



Republic of the Philippines
DEPARTMENT OF TRANSPORTATION



MARITIME INDUSTRY AUTHORITY

OCT 16 2020

ADMINISTRATIVE ORDER

No: 22-20 22-20

Series 2020

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

I. RATIONALE:

The 1987 Constitution of the Republic of the Philippines requires public officers and employees to submit, upon assumption to office and during such period as may be required by law, a declaration under oath of their Assets, Liabilities and Networth (SALN);

Section 10 of the Code of Conduct and Ethical Standards for Public Officials and Employees (RA 6713), and CSC Resolution Nos. 1300455 & 500088, government agencies shall formulate guidelines particularly the "Establishment and Conduct of Agency Review and Compliance Procedure of SALN" and identifies the appropriate office or agency where particular officers and employees should file their SALN'S.

II. LEGAL BASIS

1. Section 17, Rule XI, 1987 Philippine Constitution
2. Section 8-1 1, Republic Act 6713 or the "Code of Conduct and Ethical Standards for Public Officials and Employees";
3. CSC Memorandum Circular No. 10, series of 2006 on the "Review and Compliance Procedure in the Filing and Submission of Statement of Assets, Liabilities and Networth and Disclosure of Business Interest and Financial Connections",
4. CSC Memorandum Circular No. 3, s. 2013, as amended

III. OBJECTIVES:

1. To prescribe the guidelines on ensuring that the Maritime Industry Authority is compliant with the requirement of filing the Statement of Assets, Liabilities and Networth (SALN); and,
2. To declare and submit an annual true, detailed and sworn statement of their assets, liabilities and net worth, including disclosure of business interests and financial connections, and to declare to the best of their knowledge their relatives in the government service.

IV. DEFINITION OF TERMS:

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

Improvements	Refer to all works that are constructed or introduced to the land, or repairs or improvements made to the land or building after its initial acquisition.
Inso	Refers to the appellation for the wife of an elder brother or male cousin.
Liability	Refers to financial liability or anything which can result to a transfer or disposal of an asset. It includes not only those incurred by the declarant, but also those of his/ her spouse and unmarried children below eighteen (18) years of age living in his/her household.
Nature of Liability	Refers to the type of loan obtained from banks, financial institutions, GSIS, PAGIBIG and others, such as personal, Multi-Purpose, salary, calamity loan etc.
Nature of Business	Refers to existing interest or connection in any business enterprise, whether as proprietor, investor, promoter, partner, shareholder, officer, managing director, executive, creditor, lawyer, legal consultant or adviser, financial or business consultant, and the like.
Outstanding Balance	Refers to the amount of money which the declarant still owes on his/her loan as of December 31 of the preceding calendar year.
Paraphernal Property	Refers to the properties exclusively owned by the wife.
Personal Properties	Refer to jewelry, appliances, furniture, motor vehicles, and other tangible/movable properties. Also includes investments or other assets, such as cash in bank, negotiable instruments, securities, stocks and bonds.
Real Properties	Refer to properties which are immovable by nature. For the purpose of SALN, the kind of real properties are classified according to their use: residential, commercial, agricultural, industrial, or mixed use and the like.
Relatives in the Government	Refer to the declarant's relatives up to the 4 th civil degree of relationship, either by consanguinity or affinity, including bilas, inso, and balae. Includes the declarant's father, mother, son/s and daughter/s.
1st degree Of Consanguinity	Includes the declarant's father-in-law and mother-in-law
1st degree Of affinity	Includes the declarant's father-in-law and mother-in-law
2nd degree of Consanguinity	Includes the declarant's brother, sister, grandmother, grandfather, grandson, and granddaughter.
2nd degree of affinity	Includes the declarant's father-in-law sister-in-law, grand parents-in-law

- 1.5 The declarant shall provide information on his/her address. However, whenever a third-party request for a copy of the SALN Form of the declarant, the agency has the option to shade the declarant's address for purposes of security.

