



**REVIEW AND COMPLIANCE PROCEDURE IN THE FILING AND SUBMISSION OF  
STATEMENT OF ASSETS, LIABILITIES AND NETWORTH (SALN)  
AND DISCLOSURE OF BUSINESS INTEREST  
AND FINANCIAL CONNECTIONS**

**RATIONALE**

Pursuant to Section 10 of the Code of Conduct and Ethical Standards for Public Officials and Employees (RA 6713), CSC Memorandum Circular No. 3, s. 2015, and CSC Resolution Nos. 1300455 dated March 4, 2013 and 1500088 dated January 23, 2015; and Memorandum Circular No. 2, dated August 2, 2017 of the Office of the Ombudsman, this Agency hereby promulgates the following guidelines ensuring all personnel are compliant with the requirements and annual submission of the Statements of Assets, Liabilities and Net worth (SALN).

**OBJECTIVES**

- To enjoin all officers and employees to declare and submit annually a 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 who are in the government service;
- To ensure that the assets, liabilities, net worth and financial connections and business interests of the declarant's spouse and unmarried children below 18 years of age living in declarant's household are also disclosed.

**COVERAGE**

The guidelines shall cover all Officers and employees under permanent, temporary and casual status.

**LEGAL BASES**

References for this procedure are the following:

- Section 10 of the Code of Conduct and Ethical Standards for Public Officials and Employees(RA 6713)
- CSC Resolution Nos. 1300455 dated March 4, 2013
- CSC Resolution No. 1500088 dated January 23, 2015
- CSC Memorandum Circular No. 10, s. 2006
- CSC Memorandum Circular No. 3, s. 2015
- Office of the Ombudsman No. 2, s. 2017 dated August 2, 2017

## **GUIDELINES**

### **I. Filing and Submission of SALN on time and to the proper official**

- a. All Personnel under Permanent, Temporary and Casual status shall file under oath their SALNs and Disclosure of Business Interests and Financial Connections with the Human Resource Division to wit:
  - a1.) Within thirty (30) days after assumption of office, statements of which must be reckoned as of the first day of service;
  - a2.) On or before April 30 of every year thereafter, statements of which must be reckoned as of the end of the preceding year; and
  - a3.) Within thirty (30) days after separation from service, statements of which must be reckoned as of the last day of office.
- b. Employees are strictly required to fill in all applicable information and/or make a true and detailed statements in their SALNS.

### **II. Composition of the SALN Review and Compliance Committee**

There shall be a designated Review and Compliance Committee to receive the accomplished SALN forms and to evaluate if the same are submitted on time, complete and in proper form; and render opinion interpreting the provisions on review and compliance procedure in the filing thereof.

### **III. Duties of the Review and Compliance Committee and the Human Resource Division.**

- a. The SALN Review and Compliance Committee and the Human Resource Division shall receive and evaluate the SALN forms of its officials and employees and submit all original (hard) copies of the SALNs received, together with electronic copies thereof, on or before June 30 of every year to the Office of the Ombudsman, copy furnish the Civil Service Commission, as specified under CSC Resolution No. 1500088, promulgated on January 23, 2015.
- b. The Human Resource Division shall submit in alphabetical order, the following:
  - b1. Employees who filed their SALNs with complete data;
  - b2. Employees who filed their SALNs but with incomplete data;
  - b3. Employees who did not file their SALNs.

### **IV. Ministerial Duty of the General Manager to issue Compliance Order**

The list of officials and employees who filed their SALNs which the Human Resource Division is required to submit to the Office of the Ombudsman shall be accompanied by a certification by the General Manager as the Head of Agency that the SALNs submitted electronically are faithful reproductions of the original copies submitted by the officials and employees, using the prescribed format per Office of the Ombudsman No. 2, s. 2017 dated August 2, 2017.

It shall be the ministerial duty of the General Manager as the Head of Office to issue an Order 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-extendible period of 3 days from receipt of the order.

V. Rules in Accomplishing the SALN Form

1. Basic Information

- a. Spouses who are both public officers and employees shall have the option to file their SALN either jointly or separately.
- b. 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."
- c. In case of joint filing, all real and personal properties shall be declared including their respective paraphernal and capital property, if there are any.
- d. The change of civil status of the declarant after December 31 of the preceding year shall not affect the nature of the properties declared.
- e. 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 agency has the option to shade the declarant's address for purposes of security.
- f. 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.

