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A. STATEMENT OF POLICY

As a wholly-owned subsidiary of Land Bank of the Philippines and as a Government Owned and Controlled Corporation (GOCC), LBP Leasing and Finance Corporation (LLFC or the Corporation) Directors, Officers and employees are inherently mandated to be socially responsible, to act and operate as good corporate citizens. LLFC Directors, Officers and employees are required to abide by ethical policies mandated by this Code and other pertinent laws, rules, and regulations.

It is the policy of LLFC to ensure the maintenance of administrative discipline among its officers and employees based on the principle that discipline is fundamental to its success as an organization and as a business concern. The highest interests of society and of the individuals demand that everybody in the Corporation should do his share in the maintenance of discipline.

The Corporation shall adopt policies and procedures concerning disciplinary cases based on pertinent and applicable issuances, rules and regulations.

B. CODE OF CONDUCT AND EMPLOYEE DISCIPLINE**1. PURPOSE**

The Code of Conduct for LLFC employees (the Code) aims to:

- a. Provide guidelines to enable them to conduct themselves in a proper manner
- b. Ensure compliance with the requirement of various regulatory agencies


2. SCOPE OF THE CODE

The Code applies to all employees of the LLFC regardless of rank, whether permanent, temporary, co-terminus or directly hired contractual. The term "employee" as it is used in the Code includes such individuals.

The Code covers significant provisions of existing internal policies and procedures and other applicable relevant laws, rules and regulations including but not limited to employment prohibitions, classification of offenses and scale of penalties, confidentiality of information, whistleblowing and reporting, no gift policy, sexual harassment, and misconduct.

3. PERFORMANCE OF DUTIES

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LLFC employees shall at all-times perform official duties properly and diligently. They shall commit themselves exclusively to the business and responsibilities of their Group/Unit during working hours unless, otherwise, properly allowed under existing laws, rules and regulations.

4. EMPLOYEE DISCIPLINE AND ACCOUNTABILITY

LLFC employees shall have a duty to adhere to the Code and report violations. The Corporation shall impose strict implementation of policies to ensure employee discipline.

5. DISTRIBUTION OF THE CODE


The Code shall be distributed to all employees of the Corporation. Each employee shall sign and submit a Code of Conduct Compliance Certificate. Incumbent employees shall submit a Code of Conduct Compliance Recommitment Certificate not later than January 31 of each year.

C. CLASSIFICATION OF OFFENSES AND SCALE OF PENALTIES

Administrative offenses with corresponding penalties are classified into grave, less grave or light, depending on their gravity or depravity and effects on the service:

CATEGORY	NO. OF OFFENSE	PENALTY
Grave Offenses A	1 st Offense	Dismissal
Grave Offenses B	1 st Offense	Suspension of 6 mos. & 1 day to 1 year
	2 nd Offense	Dismissal
Grave Offense C	NA	Demotion or Diminution in Pay
Less Grave Offenses A	1 st Offense	Suspension of 1 mo. & 1 day to 6 mos.
	2 nd Offense	Dismissal
Less Grave Offenses B	1 st Offense	Suspension of 1 mo. & 1 day to 6 mos.
	2 nd Offense	Suspension of 6 mos. & 1 day to 1 year
	3 rd Offense	Dismissal
Light Offenses	1 st Offense	Reprimand


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	2 nd Offense	Suspension of 1 day to 30 days
	3 rd Offense	Dismissal

D. GRAVE OFFENSES A


1. Serious Dishonesty;
2. Gross Neglect of Duty;
3. Grave Misconduct;
4. Being Notoriously Undesirable;
5. Conviction of a crime involving moral turpitude;
6. Falsification of official documents;
7. Physical or mental incapacity or disability due to immoral or vicious habits;
8. Receiving for personal use of a fee, gift or other valuable thing in the course of official duties or in connection therewith when such fee, gift or other valuable thing is given by any person in the hope or expectation of receiving a favor or better treatment than that accorded to other persons, or committing acts punishable under the anti-graft laws;
9. Contracting loans of money or other property from persons with whom the office of the employee has business relations;
10. Soliciting or accepting directly or indirectly, any gift, gratuity, favor, entertainment, loan or anything of monetary value which in the course of his/her official duties or in connection with any operation being regulated by, or any transaction which may be affected by the functions of his/her office. The propriety or impropriety of the foregoing shall be determined by its value, kinship, or relationship between giver and receiver and the motivation. A thing of monetary value is one which is evidently or manifestly excessive by its very nature;
11. Nepotism; and

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12. Disloyalty to the Corporation, the Parent Company and the Government of the Philippines.