2. ASSETS LIABILITIES AND NET WORTH

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

3. REAL PROPERTIES

- 3.1 Declaration of real properties shall include information on its description, kind, exact location, assessed value, current fair market value, year and mode of acquisition, and acquisition cost."
- 3.2 In declaring an improvement to the land, the declarant may opt to declare it separately or together with the land to which such improvement is attached.
- 3.3 The declarant shall indicate those real properties which are already titled or registered under his/her name, the name of his/her spouse, or under the name of his/her unmarried children below 18 years of age who are living in the declarant's household. However, real properties already covered by a deed of sale, inherited or subject of an extrajudicial settlement of estate but not yet titled under declarant's name shall also be disclosed.

Excluded from the declaration is a real property, which is already sold, transferred or conveyed to a third person as of 31 December of the preceding year but the registration is still in the name of the declarant, his or her spouse or unmarried children.

If a real property is co-owned with other individual other than the declarant's spouse, the proportionate amount of the declarant's share shall be declared.

The Total Value of Real Properties shall be determined using the acquisition cost of declarant's real properties, except those declared in the Separate Sheet/s as exclusive properties of the spouse or owned by the defendant's unmarried children. For a real property acquired gratuitously (e.g. donation, succession), however it's declared current fair market value shall be used in the computation

- 3.3 In case of properties received gratuitously, e.g. donation or inheritance, no acquisition cost shall be declared. However, the fair market value and the assessed value of said properties as found in the tax declaration thereof must be declared.

4. PERSONAL PROPERTIES

- 4.1 Declaration of personal properties shall include made, year and cost of acquisition, or the value or amount of said personal properties.
- 4.2 Personal properties collectively acquired or are minimal value may be declared generally or collectively. In which case, the declarant may write/indicate "various years" under the column for "Year Acquired".
- 4.3 In case of properties which are co-owned with the other individuals, the declarant shall disclose the proportionate amount of his share in the property.
- 4.4 With regards to properties which are subject of a contract to sell, the amount already paid by declarant shall be declared as personal property. The amount of money (i.e. cash on hand or in bank) shall be declared based on the balance as of 31 December of the preceding year
- 4.5 Properties which are subject of either a chattel mortgage shall be declared in the SALN form. The acquisition cost to be declared shall be the actual purchase price, and the liability to be declared shall be the outstanding balance of the loan as of December 31 of the preceding calendar year.
- 4.6 Personal properties, such as cash on hand and in bank, as well as stocks and the like, denominated in foreign currency shall be converted into the corresponding Philippine currency equivalent at the rate of exchange prevailing as of December 31 of the preceding calendar year.
- 4.7 Total Liabilities shall be the sum of the outstanding balance of all liabilities, except those declared in the Separate Sheets as personal liabilities of the spouse.

5. LIABILITIES

- 5.1 Under liabilities, the nature of liability, name of creditors and the outstanding balance shall be indicated. The outstanding balance shall refer to the amount of money that is still due as of December 31 of the preceding calendar year.
- 5.2 Total Liabilities shall the sum of the outstanding balance of all liabilities, except those declared in the Separate Sheet/s as personal liabilities of the spouse.

6. COMPUTATION OF NET WORTH

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

7. FINANCIAL CONNECTIONS AND BUSINESS INTERESTS

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

- 7.2 They shall also indicate the business address, nature of business interests and/or financial connection, and the date of acquisition of interest or connection.
- 7.3 In case there are no existing business interest and financial connections in any business enterprise or entity, the declarant shall tick off the appropriate box in the form and indicate "Not Applicable".

7. RELATIVES IN THE GOVERNMENT

- 8.1 The declarant shall disclose his/her relatives in the government within the 4th civil degree of relationship, either by consanguinity or affinity.
- 8.2 The disclosure shall also state his/her relationship with the relative, the position of the relative as well as the name of office/ agency and address.
- 8.3 In case the declarant and his/her spouse jointly file their SALN, they shall indicate all their relatives within the 4th civil degree, either by consanguinity or affinity, and shall include the above-mentioned information.
- 8.4 In case the declarant has no relatives in the government within the 4th civil degree of relationship, either by consanguinity or affinity, including bilas, inso, and balae, the declarant shall tick off the appropriate box in the form and indicate "Not Applicable".

