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PMDC
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GOVERNANCE COMMISSION FOR GOCCs

Third Floor, Citibank Center
8741 Paseo de Roxas
Makati City

Subject: Revised PMDC "No Gift Policy"

Gentlemen:

In compliance with your letter dated 12 April 2016, we submit herewith the revised "No Gift Policy" of the Philippine Mining Development Corporation (PMDC). The said "No Gift Policy" was approved by the PMDC Board of Directors during its regular board meeting held last 27 April 2016.

We trust that you will find the attached document in order.

Very truly yours,

Atty. Lito A. Mondragon
President and CEO



PMDC'S "NO GIFT POLICY"

BACKGROUND

1. Constitutional Policy Governing Public Officers

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

ARTICLE XI ACCOUNTABILITY OF PUBLIC OFFICERS

Section 1. Public office is a public trust. Public officers and employees must, at all times, be accountable to the people, serve them with utmost responsibility, integrity, loyalty, and efficiency; act with patriotism and justice, and lead modest lives.

The principle is reiterated in Section 1 of the Code of Conduct and Ethical Standards for Public Officials and Employees¹, thus:

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

2. Statutory Policies and Rules Against Acceptance of Gifts by Public Officers and Employees

- 2.1 It is the policy of the Philippine Government, in line with the principle that public office is a public trust, to repress certain acts of public officers and private persons alike **which constitute graft or corrupt practices or which may lead thereto**².
- 2.2 Section 3 of the Anti-Graft and Corrupt Practices Act provides that, among other acts or omissions, the following shall constitute corrupt practices of any public officer and thereby declared to be unlawful:

¹ Rep. Act No. 6713

² Sec. 1, Rep. Act No. 3109, Anti-Graft and Corrupt Practices Act

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

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

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

3. Mandate of PMDC to Formally Adopt a “No- Gift Policy”

3.1 Whereas, under Section 29 of the Code of Corporate Governance for GOCCs³, it is mandated that "Every Governing Board shall formally adopt a ‘No Gift Policy’ within the GOCC and ensure its full advertisement to the community and its strict implementation by particular set of rules."

3.2 Further, under GCG MC No. 2013-02 [Performance Evaluation System (PES) for the GOCC Sector], the formal adoption of a GCG-approved "No Gift Policy" is one of the Good Governance Conditions of the PES.

4. Coverage

This policy shall apply to all directors, officers and rank-and-file employees, including contractual employees and consultants of PMDC, hereinafter referred to as “employees”. As used herein, the term “director” includes the President and the Chairman of the Board.

5. General Guidelines

All directors, officers and employees shall not solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan, or use, anything of monetary value (hereinafter referred to as “Gift”) from a person, groups, associations, or juridical entities, whether from the public or the private sectors, at any time, on or off the work premises, in the course of their official duties or any transaction which may be affected by the functions of their office, where such Gift:

- (a) would be illegal or in violation of law;
- (b) is part of an attempt or agreement to do anything in return that is illegal or in violation of law;

³ GCG Memorandum Circular No. 2012-07