E. GRAVE OFFENSES B

1. Less serious dishonesty;
2. Oppression;
3. Disgraceful and immoral conduct;
4. Frequent unauthorized absences, or tardiness in reporting for duty, loafing from duty during regular office hours;
5. Refusal to perform official duty;
6. Gross Insubordination;
7. Conduct prejudicial to the best interest of the service;
8. Directly or indirectly having financial and material interest in any transaction requiring the approval of his/her office. Financial and material interest is defined as pecuniary or proprietary interest by which a person will gain or lose something;
9. Owning, controlling, managing or accepting employment as officer, employee, consultant, counsel, broker, agent, trustee, or nominee in any private enterprise regulated, supervised or licensed by his/her office, unless expressly allowed by law;
10. Disclosing or misusing confidential or classified information officially known to him/her by reason of his/her office and not made available to the public, to further his/her private interests or give undue advantage to anyone, or to prejudice the public interest;
11. Obtaining or using any statement filed under the Code of Conduct and Ethical Standards for Public Officials and Employees 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; and
12. Recommending any person to any position in a private enterprise which has a regular or pending official transaction with his/her office, unless such

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recommendation or referral is mandated by (1) law, or (2) international agreements, commitment and obligation, or as part of the function of his/her office.

F. GRAVE OFFENSE C

1. Inefficiency and incompetence in the performance of official duties;

G. LESS GRAVE OFFENSES A

1. Simple Neglect of Duty;
2. Simple Misconduct;
3. Discourtesy in the course of official duties;
4. Violation of existing rules and regulations of the Corporation of serious nature;
5. Insubordination;
6. Habitual Drunkenness;
7. Unfair discrimination in rendering service due to party affiliation or preference;
8. Failure to file sworn statements of assets, liabilities and net worth, and disclosure of business interest and financial connections including those of their spouses and unmarried children under eighteen (18) years of age living in their households;
9. Failure to resign from his/her position in the in any business enterprise within thirty (30) days from assumption of office when conflict of interest arises, Provided, however, that for those who are already in the service and conflict of interest arises, the official or employee must either resign or divest himself/herself of said interest within the period hereinabove provided, reckoned from the date when the conflict of interest had arisen; and


H. LESS GRAVE OFFENSES B

1. Simple Dishonesty

I. LIGHT OFFENSES

1. Simple discourtesy in the course of official duties;
2. Improper or unauthorized solicitation of contributions from subordinate employees;
3. Violation of reasonable office rules and regulations;
4. Frequent unauthorized tardiness (Habitual Tardiness);
5. Gambling prohibited by law;
6. Refusal to render overtime service;

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7. Disgraceful, immoral or dishonest conduct prior to entering the service;
8. Borrowing money by superior officers from subordinates ;
9. Willful failure to pay just debts or willful failure to pay taxes due to the government;
The term "just debts" shall apply only to:
 - a. Claims adjudicated by a court of law, or
 - b. Claims the existence and justness of which are admitted by the debtor.
10. Lobbying for personal interest or gain in legislative halls and offices without authority;
11. Promoting the sale of tickets in behalf of private enterprises that are not intended for charitable or public welfare purposes and even in the latter cases, if there is no prior authority;
12. Failure to act promptly on letters and request within fifteen (15) working days from receipt , except as may be justified by circumstances surrounding the delay;
13. Failure to process documents and complete action on documents and papers within a reasonable time from preparation thereof;
14. Failure to attend to anyone who wants to avail himself/herself of the services of the office, or act promptly and expeditiously on transactions;
15. Engaging in private practice of his/her profession unless authorized by the rules and regulations of the Corporation, provided that such practice will not conflict with his/her official functions; and
16. Pursuit of private business, vocation or profession without the permission required by the rules and regulations of the Corporation.

