate staff, and the Public Affairs and Liaison Service.

Chapter 3 DEPARTMENT SERVICES

Sec. 8. Services of the Department. - The Services listed in Section 7 (1) and (3) hereof and the public Affairs and Liaison Service shall respectively have the following functions:

Chapter 4 BUREAUS AND OFFICES

Sec. 9. Composition. - The Staff bureaus listed in Section 7 (2) hereof shall be essentially staff in character and as such shall exercise technical supervision over the Regional Offices; shall be primarily involved in the development of policies and programs within their respective functional specializations; and shall formulate and develop related policies, guidelines and standards necessary in guiding the Regional Offices in the proper implementation of such policies and programs.

Chapter 5 REGIONAL OFFICES

Sec. 12. Regional Office. - The Department is hereby authorized to establish, operate and maintain a Regional Office in each of the administrative regions of the country.

Chapter 6 PROVINCIAL/CITY OFFICES

Sec. 16. Provincial/City Office. - The Department is hereby authorized to establish, operate and maintain Provincial/City Offices throughout the country with jurisdiction over all municipalities/districts within the province. The Provincial/City Offices shall have the following functions:

Chapter 7 MUNICIPAL/DISTRICT OFFICES

Sec. 18. Municipal/District Office. - The Department is hereby authorized to establish, operate and maintain a Municipal/District Office to service a municipality or city district which shall be headed by the Supervising Social Welfare Officer and shall be primarily responsible for the efficient and effective implementation of the Department's field programs in the municipality or city, under the supervision of the Provincial/City Office.

Chapter 8 ATTACHED AGENCIES

Sec. 19. Agencies Under Administrative Supervision and Attached Agencies. - The Population Commission Council for the Welfare of Children, National Nutrition Council and the National Council for the Welfare of Disabled Person and the agencies attached to the Department shall continue

to operate and function in accordance with their respective charters or laws creating them, except as otherwise provided in this Code.

Chapter 9 FUND DRIVES

Sec. 20. Solicitation. - Any person, corporation, organization, or association desiring to solicit or receive contribution for charitable or public welfare purposes shall first secure a permit from the Regional Offices of the Department. Upon the filing of a written application for a permit in the form prescribed by the Regional Offices of the Department, the Regional Director or his duly authorized representative may, in his discretion, issue a permanent or temporary permit or disapprove the application. In the interest of the public, he may in his discretion renew or revoke any permit issued under Act 4075.

Chapter 10 SOCIAL WELFARE AGENCIES AND SERVICES

Sec. 23. Social Welfare Services by Others. - Social welfare services by the Department shall be without prejudice to similar efforts by any local government unit or private agency, institution or group. All Department units shall actively promote and extend maximum assistance, including the provision of counterpart or supplementary funds and resources, upon approval by the Secretary, to such efforts.

Title XVII BUDGET AND MANAGEMENT

Chapter 1 GENERAL PROVISIONS

Sec. 1. Declaration of Policy. - The national budget shall be formulated and implemented as an instrument of national development, reflective of national objectives and plans; supportive of and consistent with the socio-economic development plans and oriented towards the achievement of explicit objectives and expected results, to ensure that the utilization of funds and operations of government entities are conducted effectively; formulated within the context of a regionalized governmental structure and within the totality of revenues and other receipts, expenditures and borrowings of all levels of government and of government-owned or controlled corporations; and prepared within the context of the national long-term plans and budget programs of the Government.

Chapter 2 DEPARTMENT PROPER

Sec. 4. Office of the Secretary. - The Office of the Secretary shall consist of

his immediate staff, the Budget Control Staff, Research Staff, a Regional Coordination Staff for Luzon, and a Regional Coordination Staff for Visayas and Mindanao.

