



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

August 10, 2017

CUSTOMS MEMORANDUM CIRCULAR
NO. 119 - 2017

To: All Customs Officials and Employees

**Subject: EO No. 36/Suspending the Compensation & Position
Classification System for the GOCC Sector Under
EO No. 203, s 2016**

Attached is the letter dated July 31, 2017 of Atty. Concepcion Zeny E. Ferrolino-Enad, Director, Malacañang Records Office endorsing a copy of Executive Order No. 36 entitled: **"SUSPENDING THE COMPENSATION AND POSITION CLASSIFICATION SYSTEM UNDER EXECUTIVE ORDER NO. 203 (S. 2016), PROVIDING FOR INTERIM COMPENSATION ADJUSTMENTS, AND FOR OTHER PURPOSES"**.

For your information and guidance.

For record purposes, please confirm the dissemination of this circular throughout your offices within fifteen (15) days from receipt hereof.

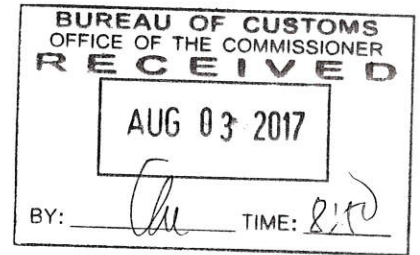

NICANOR E. FAELDON
Commissioner



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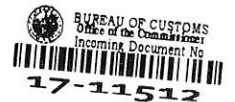
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MALACAÑANG RECORDS OFFICE

Manila, July 31, 2017



SECRETARY CARLOS G. DOMINGUEZ III
Department of Finance
Manila

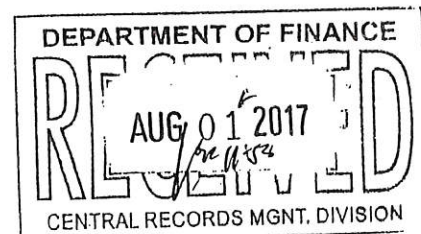
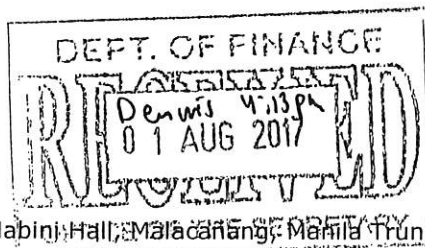
Sir:

I have the honor to transmit for your information and guidance, a certified copy of Executive Order No. 36 dated July 28, 2017 entitled **"SUSPENDING THE COMPENSATION AND POSITION CLASSIFICATION SYSTEM UNDER EXECUTIVE ORDER NO. 203 (S. 2016), PROVIDING FOR INTERIM COMPENSATION ADJUSTMENTS, AND FOR OTHER PURPOSES"**.

Thank you.

Very truly yours,

ATTY. CONCEPCION ZENY E. FERROLINO-ENAD
Director III - Acting Head





MALACAÑAN PALACE
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 36

SUSPENDING THE COMPENSATION AND POSITION CLASSIFICATION SYSTEM UNDER EXECUTIVE ORDER NO. 203 (S. 2016), PROVIDING FOR INTERIM COMPENSATION ADJUSTMENTS, AND FOR OTHER PURPOSES

WHEREAS, Presidential Decree (PD) No. 1597 (s. 1978) required all agencies in the Executive Branch, including all government-owned and -controlled corporations (GOCCs), both chartered and non-chartered, to observe such guidelines and policies as may be issued by the President governing compensation and position classification systems;

WHEREAS, Joint Resolution (JR) No. 4 (s. 2009) of the Senate and the House of Representatives authorized the President to modify the existing Compensation and Position Classification System (CPCS) of civilian personnel in the government, including all GOCCs, both chartered and non-chartered, and reiterated the continuing applicability and enforceability of PD No. 1597;

WHEREAS, under Republic Act (RA) No. 10149, otherwise known as the "GOCC Governance Act of 2011", the Governance Commission for GOCCs (GCG), as the central advisory, monitoring, and oversight body with authority to formulate, implement and coordinate policies to govern GOCCs, is mandated to:

