



# **PHILIPPINE GUARANTEE CORPORATION**

**CODE OF ETHICS AND BUSINESS CONDUCT  
2021**

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**WHEREAS**, it is the State's policy to vigorously promote adherence to a high degree of ethics and business conduct aimed to raise public confidence, develop capital market and help achieve high sustained growth for the Philippine economy;

**WHEREAS**, to help assure that members of the Board of Directors, officials and employees adhere to a high degree of ethics and business conduct, the Code of Ethics and Business Conduct was prepared by the then Office of the Chief Compliance Officer under the erstwhile PhilEXIM and was issued in March 2007;

**WHEREAS**, pursuant to Executive Order No. 58 signed on 23 July 2018 by the President of the Philippines and the Department of Finance (DOF) issuance of Memorandum Circular 2019-001 dated 03 September 2019, the Trade and Investment Development Corporation of the Philippines (TIDCORP) also known as Philippine Export-Import Credit Agency (PHILEXIM) is renamed as Philippine Guarantee Corporation (PHILGUARANTEE) effective 31 August 2019, following the merger and consolidation of Philippine Guarantee Programs and Agencies, with PhilEXIM as surviving entity.

Being the Principal Agency for State Guarantee Finance of the Philippines, the primary objective of PHILGUARANTEE is to perform its development financing role through the provision of credit guarantees in support to trade and investments, exports, infrastructure, energy, tourism, agricultural business/modernization, housing, MSMEs and other priority sectors of the economy, with the end in view of facilitating and promoting socio-economic and regional development;

**WHEREAS**, the updating of the Code of Ethics and Business Conduct is intended to extend its applicability to PHILGUARANTEE as a merged corporate entity managing several funds and to conform with the current business realities, corporate governance initiatives and laws, rules and regulations enacted or issued after 2007;

**WHEREAS**, the updates presented to and recommended by the Corporate Governance Committee to the Board of Directors are minor as scan of other government corporations and agencies shows that the Code of Ethics and Business

Conduct remains relevant and applicable, subject to conformity with the current business realities, corporate governance initiatives and laws, rules and regulations enacted or issued after 2007;

**NOW, THEREFORE, WE THE BOARD OF DIRECTORS OF PHILGUARANTEE** hereby approves the updated Code of Ethics and Business Conduct, as follows:

#### **I. STATEMENT OF POLICY**

All PHILGUARANTEE officials and employees are accountable to the people for their overt acts, neglects or omissions while in government service.

It is the policy of PHILGUARANTEE to promote a high standard of ethics among its officials and employees who shall at all times be accountable to the people and shall discharge their duties with utmost responsibility, integrity, competence and loyalty; act with patriotism and justice; lead modest lives; and uphold public interest over personal interest.

#### **II. OBJECTIVE**

This Code of Ethics shall govern the conduct and behavior of all PHILGUARANTEE officials and employees including the members of the Board of Directors. It will serve as their guide in carrying out, with the highest degree, professional and ethical standards of behavior. It is promulgated with the end view of promoting good corporate governance.

#### **III. COVERAGE**

This Code shall cover all PHILGUARANTEE officials and employees, including the Board of Directors and their alternates and/or representatives, whether they: 1) hold office or employment in a permanent or regular, temporary, casual or hold-over capacity; or 2) receive compensation, regardless of amount.

#### **IV. NORMS OF CONDUCT OF OFFICIALS AND EMPLOYEES**

PHILGUARANTEE officials and employees shall observe the following as standards of personal conduct in the discharge and execution of their official duties:

##### **1. Commitment to Public Interest**

- a. PHILGUARANTEE officials and employees shall always uphold the public interest over and above personal interest
- b. All resources and powers of their respective offices must be employed and used efficiently, effectively, honestly and economically, and in accordance with law and regulations, particularly to avoid wastage in public funds and revenues, with a view to ensuring efficiency, economy and effectiveness in operations.