Chapter 3 DEPARTMENT SERVICES

Sec. 7. Management Services Office. - The Management Services Office shall consist of the following bureaus:

Chapter 4 BUREAUS

Sec. 10. The Budget Operations Office. - The Budget Operations Office shall review and analyze the work and financial flows, the budgetary proposals of national and local government agencies and corporations, check each agency's compliance with the budgetary policies and project priorities, determine the budgetary implications of foreign assisted projects from the time of project design to the negotiation for financial assistance, prepare recommendations for fund releases, formulate and implement fiscal policies and plans for budget preparation and control, and conduct studies on economic trends and factors affecting government revenues, expenditures and borrowings. It shall consist of the following Bureaus:

Title XVIII SCIENCE AND TECHNOLOGY

Chapter 1 GENERAL PROVISIONS

Sec. 1. Declaration of Policy. - The State shall:

Chapter 2 DEPARTMENT PROPER

Sec. 5. Office of the Secretary. - The Office of the Secretary shall consist of the Secretary and his immediate staff.

Chapter 3 SERVICES

Sec. 8. Services. - The Services of the Department shall consist of the following:

Chapter 4 BOARD, COUNCILS AND INSTITUTES

Sec. 9. Inter-Council Review Board. - There shall be an Inter-Council Review Board, composed of the Secretaries or their designated Undersecretaries who are members of the sectoral planning councils under Sections 10, 11, 12, 13, 14, and 15, and shall be chaired by the Secretary of Science and Technology.

Chapter 5 REGIONAL OFFICES.

Sec. 28. Regional Offices.- The Department is authorized to establish, operate and maintain a Regional Office, whenever appropriate, in each of the administrative regions of the country, to be headed by a Regional Director who shall report and be subject to the supervision of, the Undersecretary for Regional Operations. A Regional Office shall have, within its administrative region, the following functions:

Chapter 6 ATTACHED AGENCIES

Sec. 30. Attached Agencies. - The following agencies shall be attached to the Department: the Philippine National Science Society, the National Academy of Science and Technology, the Philippine Science High School, and the Metals Industry Research and Development Center.

The Center shall have the powers and functions assigned to it by law.

BOOK V

Title I CONSTITUTIONAL COMMISSIONS

Subtitle A CIVIL SERVICE COMMISSION

Chapter 1 GENERAL PROVISIONS

Sec. 1. Declaration of Policy. - The State shall insure and promote the Constitutional mandate that appointments in the Civil Service shall be made only according to merit and fitness; that the Civil Service Commission, as the central personnel agency of the Government shall establish a career service, adopt measures to promote morale, efficiency, integrity, responsiveness, and courtesy in the civil service, strengthen the merit and rewards system, integrate all human resources development programs for all levels and ranks, and institutionalize a management climate conducive to public accountability; that public office is a public trust and public officers and

employees must at all times be accountable to the people; and that personnel functions shall be decentralized, delegating the corresponding authority to the departments, offices and agencies where such functions can be effectively performed.

Chapter 2 COVERAGE OF THE CIVIL SERVICE

Sec. 6. Scope of the Civil Service. - (1) The Civil Service embraces all branches, subdivisions, instrumentalities, and agencies of the Government, including government-owned or controlled corporations with original charters.

Chapter 3 ORGANIZATION AND FUNCTIONS OF THE CIVIL SERVICE COMMISSION

Sec. 10. Composition. - The Commission shall be composed of a Chairman and two Commissioners who shall be natural born citizens of the Philippines and, at the time of their appointment, at least thirty-five years of age, with proven capacity for public administration, and must not have been candidates for any elective position in the elections immediately preceding their appointment.

Chapter 4 INTERDEPARTMENT RELATIONS

Sec. 18. Civil Service Assistance to Department and Agencies. - Each Secretary or head of office, agency, government-owned or controlled corporation with original charter and local government shall be responsible for personnel administration in his office which shall be in accordance with the provision relating to civil service embodied in the Constitution, this Title and the rules, principles, standards, guidelines and regulations established by the Commission. The Civil Service Commission shall, whenever it deems it in the interest of the public service, organize in each department, office, agency, government-owned or controlled corporation, and provincial and city government a Civil Service Staff which shall be headed by an officer of the Commission. The necessary staff personnel and office facilities and equipment shall be provided by the department, government-owned or controlled corporation or local government where the staff is established but the Commission may augment these with its own. The Staff shall serve as the principal liaison between the Civil Service and Department concerned and shall perform the following specific functions and those functions which may hereafter be assigned to it by the Commission.