9. OTHER MATTERS

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

VII. SUBMISSION OF THE SALN FORM:

1. Employees: All public officials, and employees are given additional period of sixty (60) days from June 30, 2020, the last day of filing of the SALN, or until August 31, 2020, to file

their SALN with the respective departments, offices, or agencies, unless the circumstances require otherwise.

The last day of submission of the SALN Forms by all departments, agencies, and offices to the appropriate repository agencies is extended from **August 31, 2020** to **October 31, 2020 during the state of public health emergency, pursuant to CSC Resolution No. 2000603 and CSC MC No.13, s.2020.**

2. New Employees: Within thirty (30) days after assumption of Office, statements must be reckoned as of his first day of service.
3. Separated Employees: Within thirty (30) days after separation from the service, statements must be reckoned as of his last day of Office.

VIII. DUTIES AND RESPONSIBILITIES:

A. The SALN Review and Compliance Committee:

A Review and Compliance Committee (RCC) shall undertake the following duties and responsibilities:

1. Review's the statements in the SALN to determine whether said statements have been properly accomplished;
2. Determine's whether a statement is properly filled using the prescribed form;
3. Inform the reporting individual and direct him/her to take the necessary corrective action thru the Human Resource Management Development Division/MFAS, if a statement is not properly filed.

B. The Human Resource Management Development Division, MFAS:

1. Implements the provisions on reviewing and complying with SALN requirements;
2. Determines whether said statements have been properly accomplished (if all applicable information or details required therein are provided by the filer. Items not applicable to the filer should be marked N/A or not applicable).
3. Make sure the properly accomplished SALN form is submitted on time, and complete, and are in proper form;
4. Notify the reporting individual and direct him/her to take the necessary corrective action if the statement is not properly filled-up and or filed;
5. To submit a list of employees in coordination with the Committee, in alphabetical order on or before May 15 of every year, unless the circumstances require otherwise who:

- Filed their SAL N with complete data;
- Filed their SAL N but with incomplete data; and,
- Did not file their SALN

6. To ensure that Officials and employees submitted their SALN to the HRMDD/MFAS on or before April 30 of every year and to transmit all original copies of the SALNs received on or before June 30 of every year to the SALN repository agencies; unless the circumstances require otherwise and,
7. To ensure safekeeping of SALN of filers.

C. The Maritime Regional Offices (MROs)

To ensure compliance of submission their respective SALN to concerned repository agency/ies and submit a copy of Summary List of Filers to the HRMDD/MFAS.

D. Ministerial Duty of the RCC Chairperson to issue Compliance Order:

Within five (5) days from receipt of the aforementioned list and recommendation, it shall be the ministerial duty of the Chairperson to issue an order requiring those who have incomplete data in their SALN to correct/supply the desired information and those who did not file/submit their SALNs to comply within a non-extendible period of three (3) days from receipt of said order.

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

1. Failure of an official or employee to correct/submit his/her SALN in accordance with the procedure and within the given period pursuant to the directive in Item VIII (C) shall be ground for disciplinary action.
2. The Chairperson shall issue show-cause order directing the official or employee concerned to submit his/her comment or counter-affidavit; and if the evidence so warrants, proceed with the conduct of administrative proceedings pursuant to the Revised Rules of Administrative Cases in the Civil Service. The offense of failure to file SALN is punishable with the following penalties:
First Offense - Suspension of one (1) month and one (1) day to six (6) Months
Second Offense - Dismissal from the service

X.. EFFECTIVITY:

The policy guidelines shall take effect immediately and shall remain in force unless revoked, cancelled or superseded by a subsequent issuance.