J. PENALTY OF FINE

1. The disciplinary authority may allow payment of fine in place of suspension if any of the following circumstances are present:
 - a. When the employee is discharging frontline functions or directly dealing with the clients and the personnel complement of the office is insufficient to perform such function; and

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- b. When the employee committed the offense without utilizing or abusing the powers of his/her position or office.
2. The payment of penalty of fine in lieu of suspension shall be available in Offenses where the penalty imposed is for six (6) months or less at the ratio of one (1) day of suspension from the service to one (1) day fine; Provided, that in Grave Offense where the penalty imposed is six (6) months and one (1) day suspension if there is the presence of mitigating circumstance, the conversion shall only apply to the suspension of six (6) months. Nonetheless, the remaining one (1) day suspension is deemed included therein.
3. The maximum period to pay the fine shall not exceed one (1) year from the time the decision/resolution becomes final and executory. The conversion of suspension into fine is final and executory and, therefore, not subject of appeal or any other similar relief.
4. The failure of the respondent to pay the fine or part thereof shall cause the reversion to the original penalty of suspension. As such, respondent shall serve the original penalty of suspension imposed, irrespective of the amount he/she has already paid.
5. Fine may be paid in equal monthly instalments subject to the following schedule of payment prescribed below:
 - a. Fine equivalent to one (1) month salary shall be paid within two (2) months;
 - b. Fine equivalent to two (2) months' salary shall be paid within four (4) months;
 - c. Fine equivalent to three (3) months' salary shall be paid within six (6) months;
 - d. Fine equivalent to four (4) months' salary shall be paid within eight (8) months;
 - e. Fine equivalent to five (5) months' salary shall be paid within ten (10) months; and
 - f. Fine equivalent to six (6) months' salary shall be paid within twelve (12) months.
6. The fine shall be paid to the Corporation, computed on the basis of employee's salary at the time the decision becomes final and executory.

K. GUIDELINES ON HANDLING OF DISCIPLINARY CASES AND PROCEDURAL LAPSES

A. RATIONALE

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The following guidelines shall govern the disposition of complaints/incidents and in disciplinary cases against officers and employees of the LBP Leasing and Finance Corporation (LLFC).

B. OBJECTIVES

These guidelines aim to:

- Establish a speedy, fair and judicious disposition of complaints/incidents and administrative disciplinary cases.
- Define the procedures in respect to the investigation, evaluation, hearing and resolution of complaints/incidents and cases.
- Introduce a uniform rules on procedural lapses and audit exceptions related to LLFC operations and transactions.
- Uphold integrity and moral values consistent with LLFC's Code of Conduct.

C. COVERAGE

These guidelines shall apply to all complaints/reports referred for investigation against LLFC officers and employees, in violation of the Code of Conduct and Ethics, Office Rules and Regulations provided in the various Manuals, Office Circulars, Special Orders and Memoranda as well as issuances by various regulatory issuances.


It shall also cover the handling of reports /findings on procedural lapses against LLFC employee who may be involved directly or indirectly in an act of omission that caused or exposed the Corporation to actual or potential loss which may or may not result in the filing of administrative disciplinary action.

These guidelines shall be applied to all employees of LLFC, regardless of tenure, whether permanent or probationary. It shall also apply to contractual employees

D. DEFINITION OF TERMS

Aggravating circumstances	Circumstances which merit the imposition of the maximum period of the penalty or increase the offense from a lower classification to a higher classification depending on the circumstances appertaining.
Days	Shall mean working days
Disciplining Authority	Refer to the LLFC Board of Directors (BOD) or the President & CEO
Fact Finding Investigation	Generally, involves the conduct investigation by Investigation Team or of special audit by the Internal Audit Unit Commences from the receipt of Incident Report up to the preparation/submission of Audit and Investigation Reports to