Chapter 5 PERSONNEL POLICIES AND STANDARDS

Sec. 21. Recruitment and Selection of Employees. - (1) Opportunity for government employment shall be open to all qualified citizens and positive efforts shall be exerted to attract the best qualified to enter the service. Employees shall be selected on the basis of fitness to perform the duties and assume the responsibilities of the positions.

Chapter 6 RIGHT TO SELF-ORGANIZATION

Sec. 38. Coverage. - (1) All government employees, including those in government-owned or controlled corporations with original charters, can form, join or assist employees' organizations of their own choosing for the furtherance and protection of their interests. They can also form, in conjunction with appropriate government authorities, labor-management committees, work councils and other forms of workers' participation schemes to achieve the same objectives.

Chapter 7 PROHIBITIONS

Sec. 54. Limitation on Appointment. - (1) No elective official shall be eligible for appointment or designation in any capacity to any public office or position during his tenure.

Chapter 8 LEAVE OF ABSENCE

Sec. 60. Leave of Absence. - Officers and employees in the Civil Service shall be entitled to leave of absence, with or without pay, as may be provided by law and the rules and regulations of the Civil Service Commission in the interest of the service.

Chapter 9 MISCELLANEOUS PROVISIONS

Sec. 61. Examining Committee, Special Examiners and Special Investigators. - Subject to approval by the proper head of a department or agency, the Commission may select suitable persons in the government service to act as members of examining committees, special examiners or special investigators. Such persons shall be designated examiners or investigators of the Commission and shall perform such duties as the Commission may require, and in the performance of such duties they shall be under its exclusive control. Examining committees, special examiners or special investigators so designated may be given allowances or per diems for their services, to be paid out of the funds of, and at a rate to be determined by, the Commission.

Subtitle B
THE COMMISSION ON AUDIT

Chapter 1
GENERAL PROVISIONS

Sec. 1. Declaration of Policy.- All resources of the government shall be managed, expended or utilized in accordance with law and regulations and safeguarded against loss or wastage through illegal or improper disposition to ensure efficiency, economy and effectiveness in the operations of government. The responsibility to take care that such policy is faithfully adhered to rests directly with the chief or head of the government agency concerned.

Chapter 2
ORGANIZATION OF THE COMMISSION ON AUDIT

Sec. 3. The Commission Proper. - The Commission Proper shall be composed of the Chairman and two Commissioners. It shall sit as a body to formulate policies, promulgate rules and regulations, and prescribe standards governing the discharge of its powers and functions.

Chapter 3
OFFICES

Sec. 7. Central Offices. - The Commission shall have the following central offices:

Chapter 4
JURISDICTION, POWERS AND FUNCTIONS OF THE COMMISSION

Sec. 10. Statement of Objectives. - In keeping with the constitutional mandate, the Commission adheres to the following objectives:

Chapter 5
DECISIONS OF THE COMMISSION

Sec. 33. Appeal from Decision of Auditors. - Any person aggrieved by the decision of an auditor of any government agency in the settlement of an account or claim may, within six (6) months from receipts of a copy thereof, appeal in writing to the Commission.

Chapter 6
GOVERNMENT AUDITING AND ACCOUNTING

Sec. 38. Definition of Government Auditing. - Government auditing is the analytical and systematic examination and verification of financial

transactions, operations, accounts and reports of any government agency for the purpose of determining their accuracy, integrity and authenticity, and satisfying the requirements of law, rules and regulations.

Chapter 7
RECEIPT AND DISPOSITION OF FUNDS AND PROPERTY

Sec. 42. Accounting for Money and Property Received by Public Officials. - Except as may otherwise be specifically provided by law or competent authority, all moneys and property officially received by a public officer in any capacity or upon any occasion must be accounted for as government funds and government property. Government property shall be taken up in the books of the agency concerned at acquisition cost or an appraised value.

