



Republic of the Philippines  
Department of Finance  
**INSURANCE COMMISSION**  
1071 United Nations Avenue  
Manila

Circular Letter (CL) No.:	2013 -37
Date:	06 December 2013
Supersedes:	CL No.: 12-2012 "Gifts Policy" dated 01 June 2012

**CIRCULAR LETTER**

**TO :** All Insurance Commission Officials and Employees,  
Companies and Individuals under the Supervision of the  
Insurance Commission and all Others Concerned

**SUBJECT :** No Gifts Policy

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**1. Background**

The Insurance Commission being a government regulatory agency is guided by the policy of the state to uphold honesty and integrity in serving the public and take affirmative and effective measures against graft and corruption.

This "No Gifts Policy" provides a more transparent and effective framework that aims to promote ethical business practices and high standards of corporate governance.

**2. Constitutional Policy Governing Public Officers**

2.1 Section 27, Article II of the 1987 Constitution declares the values of public officers, to wit:

"THE STATE SHALL MAINTAIN HONESTY AND INTEGRITY IN THE PUBLIC SERVICE AND TAKE POSITIVE AND EFFECTIVE MEASURES AGAINST GRAFT AND CORRUPTION."

2.2 Section 1, Article XI of the 1987 Constitution states that:

"PUBLIC OFFICE IS A PUBLIC TRUST AND ALL PUBLIC OFFICERS AND EMPLOYEES MUST AT ALL TIMES BE ACCOUNTABLE TO THE PEOPLE, SERVE THEM WITH UTMOST RESPONSIBILITY, INTEGRITY, LOYALTY, AND EFFICIENCY, ACT WITH PATRIOTISM AND LEAD MODEST LIVES."

**3. Statutory Policies and Rules Against Acceptance of Gifts by Public Officers and Employees**

3.1 Section 1 of Republic Act No. 3019, otherwise known as Anti-Graft and Corrupt Practices Act, provides that:

"IT IS THE POLICY OF THE PHILIPPINE GOVERNMENT, IN LINE WITH THE PRINCIPLE THAT A PUBLIC OFFICE IS A PUBLIC TRUST, TO REPRESS CERTAIN ACTS OF PUBLIC OFFICERS AND PRIVATE

PERSONS ALIKE WHICH CONSTITUTE GRAFT OR CORRUPT PRACTICES WHICH MAY LEAD THERETO.”

- 3.2 Section 3 of the Anti-Graft and Corrupt Practices Act pronounces that, among other acts or omissions, the succeeding shall constitute corrupt practices of any public officer and thereby declared to be unlawful:

“(B) DIRECTLY OR INDIRECTLY REQUESTING OR RECEIVING ANY GIFT, PRESENT, SHARE, PERCENTAGE, OR BENEFIT, FOR HIMSELF OR FOR ANY OTHER PERSON, IN CONNECTION WITH ANY CONTRACT OR TRANSACTION BETWEEN THE GOVERNMENT AND ANY OTHER PARTY, WHEREIN THE PUBLIC OFFICER IN HIS OFFICIAL CAPACITY HAS TO INTERVENE UNDER THE LAW.

(C) DIRECTLY OR INDIRECTLY REQUESTING OR RECEIVING ANY GIFT, PRESENT OR OTHER PECUNIARY OR MONETARY BENEFIT, FOR HIMSELF OR FOR ANOTHER, FROM ANY PERSON FOR WHOM THE PUBLIC OFFICER, IN ANY MANNER OR CAPACITY, HAS SECURED OR OBTAINED, OR WILL SECURE OR OBTAIN, ANY GOVERNMENT PERMIT OR LICENSE, IN CONSIDERATION FOR THE HELP GIVEN OR TO BE GIVEN...”

- 3.3 Section 2 of Republic Act No. 6713, otherwise known as the Code of Conduct and Ethical Standards for Public Officials and Employees, declares:

“IT IS THE POLICY OF THE STATE TO PROMOTE A HIGH STANDARD OF ETHICS IN PUBLIC SERVICE. PUBLIC OFFICIALS AND EMPLOYEES 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.