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	the Accountability Assessment Committee (AAC)
Formal Charge	Refers to the written specification of the charges, duly approved and issued by the Disciplining Authority
Forum Shopping	Refer to the filing of several administrative actions or complaint either simultaneously or successively before another agency or any tribunal having jurisdiction over the case against the same party involving the same essential facts, circumstances, acts, causes of action or relief, and all raising substantially the same issues either pending in, or already resolved adversely by, some other tribunal or agency
Mitigating circumstances	Circumstances which may either decrease the nature of the offense committed and the applicable penalty or off-set the aggravating circumstances, if any
Pendency of Administrative Case	when the Disciplining Authority has issued a Formal Charge or Notice of Charge/s until the Decision has become final and executory, or until final judgment/resolution on appeal, if any
Preventive Suspension	is not a penalty and is designed merely as a measure of precaution so that the officer/employee charged may be temporarily removed from the scene of his alleged misfeasance/malfeasance/nonfeasance while the same is being investigated to preclude the possibility of exerting undue influence or pressure on the witnesses against him; or tampering with evidence that may be used against him
Procedural Lapses	Refers to violation and/or failure to comply with internal and regulatory procedural rules/requirements.

E. GENERAL GUIDELINES/POLICIES AND PROCEDURES


1. Accountability Assessment Committee (AAC)

1.1. LLFC shall establish an AAC primarily responsible in determining the culpability/financial responsibility of employee(s) based on the facts of the case as provided by the Investigating Team in its Investigation Report or the Internal Audit Unit (IAU) based on their Audit Report.

1.1.1. Composition

Chairperson	:	President/CEO
Vice-Chairperson	:	Executive Vice President
Members	:	Head – Corporate Service Group Head – Account Servicing Group

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	:	Head – Account Management Group
Resource Person	:	General Counsel Concerned Head of Group/Unit for deliberation
Secretariat	:	Head - Internal Audit Unit

1.1.2. Duties and Responsibilities

- i. Determine the culpability/financial responsibility of the office(s)/employee(s) cited based on the Investigation/Evaluation Report or Audit Report
- ii. Call upon the IC or IAU to provide information, conduct further verification and/or submit additional requirement to support decision.
- iii. Pass and issue Committee Resolution for:
 - o Recommended sanctions to employee(s) cited in the investigation report;
 - o Clearance of the officer/employee cited in the report/s;
 - o Directive for issuance of a reminder/warning and/or admonition, as applicable;
 - o Directive to conduct further investigation and/or evaluation;
 - o Directive to file appropriate judicial/administrative case, if warranted by the circumstances; or
 - o Advise to the concerned Group/Unit Head to discuss and explore possible settlement of financial accountability in accordance with applicable guidelines.
- iv. Submit recommendation and/or resolution to Disciplining Authority.
- v. Issue notice to the concerned officer/employee/Group/Unit copy of Committee Resolutions;
- vi. Recommend the adoption of appropriate policies, guidelines and systems and procedures to prevent and/or control the occurrence/repetition of negligence, fraud, anomalies, irregularities, losses, damages and injuries including the revision of existing policies/guidelines and systems found to be deficient and/or ineffectual.


1.1.3. Quorum Requirement

A quorum shall consist of at least a majority of all the members.

1.2. AAC Secretariat

The AAC Secretariat shall provide administrative support to AAC and shall have the following duties and responsibilities among others:

- i. Within thirty (30) days from receipt of the Investigation/Evaluation Report, the Secretariat shall calendar the reports for deliberation of the Committee

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- ii. Consolidate and prepare the agenda and materials for the meetings
 - iii. Prepare the minutes of all Committee meetings for approval by the Committee
 - iv. Prepare Committee resolutions
 - v. Provide other administrative support needed by the AAC.
- 1.3. AAC Review and Recommendation to the Disciplining Authority
Within five (5) days from receipt of the Investigation/Evaluation Report or Audit Report, AAC shall convene to review the same and submit their recommendation thereon to the Disciplining Authority.

2. Authority to Impose Penalties


- 2.1. Disciplining Authority
 - 2.1.1. For offenses punishable by dismissal from the service or by suspension for more than one month, the power to impose penalties rests on the Board of Directors.
 - 2.1.2. For offenses punishable by penalties lighter than dismissal and suspension for more than one month, the power to impose penalties rests on the LLFC President.
- 2.2. Within five (5) days from receipt of the AAC recommendation on the Investigation/Evaluation Report, the President shall render his Decision on the case and forward the approved Decision to CSG.

Where the penalty is dismissal or suspension for more than one month, the President shall endorse and forward the recommendation to the BOD through the Corporate Secretary within five (5) days from receipt. The BOD shall act on the recommendation of the President during its BOD meeting. The Corporate Secretary shall forward the Decision to the CSG Head within twenty-four (24) hours.