##### **2. Professionalism**

PHILGUARANTEE officials and employees shall:

- a. perform and discharge their duties with the highest degree of excellence, professionalism, intelligence and skill.
- b. enter public service with utmost devotion and dedication to duty.
- c. endeavor to discourage wrong perceptions of their roles as dispensers or peddlers of undue patronage.
- d. protect the good name and reputation of PHILGUARANTEE

##### **3. Justness and Sincerity**

PHILGUARANTEE officials and employees shall:

- a. remain true to the people at all times;

- b. act with justness and sincerity and not discriminate against anyone, especially the poor and the underprivileged;
- c. respect the rights of others at all times; and
- d. refrain from doing acts contrary to law, good morals, good customs, public policy, public order, public safety and public interest.

PHILGUARANTEE officials and employees shall not dispense or extend undue favors on account of their office to their relatives whether by consanguinity or affinity except with respect to appointments of such relatives to positions considered strictly confidential or as members of their personal staff whose terms are co-terminus with theirs.

#### **4. Political Neutrality**

PHILGUARANTEE officials and employees shall provide service to everyone without unfair discrimination and regardless of party affiliation or preference.

#### **5. Responsiveness to the Public**

- a. PHILGUARANTEE officials and employees shall extend prompt, courteous and adequate service to the public.
- b. Unless otherwise provided by law or when required by public interest, PHILGUARANTEE officials and employees shall provide information on their policies and procedures in clear and understandable language; ensure openness of information, public consultations and hearings whenever appropriate; encourage suggestions; simplify and systematize policy, rules and procedures; avoid red tape; and develop an understanding and appreciation of the socioeconomic conditions prevailing in the country, especially in the depressed rural and urban areas.

#### **6. Nationalism and Patriotism**

PHILGUARANTEE officials and employees shall:

- a. be loyal to the Republic and to the Filipino people at all times;

- b. promote the use of locally produced goods, resources and technology;  
and
- c. encourage appreciation and pride of country and people.

They shall endeavor to maintain and defend Philippine sovereignty against foreign intrusion.

## **7. Commitment to Democracy**

PHILGUARANTEE officials and employees shall:

- a. commit themselves to the democratic way of life and values, maintain the principle of public accountability, and manifest by deeds the supremacy of civilian authority over the military; and
- b. uphold the Constitution and put loyalty to country above persons or party, at all times.

## **8. Simple Living**

- a. PHILGUARANTEE officials and employees and their families shall lead modest and simple lives appropriate to their positions and income. They shall not indulge in extravagant or ostentatious display of wealth in any form.

Modest and simple living means maintaining a standard of living within the official or employee's visible means of income as correctly disclosed in his income tax returns, annual statement of assets, liabilities and net worth and other documents relating to financial and business interests and connections.

- b. Funds for official use and purpose shall be utilized with the diligence of a good father of a family.

## **V. DUTIES/RESPONSIBILITIES OF PHILGUARANTEE OFFICIALS AND EMPLOYEES**

In the performance of their duties, PHILGUARANTEE officials and employees are under obligation to:

### **1. Act promptly on letters and requests**

All PHILGUARANTEE officials and employees shall, within the Anti-Red Tape Act (ARTA) -prescribed processing time from receipt thereof, respond to letters or other means of communications sent by the public. The reply must contain the action taken on the request.

- a. As a general rule, when a request or petition, *whether written or verbal*, can be disposed of promptly and expeditiously, the official or employee in charge shall do so immediately, without discrimination, and in no case beyond the ARTA-prescribed processing time from receipt thereof.
- b. In Departments or units that are usually swamped with persons calling for a particular type of service, the Head of the Department or unit shall devise a mechanism so as to avoid any delay.
- c. In case of written requests, petitions or motions, the official or employee in charge shall act on the same within the ARTA-prescribed processing time or other applicable period from PHILGUARANTEE's receipt thereof, provided that:
  - i. If within the jurisdiction of PHILGUARANTEE, the official or employee must write an acknowledgement letter, where the matter is routinary or may be acted upon in the ordinary course of business, specifying the date when the matter will be disposed of and the name of the official or employee in charge thereof. Where the matter is non-routinary or the issues involved are not simple or ordinary, the official or employee must write an acknowledgement letter informing the action to be taken and when it can be acted upon. Where there is a need to submit additional information, requirements or documents, the acknowledgement letter shall specify a reasonable time within which to submit and who is in charge thereof. When all the

documents or requirements have been satisfactorily submitted, the interested party shall be informed of the action taken and when such action or disposition can be expected, barring unforeseen circumstances.