- 3.4 Section 7(d) of the Code of Conduct and Ethical Standards for Public Officials and Employees, provides that “[p]ublic 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 the office.”

- 3.5 Rule II of Department Order No. 21-2010<sup>1</sup> of the Department of Finance, known as *Policy on Gift Giving and Acceptance of Gifts, Donations and Sponsorship*, mandates:

XXX THE DOF SHALL MAINTAIN A “NO GIFT POLICY”.

#### **4. Accountability**

This Policy shall apply to all officials and employees, including contractual and job order employees of the Insurance Commission as well as consultants, conservators, receivers, and liquidators appointed by the Commissioner with respect to the company assigned to them. This shall also cover the agents of the persons mentioned above.

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<sup>1</sup> Department Order No. 21-2010, Department of Finance, dated 25 June 2010, DOF Code of Conduct

## 5. Definitions

- 5.1 Gift – refers to a thing disposed of gratuitously in favor of another, and shall include a simulated sale or a disposition onerous to the giver and/or unduly beneficial to the recipient. Gift shall also include a right, privilege, entertainment, exemption or any other similar act of liberality in favor of another. This shall also include invitation for breakfast, lunch, snacks or dinner outside the premises of the Office.
- 5.2 Agent – a person who acts in representation of another.
- 5.3 Official event – refers to any event sanctioned by the Insurance Commission and covered by an Office Order.

## 6. Declaration of Policy

- 6.1 Being constituted of public servants who uphold the principle that public office is a public trust, the Commission is devout to the highest standards of ethics and conduct. The Commission mandates that all of its officers and employees practice and demonstrate equal treatment, unbiased professionalism, and non-discriminatory actions in the performance of their duties and functions, without expectation of any unwarranted favor or remuneration.
- 6.2 To avoid any conflicts of interest, the appearance of a conflict of interest, or the need for the Commission's officers and employees to examine the ethics of acceptance, the Commission adopts this "No Gifts Policy".

## 7. Guidelines

The Commission, its officers and employees, shall NOT SOLICIT, DIRECTLY OR INDIRECTLY, any gifts, gratuity, favor, entertainment, loan, or use, anything of pecuniary value from a person, groups, associations, suppliers, or juridical entities, whether from the public or the private sectors, at any time, on or off the work premises, 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.

- 7.1 In the course of their official functions, Insurance Commission officials and employees shall not accept any fee or remuneration beyond what they are legally entitled to receive in their official capacity in accordance with law.
- 7.2 The prohibition on the receiving of gifts shall include, but are not limited to:
  - (a) Honoraria given as speaker or resource person in seminars or where the Commission officer or employee is participating by reason of his/her office with the Commission;
  - (b) Sponsorship in any form of any of the internal programs, activities, and affairs of the Commission, such as Christmas parties, anniversary commemorations, etc;
  - (c) Advertisements in the publications of the Commission;
  - (d) Discounts, rebates, waivers and other forms of monetary incentives or benefits given to the Commission, its officers and employees, in availing of the services and/or facilities of persons or entities under the jurisdiction of the Commission; and
  - (e) Acceptance of invitations to social lunches and dinners with persons or entities under the jurisdiction of the Commission.
- 7.3 All gifts left in the Insurance Commission premises shall be immediately returned to the giver.
- 7.4 In circumstances, where it is considered inappropriate or impractical to return the said gift/s (e.g. perishable goods) the official/employee shall immediately

hand over the gift/s to the Deputy Commissioner for Management Support Services who forward the said gift/s to the Records Section of the Administrative Division for proper recording/storage.