- 2.3. CSG shall furnish/serve the Decision of the case to respondent through personal service or substituted service within three (3) days from receipt of the Decision from the Disciplining Authority.
- 2.4. A Decision rendered by the Disciplining Authority whereby a penalty of suspension for not more than thirty (30) days or a fine in an amount not exceeding thirty (30) days' salary is imposed, the same shall be final, executory and not appealable unless a Motion for Reconsideration is reasonably filed. However, the respondent may file an appeal when the issue raised is violation of due process. If the penalty imposed is suspension exceeding thirty (30) days, or fine in an amount exceeding thirty (30) days salary, the same shall be final and executory after the lapse of the 15-day reglementary period for filing a Motion for Reconsideration or an appeal and no such pleading has been filed.

3. Process of Handling Incidents and Administrative Disciplinary Cases

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The process flow table is attached as **Annex A**. Detailed provisions on each process are discussed in the succeeding sections of these guidelines.

3.1. Incident Report

Written complaints/reports on incidents of fraud, anomaly, irregularity, negligence and/or damage may be submitted by the following:

3.1.1. LLFC Employees

The Group/Unit Head concerned shall prepare the Incident Report on written complaints/reports received from various sources. Complaints/reports received by any LLFC officer/employee/unit from private/third party, another LLFC officer/employee or anonymous source to be referred to the CSG Head. The CSG Head shall review the incident report and identify next courses of action. If the Group/Unit Head is the one involved in the irregularity, any officer/employee within the Group/Unit shall immediately report the same to the CSG Head who shall then prepare the Incident Report.

In case of voluntary admission of participation in the irregularity discovered or reported, the Group/Unit Head concerned shall endeavor to document or reduce the same in writing and under oath.

The Incident Report shall be submitted to the CSG Head or President within five (5) days from receipt of the written complaint/report and/or knowledge/discovery of the incident.

3.1.2. Private/Third Party

3.1.3. Anonymous sources

Anonymous complaints and complaints referred shall be referred to the Group/Unit Head of the officer/employee subject of the complaint.


Where there is obvious truth or merit to the allegations therein or where the same are supported by documentary or direct evidence, the Group/Unit Head concerned shall immediately transmit the complaint and supporting documents, together with a written report on the circumstances of his receipt thereof, to the President, copy furnished the CSG Head.

3.2. Complaint

Except when initiated by the Disciplining Authority or his authorized representative, no complaint against an officer or employee shall be given due course unless the same is in writing, subscribed and sworn to by the complainant. In cases initiated by the Disciplining Authority or his authorized representative, a show cause order is sufficient.

Complaints initiated by a third party must contain the following:

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- Full name and address of the complainant;
- Full name and address of the officer/employee complained of as well as his position and LLFC Group/Unit;
- A narration of the relevant and material facts which shows the acts or omissions allegedly committed by the officer/employee;
- Certified true copies of documentary evidence and affidavits of witnesses, if any; and
- Certification or statement of Non-forum Shopping.

Despite non-compliance with the foregoing requirements, the Group/Unit Head concerned shall prepare the written report and submit to the President and CSG Head.

Withdrawal of complaint by the private/third party complainant shall not result to outright dismissal of the case nor discharge of the officer/employee complained of from any administrative liability. Such complaint shall be given due course if there is obvious truth or merit to the allegation in the complaint and/or there are other evidence sufficient to prove the guilt of the officer/ employee complained of.

Complaints/reports may be received through the following:

- Internal Whistleblowing and Reporting; and,
- Other similar mechanisms.


3.3. Discovery by Internal Audit Unit (IAU)

For lapses, offense or fraud discovered in the course of an audit, IAU shall immediately refer the Audit Report to the AAC for appropriate action, copy furnished the concerned Group/Unit and CSG Head within thirty (30) days from completion of the audit. AAC will endorse the Audit Report to the Investigating Team for fact finding investigation which will include review of the audit report and supporting documents including the explanation of involved officer/employee.

The Audit Report should identify the officer/employee involved and his participation. It should also clearly identify and establish the lapses or non-observance of procedural and operational requirements committed including evidence to support such findings and other related documentation secured through the conduct of audit.