- ii. If outside the jurisdiction of PHILGUARANTEE, the official or employee must refer the letter or request to the proper office or agency and acknowledge it by means of a note or letter, informing the action taken and attaching a copy of the letter of referral to the proper office or agency.
- d. All official papers and documents must be processed and completed within a reasonable time determined in accordance with the following rules:
- i. When the ARTA or other law, rule or procedure prescribes a period within which a decision is to be rendered or an action taken, the same shall be followed.
  - ii. When the law or applicable rule issued in accordance therewith does not prescribe a period, the President & CEO of PHILGUARANTEE shall issue rules and regulations prescribing, among others, what is reasonable time, taking into account the: (i) nature and complexity of the subject matter, (ii) completeness or inadequacy of data and information requirements, (iii) lack of resources caused by circumstances beyond the control of PHILGUARANTEE, (iv) legal constraints such as restraining orders and injunctions, (v) fault, failure or negligence of the party concerned which renders the decision or action as not possible or premature, and (vi) fortuitous events or force majeure.

## **2. Submit annual performance reports**

- a. The President & CEO or other responsible officials of PHILGUARANTEE shall, within forty-five (45) working days from the end of the year, render a full and complete report of performance and accomplishments of PHILGUARANTEE, as prescribed by existing laws and regulations, which may be based on its unaudited financial statements, in case the audited financial statements are not yet available. Such report shall be open and available to the public within regular office hours.

- b. Another report of compliance with the provisions of Republic Act No. 6713 and its Implementing Rules shall be prepared and submitted to the Civil Service Commission.

### **3. Process documents and papers expeditiously**

- a. All official papers and documents must be processed and completed within a reasonable time from the preparation thereof. Except as otherwise provided by law or regulation, and as, far as practicable, any written action or decision must contain not more than three (3) initials or signatures.
- b. In the absence of the duly authorized signatory, the official next-in-rank or officer-in-charge or the person duly authorized shall sign for and in his/her behalf. The President & CEO of PHILGUARANTEE shall prescribe, through an appropriate office order, the rules on the proper authority to sign in the absence of the regular signatory, as follows:
  - i. If there is only one official next-in-rank, he shall automatically be the signatory;
  - ii. If there are two or more officials next-in-rank, the appropriate office order shall prescribe the order of priority among the officials next-in-rank within the same organizational unit; or
  - iii. If there is no official next-in-rank present and available, the President & CEO of PHILGUARANTEE shall designate an officer-in-charge from among those next lower in rank in the same organizational unit.

### **4. Act immediately on the public's personal transactions**

All PHILGUARANTEE officials and employees must attend to anyone who wants to avail of the services of their offices and must, at all times, act promptly and expeditiously.

### **4. Make documents accessible to the public**

- a. All public documents must be made accessible to and readily available for inspection by, the public within reasonable working hours.

- b. Subject to reasonable conditions prescribed by law or regulation, PHILGUARANTEE adopts and implements a policy of full public disclosure of all its transactions involving public interest.
- c. The President & CEO of PHILGUARANTEE shall establish measures and standards that will ensure transparency of and openness in its transactions (i.e., biddings, purchases, other internal transactions, including contracts, status of projects, and all other matters involving public interest).
- d. Information systems shall be established to inform the public of the policies, rules and procedures; work programs, projects and performance targets; performance reports; and all other documents as may hereafter be classified as public information. Such information shall be utilized solely for the purpose of informing the public of such policies, programs and accomplishment, and not to build the public image of any official or employee or to advance his/her own personal interest.
- e. PHILGUARANTEE shall provide official information, records or documents to any requesting public, except if:
  - i. The information, record or document sought falls within the concepts of established privilege or recognized exceptions as may be provided by law or settled policy or jurisprudence, including information covered by disclosure and confidentiality agreements entered into by PHILGUARANTEE with third parties.
  - ii. Such information, record or document compromises drafts or decisions, orders, rulings, policy, decisions, memoranda, etc.
  - iii. It would disclose information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy.
  - iv. It would disclose investigatory records compiled for law enforcement purposes, or information which if written would be contained in such records or information that would interfere with enforcement proceedings, deprive a person of a right to a fair trial or an impartial adjudication, disclose the identity of a confidential source, or unjustifiably disclose investigative techniques and procedures.