- 7.5 The Records Section, shall maintain a Registry Book of Gifts, wherein, all gifts left in the premises of the Insurance Commission that were not returned to the giver, shall be properly recorded specifying the following:
- (a) Person or Company from whom the gift/s originated;
  - (b) Intended recipient of the gift/s;
  - (c) Unit and quantity of the gifts/s;
  - (d) Detailed description of the gift/s;
  - (e) Location where the gifts/s will be/are temporarily stored;
  - (f) Actual amount of the gift. In case of inability to determine the exact value of the item/s, a reasonable estimate on the value of the item/s may be given by the Records Section Head; and
  - (g) Date and time received.
- 7.6 Monthly report on the gifts logged in the Insurance Commission Registry Book of Gifts shall be submitted by the Records Section to the Executive Committee composed of the Insurance Commissioner and the four (4) Deputy Insurance Commissioners. The Executive Committee shall determine the manner of disposition of the gift/s.
- 7.7 REQUIREMENT TO INFORM. – The Insurance Commission officers and employees are required to officially inform any individual or organization with any actual or potential business with the Commission of this "No Gift Policy", the spirit under which the Commission has adopted this policy, and request that such individual or organization will come to appreciate such policy. Printed notices informing walk-in clients and visitors of the Policy shall likewise be posted in conspicuous areas within the Commission's premises.

## **8. Exemptions**

Exempted from this "No Gift Policy" are the following:

- 8.1 Insurance Commission and Employees may receive from and give to their fellow officials and employees emergency contribution/assistance of reasonable value or amount in cases of death, illness, disasters, and other similar situations<sup>2</sup>;
- 8.2 Corporate gifts as token of gratitude during anniversary and special occasions received by the Insurance Commission as an institution from government entities, organizations, associations, including grants and donations shall be recorded in the Insurance Commission Registry Book of Gifts kept in custody by the Records Section;
- 8.3 The acceptance of seminar bags and contents, and partaking of moderately priced meals and beverages that officers and employees obtain at official events, such as conferences and seminars, and which are offered equally to all members of the public attending the event;
- 8.4 Acceptance of books, pamphlets, publications, and data and other information or reading materials that are directly useful to the Commission in the performance of its mandates, objectives and, which books and other materials

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<sup>2</sup> Adopted from Section 6(l) of the code of Conduct and Ethical Standards for Public Officials and Employees.

are given by individuals or organizations that have no pending business with the Commission as to create an actual or potential conflict of interest.

- 8.5 The acceptance by Insurance Commission's Officers and Employees of a scholarship or fellowship grant, travel grants or expense for travel to be held within or outside of the Philippines (such as allowances, transportation, food and lodging) or more than nominal value, if such acceptance is appropriated and consistent with the interests of the Government, and permitted by the Insurance Commissioner.<sup>3</sup>
- 8.6 The acceptance or availment by the Commission of grants from local or foreign institutions in the pursuit of the mandates, projects and activities, such as those coming from the Asian Development Bank (ADB), World Bank (WB), United States Agency for International Development (USAID), etc., provided that the availment thereof shall be strictly in compliance with existing laws, rules and regulations.
- 8.7 The Insurance Commission officials and employees may receive performance-based rewards and similar benefits granted to Insurance Commission personnel by appropriate government agencies, private institutions, and national or international organizations.

#### **9. Approval of the Commissioner**

Any additional exception from this "No Gifts Policy" may be made only with the written and explicit permission from the Insurance Commissioner.

#### **10. Penalty Clause**

- 10.1 This policy shall serve as a supplement to existing laws, rules, or regulations covering gift-giving and receiving. Any violation of this Policy shall be subject to administrative sanctions under Civil Service Law and Rules, Revised Rules on Administrative Cases in the Civil Service, and other applicable laws.
- 10.2 Insofar as practicable, all cases related to this Policy should be resolved first by the Commission.

#### **11. Repealing Clause**

All other issuances inconsistent with this Circular are deemed revoked and/or modified accordingly.

#### **12. Effectivity Clause**

This Policy shall become effective fifteen (15) days from the date of its filing with the University of the Philippines Law Center pursuant to Administrative Code of 1987. This policy shall be posted in the Insurance Commission website and disseminated in the Office including the insurance companies and other stakeholders included within the scope of this Policy.

  
**EMMANUEL F. DOOC**  
Insurance Commissioner

<sup>3</sup> Adopted from Section 7(ii) and (iii), Code of Conduct and Ethical Standards for Public Officials and Employees.