3.4. Action of the Group/Unit Head

Upon receipt of the Incident Report/Audit Report, the Group/Unit Head may, if needed, immediately reassign, transfer or relieve the officer/employee involved of his duties subject to the approval of the President. Issuance of an approved Special

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Order effecting reassignment, transfer or relieve shall be coordinated with the Human Resource (HR) Unit.

3.5. Recording of Incident or Complaints

A record of all complaints (including anonymous complaints) received shall be maintained by the CSG Head. The CSG Head shall submit a semestral report on all complaints received whether acted upon or not to the President.

Pending cases and ongoing formal investigations resulting from work-related transactions and/or those which affect the interest of the Corporation filed before regular courts and other quasi-judicial agencies or tribunals against LLFC officers/employees shall be reported immediately to the CSG Head by the concerned officers/employees and Group/Unit Heads. A copy of the civil complaint, Formal Charge or Notice of Charge/s or criminal information shall be attached to the report.

4. Classification of Offenses/Sanctions

4.1. Classification of Offenses

Administrative offenses with corresponding penalties are classified as to grave, less grave or light, depending on its gravity or depravity and effects on the Corporation.


4.1.1. Grave Offense

An offense is classified as “grave” when characterized by any of the following:

- Fraud or acts committed with bad faith, malice, criminal intent or intent to gain;
- Negligence or operational lapse resulting in significant financial loss, damage or prejudice to the Corporation, or results in or exposes the Corporation to legal, compliance and/or reputational risks.
- Serious misconduct or willful disobedience by the Employee of the lawful orders of the Corporation in connection with his work.
- Gross and habitual neglect or disregard by the employee of his duties;
- Willful breach of the trust and confidence reposed upon the employees by the Corporation; and
- Acts that are defined as serious offenses by special policies of the Corporation, such as but not limited to, Anti-Sexual Harassment Policy and Whistle Blowing Policy.
- Other causes similar or analogous to the above.

4.1.2. Less Grave Offense

An offense is classified as “less grave” when characterized by any of the

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following:

- Negligence or operational lapse resulting in significant financial loss, damage or prejudice to the Corporation, or results in or exposes the Corporation to legal, compliance and/or reputational risks.
- Misconduct or disobedience by the Employee of the lawful orders of the Corporation in connection with his work; and
- Other causes similar or analogous to the above.

4.1.3. Light Offense

Any other breach of the Code which is not covered by 4.1.1 and 4.6.2.

Refer to **Annex B** for the General List of Offenses which are considered Grave, Less Grave or Light Offenses.

Additional specific offenses classified as fraudulent, irregular or anomalous activities shall be determined by the AAC.

4.2. Procedural Lapses Resulting to Financial and/or Reputational Loss to the Corporation

- 4.2.1. Specific lapses and classification of the Offenses is described in detail on **Annex C** of this guidelines.
- 4.2.2. In case of penalties arising from non-submission of regulatory requirements resolution and/or disposition shall be through settlement of computed penalties due by the person/s responsible for the omission.
- 4.2.3. AAC shall evaluate Offense Classification for additional lapses that may be identified during the course of Investigation and Audit.

5. Penalties and Disciplinary Actions

5.1. Primary Disciplinary Actions

5.1.1. Verbal Warning

Verbal reminder and admonition to the erring employee of the infraction or offense of the employee and a warning that the repetition of the same or commission of similar offense in the future would give rise to grave penalties or disciplinary action.


5.1.2. Written Reprimand

Formal written notice which contains a summary of the acts and omissions of the employee in violation of the Code and other policies, procedures, rules and regulations and a warning to the employee that repetition of the same or commission of a similar offense in the future would give rise to grave penalties or disciplinary action.

5.1.3. Suspension

Temporary removal of an employee from performing his work or duties and

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serves as a warning that a repetition of the same or commission of a similar may warrant dismissal. During the period of suspension, the employee shall not receive any salary(ies) or benefit(s) but will continue to be liable for obligations to or paid through the Corporation such as but not limited to payment of SSS Loan, salary loan, etc.

