



## REVIEW AND COMPLIANCE COMMITTEE

### Procedures in the Submission of Sworn Statements of Assets, Liabilities and Net Worth (SALN) and Disclosure of Business Interests and Financial Connections (Annual Declaration)

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#### I. SUBMISSION OF THE SALN FORM

##### A. OBJECTIVES

1. To enjoin all public officers and employees to declare 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 government service; and
2. To ensure that the assets, liabilities, and net worth, financial connections and business interests of the declarant's spouse and unmarried children below eighteen (18) years of age are also disclosed.

##### B. LEGAL BASES

The declaration of one's assets, liabilities, and net worth shall be governed by Republic Act No. 6713 otherwise known as the Code of Conduct and Ethical Standards for Public Officials and Employees.

Civil Service Resolution No. 1500088 dated January 23, 2015 shall prescribe the form to be used in accomplishing the SALN.

##### C. SCOPE

The following are required to submit their SALN and Annual Declaration:

1. All PPPC officials and employees holding plantilla positions;
2. New appointees after assumption of office; and
3. Officials and employees separated from service.

##### D. DEFINITION OF TERMS

1. 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.

2. 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.
3. Assessed Value - refers to the amount indicated in the tax declaration of the real properties involved, for purposes of declaration in the SALN.
4. Asset - refers to the declarant's real and personal properties, including those of his/her spouse and unmarried children below eighteen (18) years of age living in his/her household.
5. *Balae* - refers to the parent of the declarant's son-in-law or daughter-in-law.
6. *Bi/as* - refers to a declarant's brother-in-law's wife or sister-in-law's husband.
7. 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.
8. Capital Property - refers to the properties exclusively owned by the husband.
9. Consanguinity - refers to the relationship by blood from the same stock or common ancestor.
10. 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/herself to sell the said property exclusively to the prospective buyer upon fulfillment of the condition agreed upon, that is, full payment of the purchase price<sup>1</sup>.
11. Fair Market Value - refers to the amount indicated as market value in the tax declaration of the real properties concerned, for purposes of declaration in the SALN.
12. Financial Connections - refers 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,

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<sup>1</sup> Coron el vs. CA, 331 Phil. 294, 1996.

including those of his/her spouse and unmarried children below eighteen (18) years of age living in his/her household.

13. Improvements - refers 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.
14. *Inso* - refers to the appellation for the wife of an elder brother or male cousin.
15. 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.
16. Living in declarant's household- means actual presence in the residence of the declarant.
17. Nature of Liability - refers to the type of loan obtained from banks, financial institutions, GSIS, PAG-IBIG and others, such as personal, multi-purpose, salary, calamity loan, etc.
18. 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.
19. Outstanding Balance - refers to the amount of money which the declarant still owes on his or her loan as of December 31 of the preceding calendar year.
20. Paraphernal Property - refers to the properties exclusively owned by the wife.
21. Personal Properties - refers 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.
22. 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.

23. Relatives in the Government – refer to the declarant's relatives up to the 4<sup>th</sup> civil degree of relationship, either by consanguinity or affinity, including *bi/as*, *inso*, and *balae*.
24. SALN- is the statement of assets, liabilities and net worth, and the disclosure of financial connections or business interest and identification of relatives with the fourth degree of consanguinity or affinity. Further, it also requires the declarant to name his/her *bi/as*, *bale* and *inso* who are in the government service.
25. 1<sup>st</sup> Degree of Consanguinity - includes the declarant's father, mother, son/s, and daughter/s.
26. 1<sup>st</sup> Degree of Affinity - includes the declarant's father-in-law and mother-in-law.
27. 2<sup>nd</sup> Degree of Consanguinity - includes the declarant's brother, sister, grandmother, grandfather, grandson and granddaughter.
28. 2<sup>nd</sup> Degree of Affinity - includes the declarant's brother-in-law, sister-in-law, grandmother-in-law.
29. 3<sup>rd</sup> Degree of Consanguinity - includes the declarant's nephew, niece, uncle and aunt.
30. 3<sup>rd</sup> Degree of Affinity - includes the declarant's nephew-in-law, niece-in-law, uncle-in-law, auntie-in-law.
31. 4<sup>th</sup> Degree of Consanguinity - includes the declarant's first cousins.
32. 4<sup>th</sup> Degree of Affinity - includes the declarant's first cousin-in-law.