Chapter 8
APPLICATION OF APPROPRIATED FUNDS

Sec. 45. Disbursement of Government Funds. - (1) Revenue funds shall not be paid out of any public treasury or depository except in pursuance of an appropriation law or other specific statutory authority;

Chapter 9
ACCOUNTABILITY AND RESPONSIBILITY
FOR GOVERNMENT FUNDS AND PROPERTY

Sec. 50. Accountable Officers; Board Requirements. - (1) Every officer of any government agency whose duties permit or require the possession or custody government funds shall be accountable therefor and for safekeeping thereof in conformity with law; and

Chapter 10
MISCELLANEOUS PROVISIONS

Sec. 54. Duty to Respect the Commission's Independence. - It shall be the duty of every person to respect, protect and preserve the independence of the Commission.

Subtitle C
COMMISSION ON ELECTIONS

Chapter 1
GENERAL PROVISIONS

Sec. 1. Declaration of Policy. - The State shall at all times ensure free, orderly, honest, peaceful and credible elections under a free and open party system which shall be allowed to evolve according to the free choice of the people subject to the provisions of Article IX-C of the 1987 Constitution of

the Philippines.

Chapter 2 THE COMMISSION PROPER

Sec. 4. Composition and Qualifications. - There shall be a Commission on Elections composed of a Chairman and six (6) Commissioners who shall be natural born citizens of the Philippines and, at the time of their appointment, at least thirty-five (35) years of age, holders of a college degree, and must not have been candidates for any elective position in the immediately preceding elections. However, a majority thereof, including the Chairman, shall be members of the Philippine Bar who have been engaged in the practice of law for at least ten (10) years.

Chapter 3 THE FIELD OFFICES

Sec. 11. Field Office of the Commission. - The Commission shall have the following field offices:

Title II OTHER BODIES

Subtitle A COMMISSION ON HUMAN RIGHTS

Sec. 1. Composition and Qualification. - The Commission on Human Rights shall be composed of a Chairman and four (4) Members who must be natural-born citizens of the Philippines and, at the time of their appointment, at least thirty-five years of age, and must not have been candidates for any elective position in the elections immediately preceding their appointment. However, a majority thereof shall be members of the Philippine Bar.

Subtitle B OFFICE OF THE OMBUDSMAN

Sec. 1. Composition. - (1) The Office of the Ombudsman shall be headed by the Ombudsman, to be known as the Tanod-bayan, who shall be assisted by one overall Deputy and at least by one Deputy each for Luzon, Visayas and Mindanao. A separate Deputy for the military establishment may likewise be appointed.

Subtitle C THE NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY

Chapter 1

GENERAL PROVISIONS

Sec. 1. Declaration of Policy. - The State shall ensure that all socio-economic programs and activities of the government shall be programmed within the context of well-formulated and consistent long, medium, and short-term development plans and policies to promote both the growth of the economy and the equitable distribution of the benefits of such growth to the members of society. To this end, it is recognized that the formulation of the required socio-economic development policies and plans is a vital process that calls for the participation of the various government agencies and private sector institutions and individuals concerned, both on national, regional, and local levels. This process of policy and plan formulation, however needs to be coordinated closely by a central government agency to ensure consistency of these plans and policies and optimal use of the nation's scarce resources.

Chapter 2 NEDA BOARD

Sec. 5. Composition of the NEDA Board. - The NEDA Board shall be composed of the following:

Chapter 3 NEDA SECRETARIAT

Sec. 8. The NEDA Secretariat. - The Secretariat of NEDA shall have the following functions:

Chapter 4 ATTACHED AGENCIES

Sec. 16. Retained Agencies. - The following agencies, currently attached to the Authority, shall continue to be so attached for purposes of supervision;

- (1) Philippine Institute for Development Studies;
- (2) Philippine National Volunteer Service Coordinating Agency; and
- (3) Tariff Commission.

The Authority shall arrange for the transfer of the functions of the following agencies to the Regional Development Councils concerned or other agencies as may be appropriate:

- (1) Kalinga Special Development Region;
- (2) Laguna Lake Development Authority;
- (3) Leyte Sab-A Basin Development Authority.

The National Council for integrated Area Development (NACIAD) and the Central Visayas Regional Projects Office (CVRPO) are hereby transferred to the Authority which shall, within one (1) year from the date of effectivity of this Code, recommend their transfer to the appropriate department in conjunction with the Department of Budget and Management. The Authority shall further review the functions and activities of all other Integrated Area Development programs and projects and any other programs requiring multi-sectoral and/or multi-disciplinary approaches in order to recommend the appropriate disposition and supervision of the same.

