

**NINETEENTH CONGRESS OF THE  
REPUBLIC OF THE PHILIPPINES**  
First Regular Session

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**Senate**  
Office of the Secretary

22 JUL 18 P4:51

**SENATE**

RECEIVED BY:

**S. B. NO. 732**

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Introduced by **SENATOR JOEL VILLANUEVA**

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**AN ACT CREATING THE  
NATIONAL INDEPENDENT COMMISSION AGAINST CORRUPTION  
(NICAC), APPROPRIATING FUNDS THEREFOR AND FOR OTHER  
PURPOSES**

**EXPLANATORY NOTE**

The Philippines prides itself as the one of the oldest democracies in Asia. Throughout its history, the Philippines has fought for the right to independence and sovereignty. But alongside this is the country's continued fight against systemic and endemic corruption in government.

While the government's effort to address corruption has made some substantial inroads, much is still needed to be done. In the 2021 Transparency International Corruptions Perception Index, the Philippines scored 33 out of 100 and ranked 117<sup>th</sup> out of 180 countries, which is significantly lower from its 99<sup>th</sup> place in 2018.<sup>1</sup> This means that the Philippines still has to make substantial reforms in eliminating and thwarting corrupt practices in government.

Indeed, the effects of corruption are far-reaching: funds that should have been provided for the needs of the Filipino people end up in the pockets of unscrupulous government officials; businesses are discouraged from making substantial investments in the Philippines due to additional transaction costs as a result of corruption, among others.

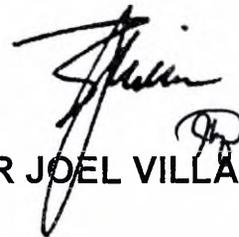
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<sup>1</sup> Transparency International, 2021, *accessible at* <https://www.transparency.org/en/cpi/2021/index/phl> (last accessed July 13, 2022).

Recognizing the need to strengthen the anti-corruption framework in the Philippines, this bill creates the National Independent Commission Against Corruption (NICAC) as an attached agency of the Office of the Ombudsman. The NICAC is largely patterned after Hong Kong's Independent Commission Against Corruption, which successfully eradicated syndicated corruption in Hong Kong.

Under the bill, the NICAC is responsible for formulating a National Anti-Corruption Plan and providing policy recommendations to the Office of the Ombudsman to effectively combat corruption in government. To ensure coordination between the NICAC and the Office of the Ombudsman, this bill mandates that the NICAC shall be headed by the Ombudsman. The NICAC shall also submit periodic reports to the Ombudsman to ensure that the efforts of both agencies are coordinated and to avoid duplication of work.

The immediate passage of this bill is earnestly sought.

A handwritten signature in black ink, appearing to read 'Joel Villanueva', with a small circular mark or stamp to the right of the signature.

**SENATOR JOEL VILLANUEVA**

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**AN ACT CREATING THE  
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*Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:*

1           **SECTION 1. Short Title** – This Act shall be known as the “*National*  
2 *Independent Commission Against Corruption Act.*”  
3

4           **SEC. 2. Declaration of Policy.** – It is the declared policy of the State to  
5 maintain honesty and integrity in public service and to take effective and efficient  
6 measures in the battle against graft and corruption. Towards this end, the State shall  
7 continuously institute reforms to ensure that graft and corruption is eliminated in all  
8 levels of the government.  
9

10           **SEC. 3. Organization.** – There is hereby created the National Independent  
11 Commission Against Corruption, hereinafter referred to as the Commission, to  
12 implement and coordinate policies for the prevention, control and ultimately, the  
13 elimination of graft and corrupt practices as defined under relevant laws at all levels of  
14 the government.  
15

16           The Commission shall be attached to the Office of the Ombudsman for policy  
17 coordination.  
18

19           **SEC. 4. Powers and Functions of the Commission.** – The Commission shall  
20 have the following powers and functions:  
21

- 22           a) To formulate and implement a National Anti-Corruption Plan (NACP) and  
23           action agenda, and reinforce program strategies in accordance with the  
24           NACP;