## **E. RULES IN ACCOMPLISHING THE SALN FORM**

### **1. BASIC INFORMATION**

- a. Spouses who are both public officers/employees may have the option to file their SALN jointly or separately.
- b. In case of joint filing, all real and personal properties shall be declared including their respective paraphernal and capital property, if there are any. After filling out the form, the spouse may reproduce the SALN Form as to the number of copies required, but their signatures should be original in the SALN Form to be submitted to their respective agencies.

- c. In case the declarant is single or married but whose spouse is not in the government service, he/she shall tick off the box marked as "Not Applicable."
- d. The change of civil status of the declarant after December 31 of the preceding year shall not affect the nature of properties declared.
- e. Declarant must provide the information required for all his/her unmarried children below eighteen (18) years of age and living in his/her household, whether legitimate or illegitimate.
- f. The declarant shall provide information on his/her address. However whenever a third-party requests for a copy of the SALN Form of the declarant, the PPC has the option to shade the declarant's address for purposes of security.

## **2. ASSETS, LIABILITIES, AND NETWORTH**

- a. 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.
- b. It shall also contain a disclosure of the declarant's relatives within the 4<sup>th</sup> degree of consanguinity and affinity who are in government service.
- c. Assets include those within our outside the Philippines, whether real or personal, whether used in trade or business.

## **3. REAL PROPERTIES**

- a. Declaration of real properties shall include its description, kind, exact location, year and mode of acquisition, assessed value, fair market value, acquisition cost of land, building, etc., including improvements thereon.
- b. 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.
- c. 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 eighteen (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.

- d. 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**

- a. Declaration of personal properties shall include mode, year and cost of acquisition, or the value or amount of said personal properties.
- b. Personal properties collectively acquired or are of minimal value may be declared generally or collectively. In which case, the declarant may write/indicate "various years" under the column for "Year Acquired".
- c. In case of properties which are co-owned with other individuals, the declarant shall disclose the proportionate amount of his share in the property.
- d. With regard to properties which are subject of a contract to sell, the amount already paid by declarant shall be declared as personal property.
- e. Properties which are subject of either a chattel or real estate 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.
- f. 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.

#### **5. LIABILITIES**

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.

## **6. COMPUTATION OF NET WORTH**

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

## **7. FINANCIAL CONNECTIONS AND BUSINESS INTERESTS**

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

## **8. RELATIVES IN THE GOVERNMENT**

- a. The declarant shall disclose his/her relatives in the government within the 4<sup>th</sup> civil degree of relationship, either by consanguinity or affinity.
- b. 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.
- c. In case the declarant and his/her spouse jointly file their SALN, they shall indicate all their relatives within the 4<sup>th</sup> civil degree, either by consanguinity or affinity, and shall include the above-mentioned information.
- d. In case the declarant has no relatives in the government within the 4<sup>th</sup> civil degree of relationship, either by consanguinity or affinity, including *bi/as, inso, and balae*, the declarant shall tick off the appropriate box in the form and indicate "Not Applicable". The identification of relatives is required to be "to the best of my knowledge".

## **9. OTHER MATTERS**

- a. The declarant is strictly required to fill all applicable information in the SALN form. Otherwise, such items should be marked with "Not Applicable" or "N/A". The term "N/A" should be provided in each space. Placing a single term "N/A" in all spaces is not acceptable

- b. In case of joint filing, the declarant and his/her spouse shall sign in the spaces provided for just below the certification.
- c. If the spouse is not a public officer or employee, the declarant shall still cause him/her to sign the SALN.
- d. In case of non-compliance with the signature of the spouse, an explanation should be attached to the SALN form for such non-compliance.
- e. 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.
- f. The SALN form shall be printed in 8.5" x 13" paper. To prevent unauthorized insertions or pull out pages, pagination shall read as page 1 of number of pages, page 2 of number of pages and so on.

## **II. PROCEDURES IN FILING THE SALN FORM**

### **A. UNDER OMNIBUS RULES, RULE VII, SECTION 1B**

- 1. Employees: On or before 30 April of every year thereafter, statements of which must be reckoned as of the end of the preceding year.
- 2. New Appointees: Within thirty (30) days after assumption of office, statements of which must be reckoned as of his/her first day of service.
- 3. Separated Employees: Within thirty (30) days after separation from the service, statements of which must be reckoned as of his/her last day of office.

