

Office Order No. 039
Series of 2021

Subject : **REVIEW AND COMPLIANCE PROCEDURE ON STATEMENT OF
ASSETS, LIABILITIES AND NETWORTH SMALL BUSINESS
CORPORATION**

Pursuant to the Governing Board's Resolution No. 2021-09-3149, as recommended by the Management Committee in its Resolution No. 2021-0921-003a, the Small Business Corporation hereby adopts this Review and Compliance Procedure on Statement of Assets, Liabilities and Networth (SALN), the details of which are as follows:

I. PURPOSE

This Office Order is being issued to prescribe the guidelines on ensuring that the Small Business Corporation ("SBCorp" for brevity) is compliant with the requirement of filing the Statement of Assets, Liabilities and Net worth (SALN) by SBCorp officers and employees to promotetransparency in the civil service and to operate as a deterrent against government officials intending to enrich themselves through unlawful means. The submission of SALN is required by law under Article XI, Section 17 of the 1987 Philippine Constitution and Section 8 of Republic Act 6713, or the "Code of Conduct and Ethical Standards for Public Officials and Employees".

II. COVERAGE

This Office Order shall cover all plantilla-based personnel of SBCorp without distinction on the nature of appointment, rank, status or salary.

III. DEFINITION OF TERMS

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| Acquisition Cost | - Refers to the amount of money paid to acquire or own something. It also refers to the amount of expenses incurred for improvements introduced on a real property. For purposes of computing the declarant's net worth, the acquisition cost shall be made the basis thereof. |
| Affinity | - Refers to the relationship of a husband to the blood relatives of his wife, or a wife to the blood relatives of her husband. |
| Assessed Value | - For purposes of declaration in the SALN, this refers to the amount indicated in the tax declaration of the real properties involved. |
| Asset | - Refers to 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. It includes those within or outside the Philippines, whether real or personal, whether used in |

	trade or business.
Business Interest	- Refers to a declarant's existing interest in any business enterprise or entity, aside from his/her income from the government. This also includes those of his/her spouse and unmarried children below eighteen (18) years of age living in his/her household.
Capital Property	- Refers to the properties exclusively owned by the husband.
Community Property	- Refers to all properties owned by the spouses at the time of the celebration of marriage or acquired thereafter, subject to the exceptions provided for by law (Article 91, Family Code of the Philippines).
Conjugal Property	- Refers to all properties acquired during the marriage, whether the acquisition appears to have been made, contracted or registered in the name of one or both spouses, unless proven to be excluded (Article 116, Family Code of the Philippines). This applies when the spouses agreed to be governed by the rules on the conjugal partnership of gains under the Family Code of the Philippines.
Consanguinity	- Refers to the relationship by blood from the same stock or common ancestor.
Fair Market Value	- For purposes of declaration in the SALN, this refers to the amount indicated as market value in the tax declaration of the real properties concerned.
Financial Connections	- Refer to declarant's existing connections with any business enterprise or entity, whether as a consultant, adviser and the like, with an expectation of remuneration for services rendered, including those of his/her spouse and unmarried children below eighteen (18) years of age living in his/her household.
First degree of affinity	- Includes the declarant's father-in-law and mother-in-law.
First degree of consanguinity	- Includes the declarant's father, mother, son/s, and daughter/s.
Fourth degree of affinity	- Includes the declarant's first cousin-in-law.
Fourth degree of consanguinity	- Relatives in the fourth degree of consanguinity include the declarant's first cousins.
Improvements	- Refer to all works that are constructed or introduced to the land, or repairs or improvements made to the land or building after its initial acquisition. 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.

Liability	- Refers to financial liability or anything which can result to a transfer or disposal of an asset. It includes not only those incurred by the declarant, but also those of his/her spouse and unmarried children below eighteen (18) years of age living in his/her household.
Nature of business interest and/or financial connection	- 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.
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 loans, etc.
Net worth	- Is the sum of all assets (real and personal) less total liabilities.
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.
Paraphernal Property	- Refers to the properties exclusively owned by the wife.
Personal Properties	- Refer to jewelry, appliances, furniture, motor vehicles, and other tangible/movable properties. This also includes investments or other assets, such as cash in bank, negotiable instruments, securities, stocks, and bonds.
Real Properties	- Refer to properties which are immovable by nature. For the purpose of SALN, the kind of real properties are classified according to their use: residential, commercial, agricultural, industrial, or mixed use and the like.
Relatives in the Government	- Refer to the declarant's relatives up to the 4th civil degree of relationship, either by consanguinity or affinity, including bilas, inso, and balae.
Second degree of Affinity	- Includes the declarant's brother-in-law, sister-in-law, grandmother-in-law, grandfather-in-law, granddaughter-in-law and grandson-in-law.
Second degree of consanguinity	- Includes the declarant's brother, sister, grandmother, grandfather, grandson and granddaughter.
Third degree of Affinity Includes declarant's nephew-in-law, niece-in-law, uncle-in-law, auntie-in-law	- Includes declarant's nephew-in-law, niece-in-law, uncle-in-law, auntie-in-law.
Third degree of Consanguinity	- Includes the declarant's nephew, niece, uncle and aunt.

IV. SALN REVIEW AND COMPLIANCE COMMITTEE

A SALN Review and Compliance Committee shall be created and composed of three (3) members. It shall undertake the following duties and responsibilities:

1. Review and evaluate the SALN submissions of covered personnel in order to determine if the same has been submitted on time, complete and in proper form;
2. Prepare a list of the following employees, in alphabetical order, and submit to the Head of Agency, copy furnished, as may be applicable, the Civil Service Commission, the Office of the Ombudsman, or the Office of the President, on or before May 15 of every year:
 - a. Those who filed their SALNs with complete data;
 - b. Those who filed their SALNs but with incomplete data; and,
 - c. Those who did not file their SALNs.
3. Render an opinion interpreting the provisions on review and compliance procedure in the filing thereof.