The Authority shall furthermore review the mandate, objectives and functions of all development authorities in order to recommend such dispositions or revisions of their charters, as may be deemed advisable.

BOOK VI

NATIONAL GOVERNMENT BUDGETING

Chapter 1 GENERAL PROVISIONS

Sec. 1. Constitutional Policies on the Budget. - (1) All appropriations, revenue or tariff bills, bills authorizing increase of the public debt, bills of local application, and private bills shall originate exclusively in the House of Representatives but the Senate may propose or concur with amendments.

Chapter 2 - BUDGET POLICY AND APPROACH

Sec. 3. Declaration of Policy. - It is hereby declared the policy of the State to formulate and implement a National Budget that is an instrument of national development, reflective of national objectives, strategies and plans. The budget shall be supportive of and consistent with the socio-economic development plan and shall be oriented towards the achievement of explicit objectives and expected results, to ensure that funds are utilized and operations are conducted effectively, economically and efficiently. The national budget shall be formulated within the context of a regionalized government structure and borrowings of all levels of government and of

government-owned or controlled corporations. The budget shall likewise be prepared within the context of the national long-term plan and of a long-term budget program.

Chapter 3 BUDGET PREPARATION

Sec. 11. Submission of the Budget. - The President shall, in accordance with Section 22 (1), article VII of the Constitution, submit within thirty (30) days from the opening of each regular session of the Congress as the basis for the preparation of the General Appropriations Act, a national government budget estimated receipts based on existing and proposed revenue measures, and of estimated expenditures.

Chapter 4 BUDGET AUTHORIZATION

Sec. 23. Content of the General Appropriations Act. - The General Appropriations Act shall be presented in the form of budgetary programs and projects for each agency of the government, with the corresponding appropriations for each program and project, including statutory provisions of specific agency or general applicability. The General Appropriations Act shall not contain any itemization of personal services, which shall be prepared by the Secretary after enactment of the General Appropriations Act, for consideration and approval of the President.

Chapter 5 BUDGET EXECUTION

Sec. 32. Use of Appropriated Funds. - All moneys appropriated for functions, activities, projects and programs shall be available solely for the specific purposes for which these are appropriated.

Chapter 6 BUDGET ACCOUNTABILITY

Sec. 51. Evaluation of Agency Performance. - The President, through the Secretary shall evaluate on a continuing basis the quantitative and qualitative measures of agency performance as reflected in the units of work measurement and other indicators of agency performance, including the standard and actual costs per unit of work.

Chapter 7 EXPENDITURE OF APPROPRIATED FUNDS

Sec. 58. Contracting of Activities. - Agencies may enter into contracts with individuals or organizations, both public and private, subject to provisions

of law and applicable guidelines approved by the President: provided, that contracts shall be for specific services which cannot be provided by the regular staff of the agency, shall be for a specific period of time, and shall have a definite expected output: provided, further, that implementing, monitoring and other regular and recurring agency activities shall not be contracted for, except for personnel hired on an individual and contractual basis and working as part of the organization, or as otherwise may be approved by the President: Provided, finally, that the cost of contracted services shall not exceed the amount that would otherwise be incurred had the work been performed by regular employees of government, except as may be authorized under this section.

Sec. 59. Authority to Receive Additional Compensation. - Officials and employees who are duly appointed by competent authority to any position in another government office or agency in a concurrent capacity, may, in the discretion of the President, be allowed to receive additional compensation in the form of allowance or honorarium at such rates he shall fix and subject to such conditions as she may prescribe. Such additional compensation shall be paid from the appropriations of the office or agency benefitting from the concurrent service.

Sec. 60. Restrictions on Salary Increases. - No portion of the appropriations provided in the General Appropriations Act shall be used for payment of any salary increase or adjustment unless specifically authorized by law or appropriate budget circular nor shall any appropriation for salaries authorized in the General Appropriations Act, save as otherwise provided for under the Compensation and Position Classification Act, be paid unless the positions have been classified by the Budget Commission.

