

Pag-IBIG Fund
Corporate Headquarters
Petron MegaPlaza Bldg.,
358 Gil Puyat Ave.,
Makati City

MEMORANDUM

To : All Deputy Chief Executive Officers
All Senior Vice Presidents
All Vice Presidents/Heads of Task Forces
All Managers/Heads/Officers-In-Charge

From : THE CHIEF EXECUTIVE OFFICER

Subject : "NO GIFT POLICY"

Date :

This has reference to the Fund's compliance with Section 29 of the Code of Corporate Governance for GOCCs (GCG Memorandum Circular No. 2012-07, Series of 2012) pertaining to "No Gift Policy":

WHEREAS, Section 1, Article XI of the 1987 Constitution states, "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;

WHEREAS, 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:

(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 benefit, for himself or for another, from any person from whom the public officer, in any manner or capacity, has secured or obtained, or will secure or obtain, any Government permit or license, in consideration for the help given or to be given;

WHEREAS, Section 7 (d) of the Code of Conduct and Ethical Standards for Public Employees and officers and Employees (RA 6713) mandates, “Public employees and officers and employees shall not solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan or use 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 the functions of their office”;

WHEREAS, DBM Memorandum dated September 20, 2010 [reiterated in Circular Letter No. 2011-12 dated 07 Dec. 2011] reminded all Branches of Government, Constitutional Commissions, Departments, Bureaus, offices and Agencies of the National Government, including SUCs, GOCCs, GFIs, LGUs on the observance of the “No Gift Policy”;

WHEREAS, Section 29 of the Code of Corporate Governance for GOCCs mandates 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;

WHEREAS, the Fund’s Board of Trustees approved the HDMF “No Gift Policy” on 9 May 2014;

WHEREAS, the Governance Commission for GOCCs (GCG), in its 30 July 2014 letter, partially approved the Fund’s No Gift Policy, commended the Fund for establishing a Gift Registry where receipt of gifts and particulars thereof are recorded, and proposed changes to improve the Fund’s No Gift Policy;

WHEREAS, the Fund’s Board of Trustees approved the revised HDMF “No Gift Policy” on 22 January 2015;

WHEREAS, the GCG, in its 21 May 2015 letter, provisionally approved the Fund’s No Gift Policy provided that Section III (B)(5) is revised, stating that the Chairman as the approving authority for all scholarships or fellowship grants, travel grants or expenses for travel of Board Members, the President/CEO, as well as the officers and employees of HDMF although such authority may be delegated to the Chief Executive Officer (CEO) as far as the officers and employees of the HDMF are concerned;

For these purposes, there is hereby instituted the revised system for the Fund's "No Gift Policy".

I. Definition of Terms

- A. The Fund – refers to Pag-IBIG Fund.
- B. Employees – include regular, contractual, coterminuous, directly-hired and casual rank and file employees of Pag-IBIG Fund, unless used in a more specific context.
- C. Rank and File employees – employees occupying the position of Division Chief and below, pursuant to Civil Service Commission Resolution No. 1, series of 1991, dated January 28, 1991.
- D. Officers – employees of Pag-IBIG Fund occupying positions above Division Chief.
- E. Trustee – an ex officio or appointive member of the Pag-IBIG Fund Board of Trustees.
- F. Stakeholder – any individual or entity for whose benefit Pag-IBIG Fund has been constituted, or whose life, occupation, business or well-being is directly affected, whether favorable or adversely, by the regular transactions, operations, or pursuit of the business or social enterprise for which Pag-IBIG Fund has been constituted, and which would include a member of Pag-IBIG Fund, management, employees, supply creditors, or the community in which Pag-IBIG Fund operates.
- G. Gift - a thing or a right disposed of gratuitously, or any act of liberality, in favor of another who accepts it. It shall include, but not limited to, any gratuity, favor, service, discount or price concession, legacy (except from a relative), fee, compensation, cash, securities, entertainment, simulated sale or loan, or use of anything of monetary value, whether real or personal property.
- H. Nominal value - means a gift of small or insignificant value. As to what is a gift of nominal value will depend on the circumstances of each case taking into account the salary of the official or employee, the frequency or infrequency of the giving, the expectation of benefits, and other similar factors.
- I. Policy - the "Pag-IBIG Fund No Gift Policy".