- v. It would prematurely disclose information which would likely or significantly frustrate the implementation of a proposed official action, except when PHILGUARANTEE has already disclosed to the public the content or nature of its proposed action, or when PHILGUARANTEE is required by law to make such disclosure on its own initiative prior to taking final official action on such proposal.
- f. PHILGUARANTEE shall establish information systems and networks that will ensure the widest possible dissemination of information regarding the provisions of this Code, and the policies and programs relative thereto.

## **VI. PROHIBITED ACTS AND TRANSACTIONS**

In addition to acts and omissions of public officials and employees now prescribed in the Constitution and existing laws, the following shall constitute prohibited and unlawful acts and transactions of any PHILGUARANTEE official or employee:

### **1. Financial and material interest**

PHILGUARANTEE officials and employees shall not, directly or indirectly, have any financial or material interest in any transaction requiring the approval of their office.

- Financial and material interest is defined as a pecuniary or proprietary interest by which a person will gain or lose something.

### **2. Outside employment and other activities related thereto**

PHILGUARANTEE officials and employees during their incumbency shall not:

- a. Own, control, manage or accept employment as officer, employee, consultant, counsel, broker, agent, trustee or nominee in any private enterprise regulated, supervised or licensed by their office unless expressly allowed by law;
- b. Engage in the private practice of their profession unless authorized by the Constitution, law or regulation, provided that such practice will not conflict or tend to conflict with their official functions; or

- c. Recommend any person to any position in a private enterprise which has a regular or pending official transaction with their office, unless such recommendation or referral is mandated by law, international agreements, commitment and obligation, or as part of the functions of their office.

The above prohibitions shall continue to apply for a period of one (1) year after resignation, retirement, or separation from PHILGUARANTEE, except in the case of Item b. above. However, the professional concerned cannot practice his profession in connection with any matter before PHILGUARANTEE, in which case the one-year prohibition shall likewise apply.

### **3. Disclosure and/or misuse of confidential information**

PHILGUARANTEE officials and employees shall not use or divulge confidential or classified information officially known to them by reason of their office and not made available to the public, either to further their private interests, or give undue advantage to anyone; or to prejudice the public interest.

### **4. Solicitation or acceptance of gifts**

- a. PHILGUARANTEE officials and employees shall not solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan or anything of monetary value from any person in the course of their official duties in connection with any operation being regulated by, or any transaction which may be affected by the functions of their office.
  - A thing of monetary value is one which is evidently or manifestly excessive by its very nature.
  - Gift refers to a thing or a right disposed of gratuitously, or any act of liberality, in favor of another who accepts it, and shall include a simulated sale or an ostensibly onerous disposition thereof.
  - Loan covers both simple loan and commodatum as well as guarantees, financing arrangements or accommodations intended to ensure its approval.

- *Commodatum refers to a contract whereby one of the parties delivers to another something not consumable so that the latter may use the same for a certain time and return it.*
- b. The propriety or impropriety of the foregoing shall be determined by its value, kinship or relationship between the giver and receiver and the motivation.
- c. This prohibition shall not include:
- i. Unsolicited gift of nominal or insignificant value not given in anticipation of, or in exchange for, a favor from a PHILGUARANTEE official or employee or given after the transaction is completed, or service is rendered. 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;
  - ii. A gift from a member of his family or relative on the occasion of a family celebration, and without any expectation of pecuniary gain or benefit;
    - *Family of public officials and employees means their spouses and unmarried children under eighteen (18) years of age. Relative refers to any person related to the official or employee within the fourth civil degree of consanguinity or affinity, including "bilas, inso or balae".*
  - iii. Nominal donations from persons with no regular, pending, or expected transactions with PHILGUARANTEE without any expectation of pecuniary gain or benefit;
  - iv. Donations coming from private organizations whether local or foreign which are considered and accepted as humanitarian and altruistic in purpose and mission;
  - v. Donations coming from and to government entities;
  - vi. Gifts or grants from foreign governments, particularly:
    - Gift of nominal value tendered and received as a souvenir or mark of courtesy;