- a. Classify GOCCs as may be necessary to guide the GCG in exercising its powers and functions;
- b. Conduct compensation studies, develop and recommend to the President a competitive compensation and remuneration system which shall attract and retain talent, at the same time allowing the GOCC to be financially sound and sustainable; and
- c. Develop a CPCS which shall apply to all officers and employees of GOCCs whether under the Salary Standardization Law or exempt therefrom, and shall consist of classes of positions grouped into such categories as the GCG may determine, subject to the approval of the President;

WHEREAS, the GCG, after having conducted the requisite compensation studies, has developed the CPCS for GOCCs which was approved by the President last 22 March 2016 through Executive Order (EO) No. 203;

THE PRESIDENT OF THE PHILIPPINES

WHEREAS, there is a need to further study and review the compensation of GOCCs and eliminate any excessive, unauthorized, illegal, and/or unconscionable allowances, incentives and benefits;

WHEREAS, the GCG finds that there are compelling reasons to revisit and/or reevaluate the CPCS under EO No. 203 and institute an interim measure for affected GOCCs in the meantime;

NOW, THEREFORE, I, RODRIGO ROA DUTERTE, President of the Philippines, by virtue of the powers vested in me by the Constitution and existing laws, do hereby order:

SECTION 1. The CPCS and Index of Occupational Services (IOS) Framework for the GOCC Sector. The implementation of the CPCS and the IOS Framework for the GOCC Sector under EO No. 203 is hereby suspended.

SECTION 2. Interim Measure. In the interim, the compensation framework of GOCCs, Government Financial Institutions, Government Instrumentalities with Corporate Powers, or Government Corporate Entities (hereinafter referred to as "GOCCs"), including their subsidiaries, which are covered under RA No. 10149, shall be governed by the following:

- a. For SSL-covered GOCCs, the GOCC shall adopt the Modified Salary Schedule under EO No. 201 (s. 2016), as well as the allowances and benefits provided therein, upon approval by the GCG.

The implementation of the compensation adjustments shall be subject to the provisions of EO No. 201, where applicable. GOCCs which do not have adequate or sufficient funds shall partially implement the Modified Salary Schedule and authorized benefits. In case of partial implementation, the same shall be at uniform percentage across all positions for every GOCC.

- b. All SSL-exempt GOCCs shall have the option to either maintain their current compensation framework or, subject to approval of the GCG, adopt the Modified Salary Schedule under EO No. 201. For GOCCs adopting the Modified Salary Schedule under EO No. 201, the following shall apply:
 - i. They shall be limited to the benefits, allowances, incentives provided under JR No. 4;
 - ii. The GCG shall have the authority to convert/revise the compensation framework of such GOCCs (i.e., convert from Job Grade to Salary Grade);
 - iii. A Mid-Year bonus equivalent to one (1) month basic salary shall be granted to those who have rendered at least four (4) months of satisfactory service and are still in service as of same date, to be given not earlier than May 15 of every year. The existing Year-End Bonus equivalent to one (1) month basic salary and Cash Gift at prescribed rates shall be given in November of every year. The grant of the Mid-Year and Year-End bonuses as well as the Cash Gift shall be subject to the guidelines issued by the GCG.

The Mid-Year and Year-End bonuses provided herein, shall be in lieu of the bonuses, allowances or incentives of similar nature that the GOCCs receive under their current compensation framework.

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SECTION 3. Application. The interim measure under this Order shall be implemented effective 1 January 2017, upon approval of the GCG.

SECTION 4. Non-Diminution of Authorized Salaries. – In the implementation of this Order, there shall be no diminution in the authorized salaries of incumbent officers and employees.

SECTION 5. Collective Bargaining Agreements (CBAs) and Collective Negotiation Agreements (CNA) in the GOCC Sector. Section 2 of EO No. 203, regarding CBAs and CNAs, is not suspended by this Order and shall continue to be in effect.

SECTION 6. Implementing Rules and Regulations. Within thirty (30) days from the effectivity of this Order, the GCG shall promulgate implementing rules and regulations which shall, among others, ensure that the approvals herein required prior to implementation of the interim measure are issued to qualified GOCCs in the most expedient and efficient manner.

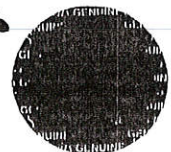
SECTION 7. Repeal. All orders, circulars, issuances, board resolutions, rules and regulations or part thereof which are inconsistent with the provisions of this Order are hereby repealed or modified accordingly.

