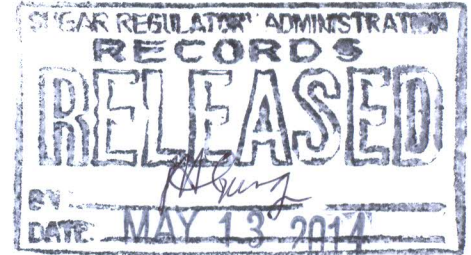




Republic of the Philippines
Department of Agriculture
SUGAR REGULATORY ADMINISTRATION
Sugar Center Bldg., North Ave., Diliman, Quezon City
Philippines 1101
TIN 000-784-336



March 28, 2014

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SRA MEMORANDUM ORDER NO. _____

Series of 2014

SUBJECT : "NO GIFT POLICY" OF THE SUGAR REGULATORY ADMINISTRATION

SECTION 1. RATIONALE

The Governance Commission for Government-Owned and Controlled Corporations (GCG) issued Memorandum Circular No. 2013-02 outlining the Performance Evaluation System for the GOCC Sector wherein item 6.2 (e) of said Circular mandates compliance to the Good Governance Conditions, specifically the *"Adoption of a No Gift Policy approved by the GCG and uploaded on the GOCC's website pursuant to Section 29 of GCG MC No. 2012-07, to wit:*

SEC. 29. No Gift Policy - A Director or Officer shall not solicit, nor accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan or anything of monetary value ("Gift") from any person where such Gift:

- (a) Would be illegal or in violation of law;
- (b) Is part of an attempt or agreement to do anything in return;
- (c) Has a value beyond what is normal and customary in the GOCC's business;
- (d) Is being made to influence the member of Board's, or Official's, actions as such; or
- (e) Could create the appearance of a conflict of interest.

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.

The *"No Gift Policy"* of the GCG is corollary to *Section 7 (d) of Republic Act No. 6713* otherwise known as the *"Code of Conduct and Ethical Standards for Public Officials and Employees"* which provides the Prohibited Acts and Transactions of public officials and employees, specifically the *Solicitation or Acceptance* of Gifts:

Section 7. 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 acts and transactions of any public official and employee and are hereby declared to be unlawful:



(d) Solicitation or acceptance of gifts - Public 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 or in connection with any operation being regulated by, or any transaction which may be affected by the functions of their office.

As to gifts or grants from foreign governments, the Congress consents to:

(i) The acceptance and retention by a public official or employee of a gift of nominal value tendered and received as a souvenir or mark of courtesy;

(ii) The acceptance by a public official or employee of a gift in the nature of a scholarship or fellowship grant or medical treatment; or

(iii) The acceptance by a public official or employee of travel grants or expenses for travel taking place entirely outside the Philippine (such as allowances, transportation, food, and lodging) of more than nominal value if such acceptance is appropriate or consistent with the interests of the Philippines, and permitted by the head of office, branch or agency to which he belongs.

The Ombudsman shall prescribe such regulations as may be necessary to carry out the purpose of this subsection, including pertinent reporting and disclosure requirements.

Nothing in this Act shall be construed to restrict or prohibit any educational, scientific or cultural exchange programs subject to national security requirements.

SECTION 2. DEFINITION OF "GIFT" PURSUANT TO SECTION 3 (c) OF RA 6713

"Gift" refers to a thing or a right to dispose of gratuitously, or any act or liberality, in favor of another who accepts it, and shall include a simulated sale or an ostensibly onerous disposition thereof. It shall not include an unsolicited gift of nominal or insignificant value not given in anticipation of, or in exchange for, a favor from a public official or employee. 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.

SECTION 3. COVERAGE

The "*No Gift Policy*" shall cover all officials and employees of SRA, permanent or temporary, whether in the career or non-career service, whether or not they receive compensation, regardless of amount.

SECTION 4. GUIDELINES

- I. SRA Officials and Employees shall not accept directly or indirectly, any gift, gratuity, favor, entertainment, loan or anything of monetary value from clients who are regulated by SRA or those who needs SRA approval or endorsement such as:
- a) Sugar Millers and Refiners
 - b) Muscovado Converters
 - c) Sugar/Molasses/Muscovado Traders
 - d) Customs Bonded Warehouse Operators or Food Processors/Exporters of Sugar-Based Products
 - e) Industrial Users or manufacturers of sugar-based products
 - f) Bioethanol Producers
 - g) Applicants of Land Conversion
 - h) Bidders and suppliers of equipment, services, office/laboratory/agricultural supplies, and others
 - i) Any client with pending requests, proposals, petitions or any form of favor for approval or decision by SRA
- II. SRA Officials and Heads of SRA units up to the level of Section Heads shall not solicit or accept any gift of whatever form, directly or indirectly, from SRA employees with pending administrative cases or applying for a position under his/her department / division / section.
- III. No solicitations of any form, directly or indirectly, whether verbal or in writing, for the benefit of SRA or its employees shall be allowed.

Such prohibited solicitations and acceptance of gifts include, but not limited to the following instances:

- Inspection of traders' warehouses
- Inspection of the facilities and sugar inventories of sugar-based food processors /exporters
- Physical inventory of sugar and molasses stocks
- Inspection of lands for conversion

- Monitoring of sugar shipments and deliveries to bioethanol producers, food processors/exporters and others
- SRA special occasions such as Christmas Party, Anniversary, Sportsfest, and others

IV. SRA Officials and Employees shall not accept any gift or anything of monetary value and demand or request for "free" accommodations from target stakeholders who will be evaluated, monitored or assessed during "Gawad Saka" evaluation, land conversion inspection, project evaluation, inspection, monitoring, assessment and audit activities.