- Gift in the nature of a scholarship or fellowship grant or medical treatment; or
- Travel grants or expenses for travel taking place entirely outside the country (such as allowances, transportation, food, and lodging) of more than a nominal value if such acceptance is appropriate or consistent with the interests of the country, and permitted by the President & CEO of PHILGUARANTEE, subject to existing rules and regulations.

## **5. Other prohibited acts and omissions**

- a. Obtaining or using any statement filed under this Code for any purpose contrary to morals or public policy or any commercial purpose other than by news and communications media for dissemination to the general public;
- b. Unfair discrimination in rendering public service due to party affiliation or preference;
- c. Disloyalty to the Republic of the Philippines and to the Filipino people;
- d. Failure to act promptly on letters and request within the ARTA-prescribed processing time from receipt, except as otherwise provided herein;
- e. Failure to process documents and complete action on documents and papers within a reasonable time from preparation- thereof, except as otherwise provided herein;
- f. Failure to attend to anyone who wants to avail himself of the services of the office, or to act promptly and expeditiously on public personal transactions;
- g. Failure to file sworn statements of assets, liabilities and net worth and disclosure of business interests and financial connections; and
- h. Failure to resign from his/her position in the private business enterprise within thirty (30) days from assumption of public office when conflict of interest arises, and or failure to divest himself of his/her shareholdings or interests in private business enterprise within sixty (60) days from such

assumption of public office when conflict of interest arises, reckoned from the date when the conflict of interest had arisen.

## **VII. CONFLICT OF INTEREST AND DIVESTMENT**

1. PHILGUARANTEE officials and employees shall avoid conflicts of interest at all times.
2. Conflict of interest occurs when:
  - a. The official or employee is (a) a substantial stockholder, or a member of the Board of Directors, or an officer of a corporation; or (b) an owner of or has substantial interest in a business; or (c) a partner in a partnership; and
  - b. The interest of such corporation or business, or his rights or duties therein, are opposed to or affected by the faithful performance of official duty.
    - i. A substantial stockholder is any person who owns, directly or indirectly, shares of stock sufficient to elect a director of a corporation. This term shall also apply to the parties to a voting trust.
    - ii. A voting trust means an agreement in writing between one or more stockholders of a stock corporation for the purpose of conferring upon a trustee or trustees the right to vote and other rights pertaining to the shares for certain periods and subject to such other conditions provided for in the Corporation Law.
3. When a conflict of interest arises, the official or employee involved shall resign from his position in any private business enterprise within thirty (30) days from his assumption of office and/or divest himself of his shareholdings or interest within sixty (60) days from such assumption. For those who are already in the service, and conflict of interest arises, the officer or employee must resign from his position in the private business enterprise and/or divest himself of his shareholdings or interests within the periods hereinabove provided, reckoned from the date when the conflict of interest had arisen. The same rule shall apply where the official or employee is a partner in a partnership.
4. If the conditions in item 2 above concur, divestment shall be mandatory for any official or employee even if he/she has resigned from his/her position in any private business enterprise.

5. Divestment shall be to a person or persons other than his spouse and relatives within the fourth civil degree of consanguinity or affinity.
6. The requirement of divestment shall not apply to those specifically authorized by law and those who serve PHILGUARANTEE in an honorary capacity nor to laborers and casual or temporary workers.