Sec. 61. Merit Increases. - The budgets of national government agencies may provided for a lump-sum for merit increases, subject to such terms and conditions as may be approved by the President. Such lump-sum shall be used to fund salary increases approved by the head of agency in recognition of meritorious performance: Provided, That the Civil Service Commission and the Department of Budget shall jointly issue the rules and regulations governing the granting of such merit increases.

Sec. 62. Salary for Substitutionary Service. - When an official or employee is issued a duly approved appointment in a temporary or acting capacity to take the place and perform the duties of another who is temporarily absent from his post with pay, savings in the appropriations of the department, bureau or office may be used for the payment of his salary or differential, subject to the approval of the

Secretary.

Sec. 63. Additional Compensation for Overtime Service. - Officials and employees of the National Government, when required to work overtime after regular working hours during ordinary days, during half-day sessions, or on Saturdays, Sundays and holidays, by the heads of departments concerned, to finish work that must be completed within a specified time, may be paid overtime compensation from any unexpected balance of the appropriation for salaries and wages authorized in the General Appropriations Act and under such guidelines as may be issued by the President.

Sec. 64. Compensation of Persons Receiving Pension. - A person receiving life pension, annuity, or gratuity as a result of service in the national government or any local government unit, or from any government-owned or controlled corporation, who is reappointed to any position, the appropriation for the salary of which is provided from funds of the office, shall have the option to receive either the compensation for the position, or the pension, gratuity or annuity, but in no case shall he receive both.

Sec. 65. Prohibition of Voluntary Service. - Unless otherwise specifically approved by the President, no person shall be employed or appointed in the government under the guise of voluntary service, with compensation below the authorized hiring rate for the position, but with privilege of transportation and/or representation expenses in any form, or of receiving per diems, allowances, honoraria, subsistence, quarters in cash or in kind, payable from government funds: provided, that the application of this provisions may be waived to authorize voluntary service in the Armed Forces of the Philippines or in connection with relief operations.

Sec. 66. Additional Compensation for School Faculty Members. - Professors, instructors, teachers, or members of the faculty of government schools, colleges and universities, when required to teach more than their regular teaching loads may be paid additional compensation not exceeding seventy-five percentum of their basic salary.

Sec. 67. Laundry. - At the discretion of the department head concerned, any official or employee of the national government serving in any hospital, penal institution, or other similar institution, who is required to wear a uniform during the performance of his duties, may be granted laundry allowance in kind, or which may be commuted at such rates as may be authorized by the Department of

Budget.

Sec. 68. Hazard Pay. - Upon recommendation of the department head concerned and approval of the Secretary, hazard pay may be allowed to employees who are actually assigned to danger or strife-torn areas, disease-infested places, or in distressed or isolated stations and camps, which expose them to great danger of contagion or peril to life. Such hazard pay shall be paid from savings of the department concerned at such rates, terms and conditions as the Secretary may prescribe.

Sec. 69. Subsistence. - No official or employee of the national government shall be given subsistence, the cost of which is payable from any fund, except the following and only when an appropriation therefor is specifically provided:

(1) Marine officers, engineers and crew of government vessels, launches, and motorboats, who shall take their meals on the mess when aboard the said vessels, launches, or motorboats;

(2) Lightkeepers and other employees in light stations duly authorized by the head of the department to receive subsistence, who shall be furnished raw canned, or preserved food supplies;

(3) Officials and employees who are required to render service within the premises of hospitals, penal institutions, leper institutions, military installations, and other similar institutions, for a continuous period that includes meal time, may be allowed full subsistence when required to live in said premises to make their services available at any and all times;

(4) Laborers temporarily fielded to isolated or unsettled districts shall be furnished the usual rations or the equivalent in cash, at the expense of the government.

In hospitals and leper institutions where there are no mess halls or whenever these are inadequate, personnel entitled to subsistence allowance in kind may commute such subsistence upon request of the personnel concerned subject to the approval of the department head at authorized rates chargeable against the appropriations for supplies and materials authorized in the General Appropriations Act.