VADM ROBERT A EMPEDRAD AFP (RET)
Administrator

mu 10/12/2020



MC No. 3, s. 2013

MEMORANDUM CIRCULAR

TO : ALL HEADS OF CONSTITUTIONAL BODIES;
DEPARTMENTS, BUREAUS AND AGENCIES OF THE
NATIONAL GOVERNMENT; LOCAL GOVERNMENT
UNITS, GOVERNMENT OWNED OR CONTROLLED
CORPORATIONS; AND STATE COLLEGES AND
UNIVERSITIES

SUBJECT : Amendment to the Review and Compliance Procedure in the
Filing and Submission of the Statement of Assets, Liabilities
and Net Worth and Disclosure of Business Interests
and Financial Conditions (CSC Memorandum Circular No.
10 dated April 17, 2006)

The Commission recently constituted a Technical Working Group (TWG) composed of representatives of different government agencies and public sector unions to review the Statement of Assets, Liabilities and Network (SALN).

During the last meeting, the SALN-TWG agreed that there is a need to amend CSC Resolution No. 06-0231 dated February 1, 2006 as circularized in CSC Memorandum Circular No. 10 dated April 17, 2006 (Review and Compliance Procedure in the Filing and Submission of the Statement of Assets, Liabilities and Network and Disclosure of Business Interests and Financial Conditions).

In line with this agreement, the Commission promulgated CSC Resolution No. 1300174 dated January 24, 2013 which amended Sections 3 and 4 of CSC Resolution No. 06-0231 dated February 1, 2006 and CSC Memorandum Circular No. 10 dated April 17, 2006 and now reads, as follows:

"Section 3. Ministerial Duty of the Head of Office to Issue Compliance Order.

"Within five (5) days from receipt of the aforementioned list and recommendation, it shall be the ministerial duty of the Head of Office to issue an order requiring those who have incomplete data in their SALN to correct/supply the desired information and those who did not file/submit

In a Race to Serve: Responsive, Accessible, Courteous and Effective Public Service

their SALNs to comply within a non-extendible period of thirty (30) days from receipt of the said Order."

"Section 4. Sanction for Failure to Comply/Issuance of a Show Cause Order.

Failure of an official or employee to correct/submit his/her SALN in accordance with the procedure and within the given period pursuant to the directive in Section 3 hereof shall be a ground for disciplinary action. The Head of Office shall issue a show-cause order directing the official or employee concerned to submit his/her comment or counter-affidavit; and if the evidence so warrants, proceed with the conduct of the administrative proceedings pursuant to the Revised Rules on Administrative Cases in the Civil Service (RRACCS), CSC Resolution No. 1101502 dated November 8, 2011. The offense of failure to file SALN is punishable under Section 46 (D)(8) of Rule X thereof, with the following penalties:

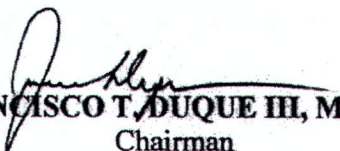
First Offense - Suspension of one (1) month and one (1) day to six (6) months

Second Offense - Dismissal from the service

"Public officials and employees who fail to comply within the thirty (30) day period required under Section 3 hereof or who submit their SALNs beyond the said period shall be considered as not having filed their SALNs, and shall be made liable for the offense of Failure to File SALN with a penalty of suspension of one (1) month and one (1) day to six (6) months for the first offense, and dismissal from the service for the second offense.

"Heads of agencies/offices who fail to comply with the provisions of CSC Resolution No. 06-231 dated February 1, 2006, as amended, shall be liable for Simple Neglect of Duty, which shall be punishable by suspension of one (1) month and one (1) day to six (6) months for the first offense, and dismissal from the service for the second offense."

All rules, regulations and issuances which are inconsistent herewith are hereby repealed, amended or modified accordingly.


FRANCISCO T. DUQUE III, MD, MSc
Chairman

January 24, 2013