## **VIII. PUBLIC DISCLOSURE**

### **1. General Requirement**

Every PHILGUARANTEE official or employee, except those who serve in an official honorary capacity, without service credit or pay, temporary laborers and casual or temporary or contractual workers, shall file under oath their statement of assets, liabilities and net worth and a disclosure of business interests and financial connections including those of their spouses and unmarried children under eighteen (18) years of age living in their households, in the prescribed form.

### **2. Statement of Assets, Liabilities and Net Worth**

This statement shall contain information on (a) real property, its improvements, acquisition costs, assessed value, and current fair market value; (b) personal property and acquisition costs; (c) all other assets such as investments, cash on hand or in banks, stocks, bonds, and the like; (d) all financial liabilities; and (e) net worth.

### **3. Disclosure of Business Interests and Financial Connections**

This statement shall contain information on any existing interests in, or any existing connections with, any business enterprises or entities, whether as proprietor, investor, promoter, partner, shareholder, officer, managing director, executive, creditor, lawyer, legal consultant, accountant, auditor, and the like, the names and addresses of the business enterprises or entities, the dates when such interests or connections were established, and such other details as will show the nature of the interests or connections.

### **4. Identification and Disclosure of Relatives**

Every PHILGUARANTEE official or employee shall also identify and disclose under oath to the best of his knowledge and information, his relatives in the government, up to the fourth civil degree of relationship, either consanguinity

or affinity, including "bilas, inso and balae", in the prescribed form (*Annex A*) which shall be filed:

- a. Within thirty (30) days after assumption of office, the information contained therein must be reckoned as of his first day of office;
- b. On or before April 30 of every year thereafter, the information contained therein must be reckoned as of the end of the preceding year; and
- c. Within thirty (30) days after separation from the service, the information contained therein must be reckoned as of his last day of office.

## **5. When to File**

The Statement of Assets, Liabilities and Net Worth and the Disclosure of Business Interests and Financial Connections must be filed:

- a. Within thirty (30) days after assumption of office, statements of which must be reckoned as of his/her first day of service;
- b. On or before April 30 of every year thereafter, statements of which must be reckoned as of the end of the preceding year; and
- c. Within thirty (30) days after separation from the service, statements of which must be reckoned as of his last day of office.

## **6. Where to File**

All officials and employees of PHILGUARANTEE shall file their Statement of Assets, Liabilities and Net Worth and the Disclosure of Business Interests and Financial Connections with the Civil Service Commission (CSC) and Department of Finance (DOF), except the President and CEO who shall file it with the Office of the President of the Philippines.

All copies thereof shall first be submitted to the Human Resource and Organizational Development Department which shall endorse the same to the appropriate PHILGUARANTEE committee tasked to review compliance of such documents prior to submission to the CSC, DOF and the Office of the President of the Philippines, as applicable.

7. Every PHILGUARANTEE official or employee shall also execute, within thirty (30) days from the date of their assumption of office, the necessary authority in favor of the Ombudsman to obtain, from all appropriate government agencies, including the Bureau of Internal Revenue, such documents as may show their assets, liabilities, net worth, and also their business interests, and financial connections in previous years, including, if possible, the year when they first assumed any office in the government.
  
8. Married couples who are both public officials and employees may file the required statements jointly or separately.

#### **9. Accessibility of Documents**

Any and all statements filed in accordance with Item VIII of this Code shall be made available for public inspection at reasonable hours for a period of ten (10) years after receipt of the statement. The statement may be destroyed after such period unless needed in an ongoing investigation.

#### **10. Review and Compliance Procedure**

- a. The President and CEO of PHILGUARANTEE shall have the authority to establish compliance procedures, subject to the approval of the Secretary of Justice, for the review of statements of assets, liabilities, net worth and disclosure information to determine whether said statements have been properly accomplished.
  
- b. The President and CEO shall likewise have the authority to render any opinion interpreting the provisions on the review and compliance procedures in the filing of statements of assets, liabilities, net worth and disclosure information.
  
- c. In the event the President & CEO determines that a statement is not properly filed, he shall inform the reporting individual and direct him to take the necessary corrective action:
  
- d. The individual to whom the opinion is rendered, and any other individual involved in a similar factual situation, and who, after issuance of the opinion acts in good faith in accordance with it shall not be subject to any sanction provided in the Code.