Sec. 70. Subsistence of Crew of Government Vessels. - The subsistence allowance for the officers and crew of the coast guard and revenue cutters and lighthouse tenders and other large vessels operated by the Government shall be spent for conducting a mess

under the charge and administration of one or more members of the complement in each vessel to be designated by the corresponding head of department, and in accordance with regulations to be issued by him. The person or persons so designated shall keep an account of the advances of funds received and expenditures made therefrom for the operation of the mess and shall render such report to the corresponding Accounting Officer promptly at the end of each month.

Sec. 71. Furnished Quarters. - When the position of any official or employee is provided with "furnished quarters", such official or employee shall be entitled to the use of such government-owned furniture and equipment as are necessary for his board and lodging and those for his family including children below twenty-one years of age.

Sec. 72. Per Diems of Government Officials and Employees. - When a government official or employee is authorized to travel on official business outside of his permanent station, he shall be entitled to per diems to cover his board and lodging in accordance with his schedule: provided, that in addition to per diems, the official or employee may be entitled to transportation expenses in going to and coming from his destination and to a daily allowance while in the field: provided, further, that officials and employees on travel status whose expenses for board and lodging are paid directly or indirectly by government may not be entitled to receive the per diems and allowances corresponding to such payments.

Department secretaries, heads of Constitutional bodies, undersecretaries and all other positions of equivalent rank are authorized the reimbursement of actual expenses supported by receipts, within such limits as may be imposed under the provisions of this section.

Officials and employees authorized to travel abroad may be granted clothing allowance: provided, that no official or employee shall be granted such clothing allowance oftener than once every twenty-four (24) months.

The rates of per diems and other allowances as authorized in this section shall be determined by the President. The rates may be changed from time to time upon recommendation of a Travel Rates Committee which is hereby created, consisting of the Secretary of Budget as Chairman and the Secretary of Foreign Affairs, the Secretary of Tourism and the Chairman, Commission on Audit, or their representatives, as members.

The Committee shall review travel rates and shall recommend to the President for consideration and approval modification in rates and policy when found to be warranted by actual domestic or foreign travel costs, as the case may be.

Government-owned or controlled corporations shall observe the rates established under this section: provided, that profit making corporations may adopt their own scales as may be provided by law. The Travel Rates Committee shall issue the necessary rules and regulations to enforce the provisions of this section.

Sec. 73. Additional Conditions for Payment of Travel Expenses. - When travel is done by water and subsistence is not included in the transportation cost, the amount actually and necessarily spent for subsistence during such travel time shall be paid, and no per diems shall be allowed in lieu thereof.

Per diems and travel allowances shall not be granted to members of field parties or others for whom subsistence and allowances in kind are supplied or other special provision made to cover travel expenses.

The travel expenses of a government official or employee who is assigned to render a special service to any private person or entity, the expenses for which are payable by the latter, shall be paid from a deposit which the private party shall be required to make before the performance of the special service is commenced, subject to the limitations and requirements herein provided for travel expenses payable from government funds.

No official or employee of the Government who remains temporarily at one station for a period longer than one (1) month shall be paid per diems in excess of one (1) month, except upon the approval of the head of department, and, in case his temporary stay in any one place exceeds three (3) months, payment of per diems in excess of three (3) months shall be made only upon the previous approval of the Secretary.

Sec. 74. Transportation of Members of Family of an Employee Transferred from One Station to Another. - Whenever, due to the exigencies of the service and not at his own request, an official or employee is transferred from one station to another, said official or employee and his spouse and children below twenty-one years of age shall be entitled to transportation and freight for reasonable and necessary baggage and household effects, at the expense of the Government, to be paid from the appropriation for traveling expenses

of the bureau or office concerned.

Sec. 75. Purchase, Use, Operation and Maintenance of Motor Transport Equipment. - No appropriation for equipment authorized in the General Appropriations Act shall be used directly or indirectly for the purchase of automobiles, jeeps, jitneys, station wagons, motorcycles, trucks, launches, speedboats, airplanes, helicopters and other types of motor transport equipment unless otherwise specifically authorized by the President.