- 1           b) To examine the bidding, negotiation, execution and implementation of  
2 public contracts in pursuit of the objectives of the NACP;  
3  
4           c) To verify if the award of public works and supply contracts are conducted  
5 properly in accordance with law, pursuant to the goals provided for in the  
6 NACP;  
7  
8           d) To undertake a comprehensive audit, which shall include, but not be  
9 limited to, lifestyle checks on any public officer/employee;  
10  
11          e) To endorse to the Office of the Ombudsman for appropriate action after a  
12 finding of a *prima facie* case of violation of anti-corruption laws in the  
13 exercise of its powers under items (b) to (d) above, upon complaint by any  
14 person or *motu proprio*;  
15  
16          f) To conduct sustained information and education drives aimed at  
17 preventing corruption and public misconduct;  
18  
19          g) To organize specialized training of personnel of the government and  
20 representatives from the private sector and civil society in the prevention,  
21 investigation and prosecution of graft and corrupt practices; and  
22  
23          h) To perform such other functions as may be necessary to achieve the  
24 objectives of this Act.  
25

26           **SEC. 5. National Anti-Corruption Plan.** – Within ninety (90) days from the  
27 approval of this Act, the Commission shall submit to the Office of the Ombudsman and  
28 to Congress a five (5)-year plan and study containing detailed policy proposals for the  
29 elimination of graft and corruption in all branches, offices, agencies and  
30 instrumentalities of the government.  
31

32           The NACP shall also be disseminated to all government agencies.  
33

34           **SEC. 6. Composition of the Commission.** – The Commission shall be headed  
35 by the Ombudsman as its Chairperson. He/she shall be assisted by two (2)  
36 Commissioners, who shall serve on a full-time basis.  
37

- 38          a) The Commissioners shall include at least one (1) lawyer, accountant or  
39 member of the academe who is in the field of public administration. Each  
40 Commissioner shall be selected and appointed by the President, without  
41 the requirement of confirmation, from a pool of candidates to be nominated  
42 by peak professional organizations of accountants or lawyers or by the  
43 University or College Administration if the nominee is a member of the  
44 academe. A “peak professional organization” refers to an organization  
45 duly recognized by members as representative of, and having the largest  
46 active membership in their profession, and is existing for at least ten (10)  
47 years. The mechanics of the nomination process shall be provided for in  
48 the implementing rules and regulations for this Act.  
49  
50

- 1           b) The Commissioners shall be citizens of the Philippines, at least thirty-five  
2           (35) years of age, known and recognized for moral uprightness and  
3           patriotism, of unquestionable integrity, and recognized experts in any of  
4           the fields of law, accounting or public administration. They must not have  
5           been candidates for any elective national or local office in the immediately  
6           preceding election, whether regular or special.  
7
- 8           c) The Commissioners shall serve for three (3) years, and may be  
9           reappointed as such for another term of three (3) years; *Provided*, That  
10          the reappointment of a Commissioner shall follow the nomination process  
11          outlined in this Section.  
12
- 13          d) The President of the Philippines may remove any member of the  
14          Commission, upon compliance with due process, for any of the following  
15          reasons:  
16
- 17            i. The member suffers from physical or mental incapacity that renders  
18            him or her incapable of properly discharging the duties and  
19            responsibilities of the Commission and such incapacity has lasted for  
20            more than six (6) months;  
21
- 22            ii. The member has committed acts that are shown *prima facie* to be  
23            fraudulent or illegal or manifestly opposed to the aims and interests  
24            of the Commission and/or the government; or  
25
- 26            iii. The member ceases to possess the qualifications required in this Act  
27            or its implementing rules and regulations.  
28
- 29          e) The Commissioners shall not hold any public office or employment during  
30          their tenure. Except as otherwise provided by law, in no case shall any  
31          member of the Commission appoint representatives to act on his/her  
32          behalf.  
33
- 34          f) The Commissioners shall have the same rank and emoluments as that of  
35          a Deputy Ombudsman.  
36

37          **SEC. 7. The Secretariat.** – The Commission shall be assisted by a Secretariat  
38          to be headed by an Executive Director.  
39

40          The Secretariat shall be composed of individuals of known moral probity and  
41          dedication to public service.  
42