## **IX. COMPUTER ETHICS**

1. All users of any PHILGUARANTEE-maintained electronic data files, software, hardware and network systems shall handle these resources in a responsible manner. These resources shall be used for authorized purposes only.
2. All information processed through Information Technology are considered sensitive and confidential. The responsibility for the release or discussion of such data is assigned to the official custodian of the data file(s). Access to information shall be on a "need to know" basis and must be directly related to assigned duties.
3. Computer users are expected to be aware of the resources they are using and to make reasonable efforts to use these resources efficiently. Any wasteful use of computer resources (e.g., printing of unnecessary documents, unofficial downloading of sites or large files, and the playing of games for entertainment) is irresponsible and abusive.
4. Electronic mail (e-mail) and communication facilities (e.g. Internet) shall not be used for the following:
  - a. Transmission of advertisements, solicitations, promotions, destructive programs, political material, or similar non-business-related materials for commercial purposes or personal gain;
  - b. Sending of fraudulent, harassing, obscene, indecent, profane, intimidating or other messages contrary to law, rules, policies or morals;
  - c. Viewing or accessing pornographic sites, films, videos or materials;
  - d. Creating or forwarding chain letters or unsolicited e-mail messages, including "junk mail";
  - e. Soliciting e-mail from any other e-mail address, with the intent to harass or collect replies;
  - f. Masquerading as someone else by using their email or internet address or electronic signature.

## **X. ADMINISTRATIVE REFORMS**

### **1. Ethics Education Programs**

- a. PHILGUARANTEE shall conduct value development programs for its officials and employees in order to strengthen their commitment to public service and help promote the primacy of public interest over personal interest in the performance of their duties. Such programs and other parallel efforts on value development shall include, among others, the following subjects:
  - i. Ethical and moral values;
  - ii. Rights, duties and responsibilities of public servants;
  - iii. Nationalism and patriotism;
  - iv. Justice and human rights;
  - v. Democracy in a free and just society;
  - vi. Philippine history, culture and tradition; and
  - vii. Socio-Economic conditions prevailing in the country, especially in the depressed areas, and the need for a Code of Ethics and Business Conduct.
- b. Continuing refresher courses and seminars and/or workshops to promote a high standard of ethics shall be conducted.
- c. Professional, scientific and technical trainings and education programs shall enhance to the highest degree, professionalism, excellence, intelligence and skills in the performance and discharge of duties and responsibilities of officials and employees. These programs shall be conducted in PHILGUARANTEE and may include the subjects enumerated above.
- d. The President and CEO of PHILGUARANTEE shall ensure that officials and employees attend the value development program and participate in parallel value development efforts.

## **2. Studies on Work Improvement**

PHILGUARANTEE shall conduct continuing studies and analyses of its work systems and procedures to improve the delivery of public services, with the end view of:

- a. Identifying systems and procedures that lead or contribute to negative bureaucratic behavior;
- b. Simplifying rules and procedures to avoid red tape; and
- c. Devising or adopting systems and procedures that promote the morale and satisfaction of PHILGUARANTEE officials and employees.

## **3. Citizen's Charter, Service Guide and Workflow Chart**

PHILGUARANTEE shall develop a citizen's charter, service guide or its functional equivalent which shall be regularly updated and made available to the transacting public. A workflow chart showing procedures or flow of documents shall likewise be posted in conspicuous places for the information and guidance of all concerned.

## **4. Public Consultations**

PHILGUARANTEE shall consult the public it serves for the purpose of gathering feedback and suggestions on the efficiency, effectiveness and economy of services. It shall establish mechanisms to ensure the conduct of public consultations.

## **5. Continuing Research**

PHILGUARANTEE shall continuously conduct research and experimentation on measures, and adopt innovative programs, which will provide motivation to its officials and employees in raising the level of observance of ethical standards.

## **6. Resident Ombudsman**

PHILGUARANTEE shall designate a resident Ombudsman, who shall act immediately on all requests for public assistance referred by the Ombudsman

and his/her Deputies. The resident Ombudsman shall be accountable for the disposition of such requests for assistance.