- J. Benefit – a right, privilege, entertainment, advantage, exemption or any other similar act of liberality in favor of another.
- K. Receiving any gift – includes the act of accepting, directly or indirectly, a gift from a person other than a member of the employee's, officer's or trustee's family even on the occasion of a family celebration or holidays.
- L. Gift Registry – a record of gifts received by Pag-IBIG Fund employees, officers or trustees.
- M. Unless otherwise indicated in this Policy, any reference to a singular, shall apply as well to the plural, and vice versa.

II. COVERAGE

This Policy shall apply to all employees, officers and trustees of the Fund.

III. POLICIES

A. Prohibited Acts

All Fund employees, officers and trustees shall not solicit, demand, or accept, directly or indirectly, any gift from any person, group, association, or juridical entity, whether from the public or private sector, at any time, on or off the work premises, where such gift is:

1. Given in the course of their official duties or in connection with any transaction which may be affected by their official functions or which may be perceived as influencing their past, present and future official functions;
2. Illegal or in violation of laws;
3. Part of an attempt or agreement to do anything in return;
4. Given to influence the actions of directors or employees;
5. Create the appearance of a conflict of interest; or
6. In the form of honoraria given as speaker or resource person in seminars, or where the HDMF trustee, officer, or employee is participating,

by reason of his/her office with the HDMF in accordance with pertinent laws and regulations.

B. Allowable Gifts

The following gifts shall be exempt from the prohibition under this Policy:

1. Certificates, plaques, cards, thank you notes, or other written forms of souvenir or mark of courtesy, recognition, or appreciation;
2. Seminar items (e.g. pens, hand-outs, etc.) or any other materials which are uniformly given to all participants in the seminar;
3. Books, pamphlets, publications, data and other information or reading materials that are directly useful to the Fund in the performance of its mandates, objectives, and are given by individuals or organizations that have no pending business with the Fund as to create an actual or potential conflict of interest;
4. Unsolicited nominal gifts, offered or given as a mere token of gratitude or friendship according to local customs or usage, given on special occasions between and among the Fund's employees, officers and trustees;
5. Scholarships or fellowship grants, travel grants or expenses for travel taking place within or outside of the Philippines (such as allowances, transportation, food and lodging) if appropriate and consistent with the interest of the government, and with prior approval by the Chairman of the Board of Trustees. The authority to approve such matters for the officers and employees of the HDMF may, however, be delegated by the Chairman of the Board of Trustees to the Chief Executive Officer (CEO), with notice to the Board;
6. Working meals or socials with clients or other stakeholders of the Fund if such meals or socials take place in the course of official transaction. Such working meals or socials should be of modest value not beyond what is normal or customary in the business of the Fund;
7. Product samples of nominal value given by clients or potential clients if giving such samples are allowed under the law or part of the standard procedures mandated by law or the rules (*e.g. rules on bidding*); and

9. Unsolicited gifts of nominal value provided it is not given in anticipation of or in exchange for a favor from the employee, officer or Trustee.

C. Duty to Inform

The trustees, officers and employees are required to inform any existing client transacting or potential client inquiring with the Fund of this "No Gift Policy".

D. Posting

Notices of this Policy shall be posted in all conspicuous areas of Fund Groups, Offices/Departments, Branches, Housing Business Centers, kiosks, and information desks.

E. Duty if Gift is Offered or Delivered

If any gift prohibited under Section III (A) of this Policy is offered or given to any trustee, officer or employee, the trustee, officer or employee shall politely decline acceptance of such gift and courteously inform the offeror or giver about the Fund's "No Gift Policy".