### **B. REVIEW AND COMPLIANCE COMMITTEE (RCC)<sup>2</sup>**

For purposes of the filing and submission of the SALN for employees on or before 30 April of every year (I1.A.1. of the preceding paragraph), the following guidelines shall be observed by the PPPC officials and employees:

- 1. Declarants shall submit the SALN to the RCC before having their oaths administered to ensure that the form is properly filled, and to avoid the resubmission of the revised SALN form to the Administering Officer.

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<sup>2</sup> Special Order No. 83-2012, Constitution of Review and Compliance Committee of the Guidelines in the Filling Out of the SALN

2. In this regard, the SALN shall be submitted to the RCC on or before the date set in its pertinent issuance. This will allow the RCC sufficient time to review and evaluate the completeness and propriety of the SALNs filed, and inform the concerned declarants to complete the data in their SALN or correct/supply the necessary information.
3. The RCC shall return the SALN to the declarant with its clearance/endorsement for administration of oath. The declarant shall have the option to have his/her oath administered by the PPPC Administering Officer or by a notary public.
4. The RCC shall submit the list of employees who filed their SALN with complete and incomplete data, or who did not file their SALN, to the office of the PPPC Executive Director, copy furnished the CSC, on or before 15 May of every year.
5. In accordance with the procedures provided in CSC MC No. 3, s. 2013, and pursuant to its authority under Special Order No. 83-2012, the RCC shall issue compliance and/or show-cause orders where necessary, and recommend appropriate action to the PPPC Executive Director.

For purposes of the filing and submission of the SALN for Newly Appointed and Separated Employees (I1.A.2. and I1.A.3. of the preceding paragraph), submission to the RCC for review is optional.

### **C. ADMINISTRATION OF OATH**

1. The Director of the Legal Service is designated as the Administering Officer of the SALN of all PPPC officials and employees through Special Order No. 29-2014 issued on April 2, 2014.
2. The date of oath in the SALN form shall be filled in by the Administering Officer.
3. The administration of oath for the SALN of PPPC officials/employees who are abroad or under foreign scholarship shall be done in the Philippine Consular Office or Embassy where they are located.
4. Online oath taking through an electronic meeting of the Declarant and the Administering Officer (AO) and the Declarant executes the SALN and affirms the same as true act and deed, and that the contents thereof are true and correct. The Declarant shall execute the SALN by affixing his/her electronic/digital signature to the electronic SALN, or wet ink signature to the physical SALN, provided the execution or placing of signature is done within sight of the Administering Officer<sup>3</sup>.

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<sup>3</sup> CSC MC No. 13, s.2020, Filing and Submission of the Revised Statement of Assets, Liabilities and Net Worth (SALN) Form for the Year 2020

**D. HUMAN RESOURCES DIVISION (HRD)**

After the oath is administered in accordance with Item 11.B.3. hereof, the declarant must submit four (4) original copies of the sworn SALN to the HRD on or before 27 April of every year, for submission to the appropriate repository agency, as follows:

<b>FILER</b>	<b>DISTRIBUTION LIST</b>
Undersecretary and Assistant Secretaries	Office of the President PPPC 201 File Personal File
officials and employees with the rank of Director iv and below	CSC Field Office PPPC 201 File Personal File

**III. SANCTIONS**

- A. Failure to file a sworn SALN and disclosure of business interest and financial connections shall be a ground for administrative disciplinary action without prejudice to criminal and civil liabilities as may be provided by law under Section 46 (D) 98) of Rule X of the Rules on Administrative Laws in the Civil Service. Such failure shall be punishable as follows:

<i>First Offense</i>	<i>Suspension of one (1) month and one (1) day to six (6) months</i>
<i>Second Offense</i>	<i>Dismissal from the service</i>

- B. Officials or employees who submit their SALN beyond the periods specified herein or in the issuances made by the RCC, or who fail to comply within the period specified in the compliance order of the RCC in accordance to Item 11.B.5. hereof, shall be considered as not having filed their SALN and shall be made liable for the same sanctions provided above.