SECTION 8. Separability. If any provision of this Order is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

SECTION 9. Effectivity. This Order shall take effect immediately.

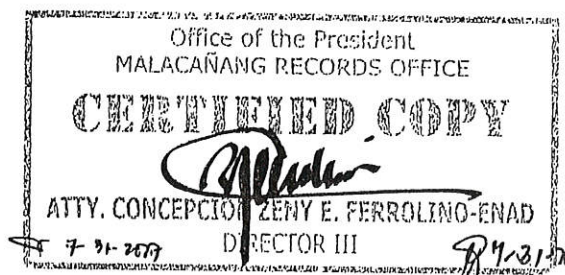
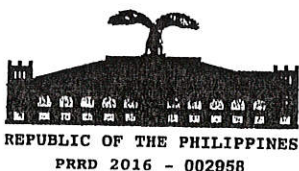
DONE, in the City of Manila, this 28th day of July, in the year of our Lord Two Thousand and Seventeen.

R Duterte



By the President:

SALVADOR C. MEDIALDEA
Executive Secretary





DEPARTMENT OF FINANCE
Republic of the Philippines



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Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

July 26, 2017

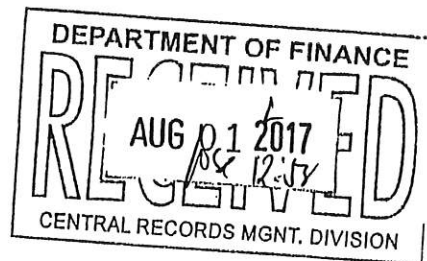
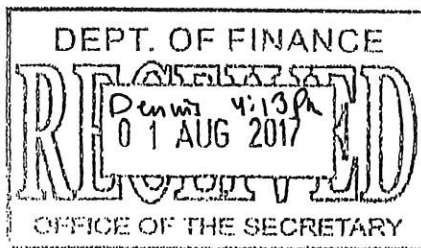
HON. CARLOS G. DOMINGUEZ III
Secretary
Department of Finance
6/F DOF Building, Roxas Boulevard
Manila

Dear Secretary Dominguez:

For the information and reference of your Office, we are pleased to furnish you with a copy of Republic Act No. 10927, entitled: "AN ACT DESIGNATING CASINOS AS COVERED PERSONS UNDER REPUBLIC ACT NO. 9160, OTHERWISE KNOWN AS THE 'ANTI-MONEY LAUNDERING ACT OF 2001', AS AMENDED."

Respectfully yours,

ATTY. CESAR STRAIT PAREJA
Secretary General



Republic of the Philippines
Congress of the Philippines

Metro Manila

Seventeenth Congress

First Regular Session

Begun and held in Metro Manila, on Monday, the twenty-fifth day of July, two thousand sixteen.

[REPUBLIC ACT NO. 10927]

AN ACT DESIGNATING CASINOS AS COVERED PERSONS UNDER REPUBLIC ACT NO. 9160, OTHERWISE KNOWN AS THE "ANTI-MONEY LAUNDERING ACT OF 2001", AS AMENDED

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Section 3(a) of Republic Act No. 9160, as amended, is hereby further amended to read as follows:

"(a) 'Covered persons', natural or juridical, refer to:

" x x x

"(8) casinos, including internet and ship-based casinos, with respect to their casino cash transactions related to their gaming operations.

" x x x."

SEC. 2. Section 3(b) of Republic Act No. 9160 is hereby further amended to read as follows:

"(b) 'Covered transaction' is a transaction in cash or other equivalent monetary instrument involving a total amount in excess of Five hundred thousand pesos (P500,000.00) within one (1) banking day; for covered persons under Section 3(a)(8), a single casino cash transaction involving an amount in excess of Five million pesos (P5,000,000.00) or its equivalent in any other currency."