5.1.4. Dismissal

Cessation of employee's service with the Corporation for just or authorized cause. An employee whose employment is terminated shall forfeit all his employment benefits and privileges except those to which he is entitled under the law. A terminated employee shall not be issued a clearance but is entitled to a Certificate of Employment.


5.1.5. Table below summarizes the disciplinary action/s that corresponds to each class of offense committed:

CATEGORY	NO. OF OFFENSE	PENALTY
Grave Offenses A	1 st Offense	Dismissal
Grave Offenses B	1 st Offense	Suspension of 6 mos. & 1 day to 1 year
	2 nd Offense	Dismissal
Grave Offense C	NA	Demotion or Diminution in Pay
Less Grave Offenses A	1 st Offense	Suspension of 1 mo. & 1 day to 6 mos.
	2 nd Offense	Dismissal
Less Grave Offenses B	1 st Offense	Suspension of 1 mo. & 1 day to 6 mos.
	2 nd Offense	Suspension of 6 mos. & 1 day to 1 year
	3 rd Offense	Dismissal
Light Offenses	1 st Offense	Reprimand
	2 nd Offense	Suspension of 1 day to 30 days
	3 rd Offense	Dismissal

The penalty indicated above may be decreased or increased beyond the penalty set if there are mitigating or aggravating circumstances to be considered.

5.2. Other Disciplinary Actions

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The Corporation may adopt other reasonable forms of disciplinary actions as may be deemed appropriate for the offense(s) committed which may include any of the following:

- 5.2.1. Disqualification from Salary Increase or their equivalent
- 5.2.2. Disqualification from Promotion for a given period
- 5.2.3. Forfeiture of all other forms of compensation, like performance-based monetary and non-monetary incentive schemes and awards.
- 5.2.4. The employee may opt to repay or give back the equivalent amount of the loss or damage sustained by the Corporation, its employees, clients or other parties doing business with the Corporation, as a result of an act or omission of the employee.

5.3. **Penalty of Fine**

- 5.3.1. The disciplining authority may allow payment of fine in place of suspension if any of the following circumstances are present:
 - i. When the employee is discharging frontline functions or directly dealing with the clients and the personnel complement of the office is insufficient to perform such function; and
 - ii. When the employee committed the offense without utilizing or abusing the powers of his/her position or office.
- 5.3.2. The payment of penalty of fine in lieu of suspension shall be available in Offenses where the penalty imposed is for six (6) months or less at the ratio of one (1) day of suspension from the service to one (1) day fine;
- 5.3.3. Provided, that in Grave Offense where the penalty imposed is six (6) months and one (1) day suspension if there is the presence of mitigating circumstance, the conversion shall only apply to the suspension of six (6) months. Nonetheless, the remaining one (1) day suspension is deemed included therein.
- 5.3.4. The maximum period to pay the fine shall not exceed one (1) year from the time the decision/resolution becomes final and executory. The conversion of suspension into fine is final and executory and, therefore, not subject of appeal or any other similar relief.
- 5.3.5. The failure of the respondent to pay the fine or part thereof shall cause the reversion to the original penalty of suspension. As such, respondent shall serve the original penalty of suspension imposed, irrespective of the amount he/she has already paid.
- 5.3.6. Fine may be paid in equal monthly instalments subject to the following schedule of payment prescribed below:
 - i. Fine equivalent to one (1) month salary shall be paid within two (2) months;
 - ii. Fine equivalent to two (2) months' salary shall be paid within four (4) months;
 - iii. Fine equivalent to three (3) months' salary shall be paid within six (6) months;

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- iv. Fine equivalent to four (4) months' salary shall be paid within eight (8) months;
- v. Fine equivalent to five (5) months' salary shall be paid within ten (10) months; and
- vi. Fine equivalent to six (6) months' salary shall be paid within twelve (12) months.

5.3.7. The fine shall be paid to the Corporation, computed on the basis of employee's salary at the time the decision becomes final and executory.