## **7. Ethics Officer**

PHILGUARANTEE shall appoint or designate an Ethics Officer with the following duties and responsibilities:

- a. To inform and advise the Board regarding the status of adherence or compliance to the Updated Code of Ethics and Business Conduct;
- b. To adopt and recommend to the Board the appropriate measures so that officials/employees are fully aware of, have properly understood and committed to practice ethical behavior in accordance with this Code;
- c. To look at the acceptability of the tokens/gifts received by officials and employees under the No Gift Policy;
- d. To refer cases of violation of the Code to proper authorities for appropriate action;
- e. To promptly communicate to the Board urgent and serious matters affecting the implementation of the Code; and
- f. To provide guidance to the officials/employees in cases of ambiguity in the provisions of the Code of Ethical Behavior.

## **8. Internal Dialogues**

PHILGUARANTEE officials shall make themselves available to their staff for consultations and dialogues.

## **XI. INCENTIVES AND REWARDS**

1. Incentives and rewards shall be granted to PHILGUARANTEE officials and employees who have demonstrated exemplary service and conduct on the basis of the norms of conduct laid down in Item IV of this Code.

2. The grant of awards shall be governed by the merit and fitness principle.

### **3. General Criteria for Conferment of Awards**

- a. Years of service;
- b. Quality and consistency of performance;
- c. Obscurity of the position;

- d. Level of salary;
- e. Unique and exemplary quality of achievement;
- f. Risk or temptation inherent in the work; and
- g. Any similar circumstances or considerations in favor of the particular awardee.

#### **4. PRAISE Committee**

The incentives and rewards system pursuant to this Code shall be administered by the PHILGUARANTEE PRAISE Committee. The Committee shall at all times ensure compliance with applicable laws, rules and regulations and in addition to its regular functions, perform the following:

- a. Conduct a periodic, continuing review of performance of PHILGUARANTEE officials and employees in all departments/units of PHILGUARANTEE;
- b. Establish a system of annual incentives and rewards to the end that due recognition is given to officials and employees of outstanding merit on the basis of standards set forth in Item XI. 3. above;
- c. Determine the form of rewards to be granted; and
- d. Formulate and adopt its own rules to govern the conduct of its activities.

PHILGUARANTEE may institute an incentives and rewards program in addition to, but not inconsistent with, the above.

## **XII. PENALTIES**

- 1. The acts and omissions of any PHILGUARANTEE official or employee, declared unlawful or prohibited by this Code, shall constitute grounds for administrative disciplinary action, and without prejudice to criminal and civil liabilities under the law and regulations.

2. Consistent with the provisions of Republic Act No. 6713, any PHILGUARANTEE official or employee committing a violation of this Code shall, after due notice and hearing, be subject to any of the following penalties depending on the gravity of the offense:
  - a. Fine of not exceeding the equivalent of six (6) months' salary; or
  - b. Suspension not exceeding one (1) year; or
  - c. Removal
3. Pursuant to the provisions of Republic Act No. 6713, if the violation is punishable by a penalty heavier than the above under another law, the concerned PHILGUARANTEE official or employee shall be prosecuted under the latter statute.
4. In accordance with the provisions of Republic Act No. 6713, violations of Items VI, VII or VIII of this Code is punishable with imprisonment not exceeding five (5) years, or a fine not exceeding Five Thousand Pesos (P5,000), or both, and, in the discretion of the court of competent jurisdiction, disqualification to hold public office.
5. Administrative proceedings for violation of this Code shall be in accordance with the Civil Service Law and applicable Civil Service Rules and Regulations.

### **XIII. PROVISION FOR MORE STRINGENT STANDARDS**

Nothing in this Code shall be construed to derogate from any law, or any regulation prescribed by proper authorities, which provides for more stringent standards for government officials and employees.

### **XIV. EFFECTIVITY**

This Code of Ethics and Business Conduct, as updated, shall take effect immediately upon approval of the Board.

Done in the City of Makati.