F. Duty if Gift Could not be Declined or Returned

If, despite diligent efforts to refuse acceptance, any gift under Section III (A) (1)-(5) of this Policy is nevertheless delivered, the recipient of the gift shall, within two (2) working days from knowledge, report and turn-over the gift to the following for proper documentation in the Gift Registry and handling of the gift in accordance with the provisions of this Policy:

- 1) To the Office of the Group Vice President, for the Corporate Headquarters and the Home Lending Operations Cluster recipient-employees and officers;
- 2) To the Office of the Branch Manager for Branch recipient-employees and officers;
- 3) To the Office of the Housing Business Center Head, for the Housing Business Center recipient-employees and officers;
- 4) To the Office of the Corporate Secretary/Vice President for Compliance (OCS/VPC), for the recipient-trustees of the gift.

G. Gift Registry

1) Except for gifts under Section III (B) (1)-(4), any gift received, regardless of value or kind, shall be registered in a Gift Registry (See Annex "A") to be maintained by the following:

- a) Offices of the Group Vice President
- b) OCS/VPC
- c) Offices of the Branch Manager /Housing Business Center Head, as the case may be.

2) The following information about the gift shall be recorded in the said Registry:

- a) Description of Gift/ Favor/Benefit
- b) Estimated Value of Gift/Favor/Benefit
- c) Date of Delivery/Receipt
- d) Name of Giver/Position and Office
- e) Action Taken on the Gift
- f) Name and position of the employee, officer or trustee who received the gift; and
- g) Such other information as the Group, OCS/VPC, Branch, or Housing Business Center may deem necessary

3) A summary of Gift Registry entries shall be submitted on a quarterly basis to the OCS-VPC for consolidation of entries in the Principal Gift Registry.

H. Donation of Gifts to Charitable Institutions

All gifts under Section III (A) (1)-(5) of this Policy which could not be returned to the sender shall be donated to appropriate charitable or social welfare institutions to be chosen from a list to be provided by the Public Relations and Information Services Group (PRISG) for the Corporate

Headquarters, and in the case of Branches or Housing Business Centers, to any charitable or social welfare institution in their respective areas. An acknowledgment letter shall be sent to the giver of the gift informing the latter about the donation to the said institution/s.

I. Adoption of “No Gift Policy” in all Contracts of the Fund

A provision adopting this Policy shall be incorporated in all contracts entered into by the Fund with its consultants, contractors, suppliers, service providers, vendors or other such persons and institutions who have business, contractual or other similar dealings or transactions with the Fund.

J. Policy Implementation and Monitoring

The OCS/VPC, with PRISG, Group, Branch and Housing Business Center Heads shall ensure full advertisement, monitoring, and strict implementation of this Policy. A monthly report of the gifts received and donated or that no gift has been received shall be submitted by the Groups, Branches, and Housing Business Centers to OCS/VPC within the first five (5) working days of the month.

K. Penalties for Violation

1. Violation of any provision of this Policy by an employee or officer shall be reported to the Human Resource Management Department (HRMD) for corporate headquarters and housing and support services sector personnel offenders or the Assistant Department Manager-Technical/Administrative Support for regional personnel offenders for endorsement to the Legal and General counsel Group for investigation and disciplinary action in accordance with the Revised Rules on Administrative Cases in the Civil Service, without prejudice to any civil or criminal liability that may arise therefrom under other special laws;

2. Violation of any provision of this Policy by a trustee shall be dealt with in accordance with applicable laws.

IV. AMENDMENT

This Policy shall be subject to periodic review and may be amended by the Board of Trustees as it may deem necessary.

V. EFFECTIVITY

This Policy shall take effect upon its approval by the Board of Trustees.

DARLENE MARIE B. BERBERABE
Chief Executive Officer

Makati City, Philippines.