All departments, bureaus, offices and agencies authorized to purchase motor transport equipment including those acquired through donations, gifts or gratuitous title are likewise authorized to use, operate and maintain them for purposes of carrying out the official functions and activities of the agency. These motor vehicles shall be used strictly for official business, bear government plates only, and after office hours kept in garage provided therefor by the office or agency to which they belong, except, when in use for official business outside office hours. The President, however, may authorize exceptions from these provisions for officials of government who work under extended hours or whose activities call for special security arrangements. Any violation of the provisions of this section shall subject the erring official or employee to administrative disciplinary action and he shall be personally liable for any loss or damage caused to the government or third persons.

The Commission on Audit shall issue rules and regulations governing the use, operation and maintenance of government motor transport equipment.

Sec. 76. Limitation of Rental of Motor Vehicles. - No appropriations authorized in the General Appropriations Act shall be used for renting motor transport equipment for a continuous period of more than fifteen days, except as may be authorized by the Secretary.

Sec. 77. Limitation of Purchase of Supplies, Materials, and Equipment Spare Parts. - Except as otherwise provided in the General Appropriations Act, the stock on hand of supplies, materials and equipment spare parts, acquired through ordinary and emergency purchase, shall at no time exceed normal three-month requirements, subject to the pertinent rules and regulations issued by competent authority: Provided, That department heads may approve the build-up of stocks on hand of critical supplies and materials, in anticipation of cost increases or requirements of a national emergency, and specifying maximum quantities of individual items, but in no case shall these stocks exceed more than one year's supply, unless otherwise approved

by the President.

Sec. 78. Purchase of Locally Manufactured Products. - All appropriations for the purchase of equipment, supplies and materials authorized in the General Appropriations Act shall be available only for locally manufactured equipment; parts, accessories, medicines and drugs, supplies and materials, except when none is available in the market or when the price of the locally manufactured article exceed those determined by the Flag Law.

Sec. 79. Availability of Appropriations for Rental of Building and Grounds. - Any appropriation authorized in any Act for rental of buildings and grounds for any department, bureau, office or agency shall be available for expenditure only when authorized by the department head concerned. Such appropriation may also be used for lease-purchase arrangements.

With the concurrence of the Secretary of Budget and Management and the Secretary of Finance, the head of the department may contract with any government financial institution for loans intended for the acquisition of land for the construction of an office building for any of the agencies under the department. Annual amortization of the loans shall be taken from the appropriation for rental authorized under any Act for the department, bureau or office concerned.

Sec. 80. Misuse of Government Funds and Property. - Any public official or employee who shall apply any government fund or property under his administration or control to any use other than for which such fund or property is appropriated by laws, shall suffer the penalty imposed under the appropriate penal laws.

BOOK VII

ADMINISTRATIVE PROCEDURE

Chapter 1

GENERAL PROVISIONS

Sec. 1. Scope. - This Book shall be applicable to all agencies as defined in the next succeeding section, except the Congress, the Judiciary, the Constitutional Commissions, military establishments in all matters relating exclusively to Armed Forces personnel, the Board of Pardons and Parole, and state universities and colleges.

Chapter 2

RULES AND REGULATIONS

Sec. 3. Filing. - (1) Every agency shall file with the University of the Philippines Law Center three (3) certified copies of every rule adopted by it. Rules in force on the date of effectivity of this Code which are not filed within three (3) months from that date shall not thereafter be the basis of any sanction against any party or persons.

Chapter 3 ADJUDICATION

Sec. 10. Compromise and Arbitration. - To expedite administrative proceedings involving conflicting rights or claims and obviate expensive litigations, every agency shall, in the public interest, encourage amicable settlement, compromise and arbitration.

Chapter 4 ADMINISTRATIVE APPEAL INCONTESTED CASES

Sec. 19. Appeal. - Unless otherwise provided by law or executive order, an appeal from a final decision of the agency may be taken to the Department head.

FINAL PROVISIONS

Sec. 27. Repealing Clause. - All laws, decrees, orders, rules and regulations, or portions thereof, inconsistent with this Code are hereby repealed or modified accordingly.

DONE in the City of Manila, this 25th day of July, in the year of Our Lord, nineteen hundred and eighty-seven.