- 43          a) The Executive Director. The Executive Director shall be appointed by the  
44          Chairperson with the concurrence of the Commissioners. The Executive  
45          Director shall attend the Commission's deliberations, monitor the  
46          implementation of the programs of the Commission, and manage its day-  
47          to-day operations.  
48

- 1           b) Functions of the Secretariat. The Secretariat shall provide technical and  
2 administrative support to the Commission and shall oversee all its  
3 operational activities.  
4

5           **SEC. 8. Organizational Structure.** – The Commission shall be composed of  
6 three departments:  
7

- 8           a) The Operations Department, which shall carry out the investigation and  
9 endorsement to the proper agency of cases investigated for the  
10 prosecution of offenses;  
11  
12           b) The Corruption Prevention Department, which shall carry out assessment  
13 of areas in government offices where corruption would be most likely, and  
14 make recommendations on how opportunities for corruption can be  
15 eliminated or reduced; and  
16  
17           c) The Community Relations Department, which shall gather support and  
18 information from the public and work towards changing the public attitude  
19 regarding corruption.  
20

21           **SEC. 9. Transparency and Availability of Records.** – The Commission shall  
22 maintain and preserve its records, documents and papers, and shall make the same  
23 available to the public, except when disclosure will pose serious damage to the  
24 Commission's case or when a party would be deprived of his/her right to a fair and  
25 impartial trial.  
26

27           **SEC. 10. Malicious Prosecution.** – Any complaint found to have been initiated  
28 with malice shall be dealt with in accordance with law.  
29

30           **SEC. 11. Restrictions.** – No writ of injunction shall be issued by any court to  
31 delay an investigation being conducted by the Commission.  
32

33           **SEC. 12. Franking Privilege.** – All official mail letters and telegrams of the  
34 Commission addressed for delivery within the Philippines shall be received,  
35 transmitted, and delivered free of charge: *Provided*, That such mail matters when  
36 addressed to private persons or non-government offices shall not exceed one hundred  
37 twenty (120) grams. All mail matters and telegrams sent through government  
38 telegraph facilities containing complaints to the Commission shall be transmitted free  
39 of charge, provided that the telegram shall contain no more than one hundred fifty  
40 (150) words.  
41

42           **SEC. 13. Total Support of Other Government Units.** – The Commission may  
43 require any government agency to make available their personnel and facilities to  
44 attain the objectives of this Act.  
45

46           **SEC. 14. Annual Report.** – The Commission shall, on or before June 30 of  
47 each year, submit to the President and to Congress, a report on the performance of  
48 the Commission in combatting graft and corruption. The Commission shall furnish a  
49 copy of such report to the Office of the Ombudsman, and shall also make available a  
50 copy of the report to the general public.

1  
2           **SEC. 15. Appropriations.** – For the first year of the implementation of this Act,  
3 an initial amount of Fifty Million Pesos (Php50,000,000.00) is hereby appropriated.  
4 Thereafter, the amount necessary to carry out the provisions of this Act shall be  
5 included in the General Appropriations Act.  
6

7           **SEC. 16. Implementing Rules and Regulations.** – Within ninety (90) days  
8 from the effectivity of this Act, the Commission, in consultation with the head of the  
9 Development Academy of the Philippines, the chair of the Civil Service Commission,  
10 the Chair of the Commission on Audit, the Ombudsman, a representative from the  
11 Sandiganbayan and other relevant government agencies and stakeholders, shall  
12 promulgate the implementing rules and regulations for the proper implementation of  
13 this Act.  
14

15           **SEC. 17. Repealing Clause.** – All provisions of laws, presidential decrees,  
16 letters of instruction and other presidential issuances which are incompatible or  
17 inconsistent with the provisions of this Act are hereby amended or repealed  
18 accordingly.  
19

20           **SEC. 18. Separability Clause.** – If any provision of this Act is declared  
21 unconstitutional, the other provisions not affected thereby shall continue to be in full  
22 force and effect.  
23

24           **SEC. 19. Effectivity Clause.** – This Act shall take effect fifteen (15) days after  
25 its publication in the Official Gazette or in at least two (2) newspapers of general  
26 circulation.  
27

28           **Approved,**