SEC. 3. Section 3 of Republic Act No. 9160, as amended, is hereby further amended by inserting a new paragraph (1) to read as follows:

" x x x

"(1) For purposes of covered persons under Section 3(a)(8), the following terms are hereby defined as follows:

"(1) 'Casino' refers to a business authorized by the appropriate government agency to engage in gaming operations:

"(i) 'Internet-based casino' shall refer to casinos in which persons participate by the use of remote communication facilities such as, but not limited to, internet, telephone, television, radio or any other kind of electronic or other technology for facilitating communication; and

"(ii) 'Ship-based casino' shall refer to casinos, the operation of which is undertaken on board a vessel, ship, boat or any other water-based craft wholly or partly intended for gambling;

"(2) 'Casino cash transaction' refers to transactions involving the receipt of cash by a casino paid by or on behalf of a customer; or transactions involving the payout of cash by a casino to a customer or to any person in his/her behalf; and

"(3) 'Gaming operations' refer to the activities of the casino offering games of chance and any variations thereof approved by the appropriate government authority."

SEC. 4. Section 10 of Republic Act No. 9160, as amended, is hereby further amended to read as follows:

"SEC. 10. Freezing of Monetary Instrument or Property. - Upon a verified ex parte petition by the AMLC and after determination that probable cause exists that any monetary instrument or property is in any way related to an unlawful activity as defined in Section 3(i) hereof, the Court of Appeals may issue a freeze order which shall be effective immediately, for a period of twenty (20) days. Within the twenty (20)-day period, the Court of Appeals shall conduct a summary hearing, with notice to the parties, to determine whether or not to modify or lift the freeze order, or extend its effectivity. The total period of the freeze order issued by the Court of Appeals under this provision shall not exceed six (6) months. This is without prejudice to an asset preservation order that the Regional Trial Court having jurisdiction over the appropriate anti-money laundering case or civil forfeiture case may issue on the same account depending upon the circumstances of the case, where the Court of Appeals will remand the case and its records: Provided, That if there is no case filed against a person whose account has been frozen within the period determined by the Court of Appeals, not exceeding six (6) months, the freeze order shall be deemed ipso facto lifted: Provided, further, That this new rule shall not apply to pending cases in the courts. In any case, the court should act on the petition to freeze within twenty-four (24) hours from filing of the petition. If the application is filed a day before a nonworking day, the computation of the twenty-four (24)-hour period shall exclude the nonworking days.

"The freeze order or asset preservation order issued under this Act shall be limited only to the amount of cash or monetary instrument or value of property that the court finds there is probable cause to be considered as proceeds of a predicate offense, and the freeze order or asset preservation order shall not apply to amounts in the same account in excess of the amount or value of the proceeds of the predicate offense.

"x x x"

SEC. 5. Section 18 of Republic Act No. 9160 is hereby amended by inserting a new paragraph to read as follows:

"SEC. 18. Implementing Rules and Regulations. -

"x x x"
"x x x"

"Within ninety (90) days from the effectivity of this Act, the AMLC, the Philippine Amusement and Gaming Corporation (PAGCOR) and other government regulatory agencies shall jointly promulgate the rules and regulations to implement the provisions of this Act as applicable to casinos as covered institutions. The implementing rules applicable to other covered institutions shall not apply to casinos unless it is expressly so provided under the rules and regulations to implement the provisions of this Act."

SEC. 6. Separability Clause. - If any provision of this Act is declared unconstitutional, the same shall not affect the validity and effectivity of other provisions hereof.

SEC. 7. Repealing Clause. - All laws, decrees, orders, and issuances or portions thereof, which are inconsistent with the provisions of this Act, are hereby repealed, amended or modified accordingly.

SEC. 8. Effectivity. - This Act shall take effect fifteen (15) days following its publication in the Official Gazette or in any newspaper of general circulation.

Approved,

PANTALEON D. ALVAREZ
Speaker of the House
of Representatives

AQUILINO "KOKO" PIMENTEL III
President of the Senate

Senate Bill No. 1468, which was approved by the Senate on May 30, 2017, was adopted as an amendment to House Bill No. 5663 by the House of Representatives on May 30, 2017.



CESAR STRAIT PAREJA
Secretary General
House of Representatives

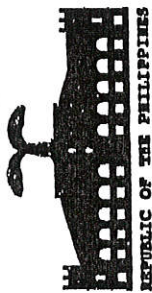


LUTGARDO B. BARBO
Secretary of the Senate

Approved: JUL 14 2017



RODRIGO ROA DUTERTE
President of the Philippines



REPUBLIC OF THE PHILIPPINES
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