The Human Resource Management and Development Group (HRMDG) shall serve as the Secretariat to the SALN Review Committee.

V. GENERAL GUIDELINES

1. Filing and Submission of SALN

- A. All SBCorp plantilla personnel/employees shall file under oath, their SALN and Disclosure of Business Interest and Financial Connections with the HRMDG, to wit:
 - a. Within thirty (30) days after assumption of office, statements of which must be reckoned as of his/her first day of office;
 - b. On or before April 30 of every year thereafter, statements of which must be reckoned as of the end of the preceding year;
 - c. Within thirty (30) days after separation from the service, statements of which must be reckoned as of his/her last day of office;
- B. Plantilla personnel/employees are strictly required to fill in all applicable information and/or make a true and detailed statement in their SALNs. Items not applicable should be marked as "N/A" or "not applicable".
- C. In case of joint filing, the declarant and his/her spouse shall sign in the spaces provided for. If the spouse is not a public officer or employee, the declarant shall still cause him/her to sign the SALN. In case of non-compliance with the signature of the spouse, an explanation should be attached to the SALN Form for such non-compliance.

2. Contents of the SALN

A. Basic information

- a. In case of joint filing, all real and personal properties shall be declared

- including their respective paraphernal and capital property, if there are any.
- b. The change of civil status of the declarant after December 31 of the preceding year shall not affect the nature of the properties declared.
 - c. The declarant shall provide information on his/her address.
 - d. 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.

B. Asset, Liabilities, and Net Worth

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

C. Real Properties

- a. The declarant shall indicate those real properties which are already titled or registered under his/her name, the name of his/her spouse or under the name of his/her unmarried children below 18 years of age and living in the declarant's household. Furthermore, real properties already covered by a deed of sale, inherited or subject of an extra-judicial settlement of estate but not yet titled under declarant's name shall also be disclosed. The assessed value and fair market value as found in the tax declaration shall be declared. Likewise, the acquisition cost which is the amount of money paid to acquire or own the real property and/or the amount of expenses incurred for improvements introduced on the real property shall be declared. For purposes of computing the declarant's net worth, the acquisition cost shall be made the basis thereof.
- b. In the 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.

D. Personal Properties

- a. 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.
- b. In case of properties which are co-owned with other individuals, the declarant shall disclose the proportionate amount of his/her share in the property.
- c. With regards to properties subject to a contract to sell, the amount already paid shall be declared as personal property.
- d. 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 year.

E. Liabilities

- a. Under liabilities, the nature of liability, name of creditors and the outstanding balance shall be indicated. The outstanding balance refers to the amount of money that is still due as of December 31 of the preceding calendar year.

F. Financial and Business Interest

- 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. They shall also indicate the business address, nature of business interest and/or financial connection, and date of acquisition of interest or connection.

G. Relatives in Government

- a. The declarant shall disclose his/her relatives in the government within the fourth (4th) civil degree of relationship, either by consanguinity or affinity. 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.
- b. In case the declarant and his/her spouse jointly file their SALN, they shall indicate all their relatives within the fourth civil degree, either by consanguinity or affinity, and shall include the above-mentioned information.

3. Issuance of Compliance Memo by the SALN Review and Compliance Committee

Immediately upon receipt of the SALNs, it shall be the duty of the SALN Review Committee thru its Chairman to issue a memo requiring those who have incomplete data in their SALN to correct/supply the desired information and those who did not file/submit their SALNs to comply within a non-extendable period of three (3) days from receipt of said memo.

Assets and/or properties acquired, donated or transferred for a particular year which were not declared on their SALN for that year as the same came to the declarant's knowledge only after he/she has filed, corrected and/or submitted his/her SALN, must be declared or reflected in the next or succeeding SALN of the declarant.

4. Sanction for Failure to Comply

Failure to submit/correct a SALN in accordance with the procedure and within the given period pursuant to the directive in Section 3 hereof shall be a ground for disciplinary action. As such, the Rules of Procedure Governing Administrative Cases Filed Against SBC's Officers and Employees shall apply. The penalty for the offense of failure to file SALN shall be:

- First Offense - Suspension of one (1) month and one (1) day to six (6) months;
- Second Offense - Dismissal from the service.

5. Transmittal of all Submitted SALNs to Concerned Agencies

The HRMG shall transmit all original copies of the SALNs received to the concerned agencies on or before June 30 of every year.

VI. ACCESS TO SALNs

Any request for access to or reproduction of the duly submitted SALN shall be referred to the Data Privacy Officer (DPO) of SBCorp for evaluation as to compliance with pertinent CSC rules on the matter or laws which regulate the flow of information most specifically the Data Privacy Act of 2012. If the request is found to be for a legitimate purpose and compliant with the aforementioned rules and laws, the DPO shall make the necessary recommendation to the Head of Agency allowing access to or reproduction of the requested SALN.

It shall be unlawful for any person to obtain or use the SALN 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.

VII. REPEALING CLAUSE

All previous issuances inconsistent herewith are deemed modified, repealed or superseded.

VIII. SEPARABILITY CLAUSE

Any part or provision of this Office Order which is rendered invalid, ineffective or inconsistent with subsequent issuance/s, provisions not affected thereby shall remain in force and effect unless expressly repealed, modified or superseded.

IX. EFFECTIVITY

This Office Order shall take effect immediately and shall remain in force unless revoked, cancelled or superseded by a subsequent issuance.


MA. LUNA E. CACANANDO
President and CEO

Date: October 1, 2021