2. Assets 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 degree of consanguinity and affinity who are in government service.
- b. For purposes of convenience in the computation of net worth, where the declarant's spouse has capital or paraphernal properties or where the declarant's unmarried children below eighteen (18) years of age living in his/her household have their own properties, the declarant should declare the assets and liabilities of his/her spouse on a separate sheet attached to the SALN Form. For purposes of such declaration, the provisions in these guidelines shall likewise apply.
- c. Assets include those within or outside the Philippines, whether real or personal, whether used in trade or business.
- d. Assets refer 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.

3. Real Properties

- a. Declaration of real properties shall include its description, kind, location, year and mode of acquisition, assessed value, fair market value, acquisition cost of land, building, etc. including improvements thereon.
- b. Real properties refer to properties which are immovable by nature.
- c. For purposes of SALN, the kind of real properties are classified according to their use, that is, residential, commercial, agricultural, industrial, or mixed use and the like.

- d. The declarant shall indicate a description of the real properties, whether it is a land only or land with building, a house and lot, condominium unit, or an improvement such as an extension or garage, and the like.
- e. Assessed value shall, for purposes of declaration in the SALN, refer to the amount indicated in the tax declaration of the real properties involved.
- f. Fair market value shall, for purposes of declaration in the SALN, refer to the amount indicated as market value in the tax declaration of the real properties concerned.
- g. 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.
- h. 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.
- i. Acquisition cost is the amount of money paid to acquire or own something. This shall also refer 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.
- j. 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. 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.
- k. 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.

#### 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 refer to jewelry, appliances, furniture, motor vehicles and other tangible/movable properties. This shall also include investments or other assets, such as cash on hand or in bank, negotiable instruments, securities, stocks, bonds, and the like.
- c. 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.
- d. 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.
- e. The amount of money/cash in bank to be declared should be the last balance as of December 31 of the preceding year.
- f. In case of properties which are co-owned with other individuals, the declarant shall disclose the proportionate amount of his share in the property.
- g. With regard to properties subject of a contract to sell, the amount already paid shall be declared as personal property.
- h. 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.



## 5. Liabilities

- a. 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.
- b. Liability refers to financial liability or anything that 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.
- c. 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 and the like.
- d. Outstanding balance refers to the amount of money that one still owes on the loan as of December 31 of the preceding calendar year.

## 6. Computation of Net Worth

- a. Net worth is the sum of all assets (real and personal) less total liabilities.
- b. In the case of real properties, the acquisition cost shall be used in the computation of the net worth.
- c. In the case of personal properties, the acquisition cost or amount/value of money shall be used in the computation of the total net worth.
- d. Excluded from the computation of real and personal properties are the properties of unmarried children below 18 years of age living in the declarant's household.
- e. If the spouse of the declarant is not a public officer or employee, the latter's paraphernalia or capital properties shall not be included in the computation of the declarant's net worth.
- f. Paraphernal property refers to the properties exclusively owned by the wife.
- g. Capital property refers to the properties exclusively owned by the husband.
- h. Community property refers to all the properties owned by the spouses at the time of the celebration of the marriage or acquired thereafter, subject to the exceptions provided for by law (Articles 91, Family Code of the Philippines). In the absence of any marriage settlement, the property relations of the spouses shall be governed by the rules on absolute community of property under the Family Code of the Philippines.

The following are excluded from the community property:

- (1) Property acquired during the marriage by gratuitous title by either spouse, and the fruits as well as the income thereof, if any, unless it is expressly provided by the donor, testator or grantor that they shall form part of the community property;
  - (2) Property for personal and exclusive use of either spouse. However, jewelry shall form part of the community property;
  - (3) Property acquired before the marriage by either spouse who has legitimate descendants by a former marriage, and the fruits as well as the income, if any, of such property. (Article 92, Family Code of the Philippines)
- i. 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.

The following are conjugal partnership properties:

- (1) Those acquired by onerous title during the marriage at the expense of the common fund, whether the acquisition be for the partnership, or for only one of the spouses;
  - (2) Those obtained from the labor, industry, work or profession of either or both of the spouses;
  - (3) The fruits, natural, industrial, or civil, due or received during the marriage from the common property, as well as the net fruits from the exclusive property of each spouse;
  - (4) The share of either spouse in the hidden treasure which the law awards to the finder or owner of the property where the treasure is found;
  - (5) Those acquired through occupation such as fishing or hunting;
  - (6) Livestock existing upon the dissolution of the partnership in excess of the number of each kind brought to the marriage by either spouse; and
  - (7) Those which are acquired by chance, such as winnings from gambling or betting. However, losses therefrom shall be borne exclusively by the loser-spouse. (Article 117, Family Code of the Philippines)
- Prior to the enactment of the Family Code of the Philippines in 1987, when there is no marriage settlement between the spouses, their property relations are covered by the rules on conjugal partnership of gains.