V. The Human Resource Division shall:

- Hang a banner at the SRA gate and lobbies of the main and annex buildings containing the message " **SRA Adheres to the "NO GIFT and NO SOLICITATION Policy"**;
- Post in every entrance or door of SRA offices, departments, divisions or units the message " **SRA does not SOLICIT and Accept GIFTS**" in bold and readable letters using durable materials like fiber boards or laminated wooden / metallic frames.

VI. Logbooks of Security Guards, video footages of the security camera and reports from SRA employees and clients shall be the basis for appropriate actions subject to a just and fair investigation.

VII. An investigation committee shall be created to be chaired by the Sugar Board Member - Planters representative, the Board Member - Millers representative as Vice-Chair and composed of the Manager III of the Administrative Department, President of SUGAREAP and one legal officer each representing Quezon City and Bacolod City as members.

- The committee shall prepare a set of rules and protocol of investigation and the determination of penalty or sanctions commensurate to the gravity of the offense.

SECTION 5. SANCTIONS

I. SRA Officials and Employees who are found in violation of any of the provisions of the "**NO GIFT Policy**" shall be:

- Not entitled to receive a performance-based bonus (PBB) for one year; or

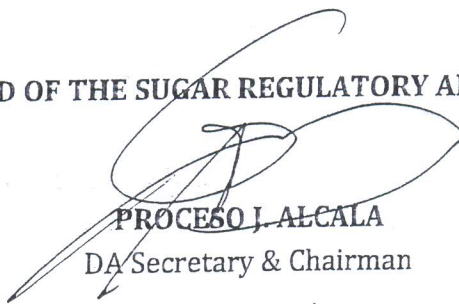
- Punished with a fine not exceeding the equivalent of six months of basic salary, depending on the gravity of the offense and value of the gift received or solicited; or
- Suspended for a duration not exceeding one year, depending on the gravity of the offense and value of the gift received or solicited.


SECTION 6. EFFECTIVITY

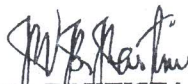
This policy shall take effect upon approval by the GCG.

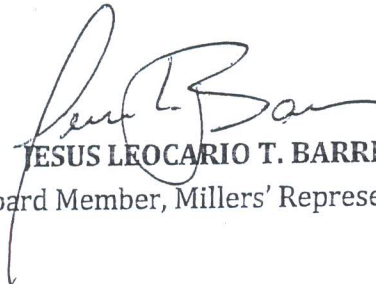
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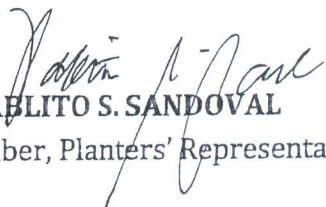
SUGAR BOARD OF THE SUGAR REGULATORY ADMINISTRATION


PROCESO J. ALCALA
DA Secretary & Chairman

DEPARTMENT OF AGRICULTURE

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MA. REGINA BAUTISTA-MARTIN
Administrator


JESUS LEOCARIO T. BARRERA
Board Member, Millers' Representative


PABLITO S. SANDOVAL
Board Member, Planters' Representative

APPROVED:

GOVERNANCE COMMISSION FOR GOCCs

CESAR L. VILLANUEVA
Chairman

MA. ANGELA E. IGNACIO
Commissioner

RAINIER B. BUTALID
Commissioner

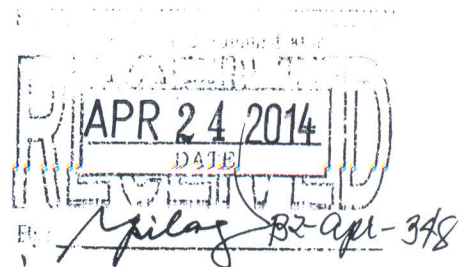


21 April 2014 ✓

HON. PROCESO J. ALCALA
DA Secretary and Chairman

HON. MA. REGINA BAUTISTA-MARTIN
Administrator

SUGAR REGULATORY ADMINISTRATION (SRA)
Sugar Center Bldg., North Ave., Diliman,
Quezon City



RE : REVISED NO GIFT POLICY

Dear Sec. Alcala and Administrator Bautista-Martin,

Formally contained in this letter is the Governance Commission's formal approval of the revised **NO GIFT POLICY** of the **SUGAR REGULATORY ADMINISTRATION (SRA)**, submitted to the GCG in the letter dated 10 April 2014,¹ which according thereto was approved by the SRA Governing Board during its meeting last 28 March 2014.

We note that in the revised No Gift Policy, SRA adopted the following directives from the Governance Commission as contained in our letter dated 15 March 2014:

1. Inclusion in the definition of "Gift" under Section 2 of the following clause from Rule X, Section 1(f) of the Implementing Rules and Regulations of Republic Act No. 6713, the Code of Conduct and Ethical Standards for Public Officials and Employees:

x x x As to what is a gift or 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 factor.

2. Removal of solicitations made "in emergency cases or calamities involving SRA officials and employees or the general public" as an exemption to the prohibited solicitations under Section 4(III).

The Governance Commission hereby accepts the submitted revised No Gift Policy as full compliance with the Good Governance Conditions on No Gift Policies under GCG Memorandum Circular No. 2013-05 (Re-Issued) (2013 Interim Performance-Based Bonus [PBB]) and GCG Memorandum Circular No. 2013-06 (Re-Issued) (Interim Performance-Based Incentives [PBI]).

FOR YOUR INFORMATION AND GUIDANCE.

¹Formally received by the Commission on 11 April 2014.

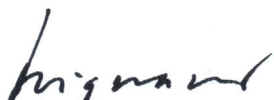
Very truly yours,

BY AUTHORITY OF THE COMMISSION



CESAR L. VILLANUEVA

Chairman



MA. ANGELA E. IGNACIO

Commissioner



RAINIER B. BUTALID

Commissioner