- j. If the spouse of the declarant is a public officer or employee, but who chose to separately file his/her SALN, his/her paraphernal or capital properties shall not be included in the computation of the declarant's net worth.
- k. In case of joint filing, the total assets of the spouses shall include their respective paraphernal or capital properties.
- l. In case of joint filing, the declarant's total net worth and that of his/her spouse shall be the difference between the total assets (real and personal properties) less the 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. They shall also indicate the business address, nature of business interest and/or financial connection, and date of acquisition of interest or connection.
- b. 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.
- c. Business interests refer to declarant's existing interest in any business enterprise or entity, aside from his/her income from government, which shall also include those of his/her spouse and unmarried children below eighteen (18) years of age living in his/her household.
- d. 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.
- e. 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.



## 8. Relatives in the Government

- a. The declarant shall disclose his/her relatives in the government within the 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.
  - c. In case the declarant has no relatives in the government within the 4th civil degree of relationship, either by consanguinity or affinity, including *bilas*, *inso* and *balae*, the declarant shall tick off the appropriate box in the form.
  - d. 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.
  - e. Consanguinity refers to the relationship by blood from the same stock or common ancestor.
  - f. 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*.<sup>1</sup>
    - Relatives in the first degree of consanguinity include the declarant's father, mother, son and daughter. Relatives in the first degree of affinity include the declarant's father-in-law and mother-in-law.
    - Relatives in the second degree of consanguinity include the declarant's brother, sister, grandmother, grandfather, grandson and granddaughter. Relatives in the second degree of affinity include the declarant's brother-in-law, sister-in-law, grandmother-in-law, grandfather-in-law, granddaughter-in-law and grandson-in-law.
    - Relatives in the third degree of consanguinity include the declarant's nephew, niece, uncle and aunt. Relatives in the third degree of affinity include declarant's nephew-in-law, niece-in-law uncle-in-law auntie-in-law.
    - Relatives in the fourth degree of consanguinity include the declarant's first cousin.
  - g. *Balae* refers to a parent of the declarant's son-in-law or daughter-in-law.
  - h. *Bilas* refers to a declarant's brother-in-law's wife or sister-in-law's husband.
  - i. *Inso* refers to the appellation for the wife of an elder brother or male cousin.<sup>2</sup>
9. Assets and/or properties acquired, donated or transferred in the name of the filer for a particular year, but were not declared on his/her SALN for that year, as the same came to his/her knowledge only after he/she has filed, corrected and/or submitted his/her SALN must be declared or reflected in the file/s next or succeeding SALN.

## OTHER MATTERS

- a. In order to prevent unauthorized insertions or pulling out of pages, pagination shall read as page 1 of number of pages, page 2 of number of pages, and so on.
- 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. In case of non-compliance with the signature of the spouse, an explanation should be attached to the SALN Form for such noncompliance.
- d. The heads of agencies can delegate the authority to administer oath with regard to the SALN Form. The authority to administer oath must be in writing.

- e. The declarant is strictly required to fill all applicable information in the SALN form. Otherwise, such items should be marked with "N/A" or "not applicable."
- f. Filling up of the form may be handwritten, computerized or typewritten provided the signature of the declarant is original. The declarant is required to write legibly if he chose to fill up the form by handwriting.
- g. Additional sheets may be used, if necessary. The additional sheet shall indicate the name of the declarant, his/her position and agency name, the year covered by the SALN, and which shall be signed on each page.
- h. No unnecessary markings shall be made on the form.

## **SANCTION**

### a. Public Officials and Employees

Any of the following acts shall constitute a violation of Section 8 of R.A. No. 6713 or the Code of Conduct and Ethical Standards for Public Officials and Employees, and shall be punishable by suspension of one (1) month and one (1) day to six (6) months for the first offense, and dismissal from the service for the second offense:

- 1) Failure of an official or employee to submit his/her SALN; and
- 2) Failure to disclose or mis-declaration of any asset, liability, business interest, financial connection, and relative in the government in his/her SALN.

### b. Head of Agency

Any head of agency who shall fail to comply with CSC Memorandum Circular No. 10, s. 2006, in relation to the Review and Compliance Procedure in the Filing and Submission of the SALN Form shall be liable for Simple Neglect of Duty, which shall be punishable by suspension of one (1) month and one (1) day to six (6) months for the first offense, and dismissal from the service for the second offense.

## **EFFECTIVITY**

These Guidelines shall take effect immediately and shall remain in force unless revoked, cancelled or superseded by subsequent issuances.

September 14, 2023, Digos City

  
ENGR. FELOMINO A. DAUB  
General Manager