5.4. Guidelines in the Application of Penalties/Sanctions

5.4.1. Only one (1) penalty shall be imposed for each case. "Each Case" means one (1) administrative charge which may involve one or more charges or counts


5.4.2. The AAC shall determine the appropriate penalties to be imposed taking into consideration mitigating and aggravating circumstances and all other circumstances. If the respondent is found guilty of two or more charges or counts, the penalty imposed should be that corresponding to the most serious charge or count and the rest may be considered as aggravating circumstances.

i. Mitigating circumstances are circumstances which may either decrease the nature of the offense committed and the applicable penalty or off-set the aggravating circumstances, if any. Mitigating circumstances include the following:

- First Offense
- Good faith
- Absence of clear-cut procedural guidelines
- Due diligence and no intention to commit so grave a wrong.
- Sufficient Provocation, threat, coercion, Inducement from the other party
- Voluntary admission
- Such other circumstances which, in the judgment of AAC, will justify the imposition of a lesser or minimum penalty which may include the financial and/or reputational impact to the Corporation.

ii. Aggravating circumstances which merit the imposition of the maximum period of the penalty or increase the offense from a lower classification to a higher classification depending on the circumstances appertaining.

- Frequency
- Deceit or Fraud
- Abuse of confidence or authority
- Evident Premeditation
- Malice or criminal intent
- Disregard for authority
- Such other circumstances which, in the judgment of AAC, will

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justify the imposition of a graver or the maximum penalty provided in the Code which may include the financial and/or reputational impact to the Corporation.

6. Investigating Team

6.1. An Investigating Team shall be established to conduct fact-finding investigation on reported incidents and/or complaints.

6.1.1. Composition

Chairperson	:	General Counsel
Members	:	Head – Administrative Unit Head – Human Resource Unit Head – Legal Services Unit Risk Management Officer
Resource Person	:	Head – Internal Audit Unit
Secretariat	:	Personnel Specialist

**In case of the absence of Chairperson, the President may designate a Vice-Chairperson for the Investigating Team.*

6.1.2. Duties and Responsibilities


- i. Conduct fact-finding investigation
- ii. Conduct preliminary investigation, as needed.
- iii. Conduct formal investigation/hearing, as needed
- iv. Issue required notice/s to the concerned officer/employee/Unit to complete investigation
- v. Prepare Investigation/Evaluation Report for the AAC stating facts of the case

6.2. AAC may also request the IAU to conduct a special audit for Incident Report received, if deemed necessary. It should be acted upon within five (5) days from receipt of instructions. A copy of the Audit Report should be made available to AAC within 15 days after completion of the Special Audit.

6.3. Conduct of Fact- Finding Investigation

- 6.3.1. Fact finding investigation shall refer to investigation and/or special audit based on instructions of AAC which will be done by the Investigating Team. Specific Unit or person may be assigned to help the team in its investigation.
- 6.3.2. During the fact-finding investigation, the officer/employee involved is given the opportunity to submit affidavit/s, counter affidavit/s or sworn statement/s. Failure to submit his affidavit/s, counter affidavit/s or sworn statement/s shall be considered as a waiver thereof.
- 6.3.3. The Investigating Team shall complete the fact-finding investigation including

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the preparation/submission of the Evaluation/Investigation Report to the AAC within thirty (30) days from receipt of instruction unless an extension is warranted.

- 6.3.4. The report shall contain the summary of the facts of the case, profile of the officer/employee complained of, discussion of the offenses to be charged and the other recommendation on the appropriate actions to be taken.
- 6.4. Conduct of Preliminary Investigation
 - 6.4.1. A Preliminary Investigation involves a fact-finding investigation, or an ex parte examination of records and documents submitted by the complainant and the officer/employee complained of, as well as documents readily available from other government offices.
 - 6.4.2. Within five (5) days from receipt of the complaint sufficient in form and substance, the officer/employee complained of shall be required to submit his affidavits/counter-affidavits/comment.

Where the complaint is initiated by the Disciplining Authority, the Disciplining Authority or his authorized representative shall issue a show-cause memorandum directing the officer/employee complained of to explain why no administrative case should be filed against him.

The latter's failure to submit the comment/counter-affidavit/explanation shall be considered a waiver thereof and the preliminary investigation may be completed even without his counter-affidavit/comment. If necessary, the parties may be summoned to a conference where the investigator may propound clarificatory and other relevant questions.

- 6.5. Conduct of Formal Investigation/Hearing
 - 6.5.1. A formal investigation shall be conducted if the merits of the case cannot be decided judiciously without conducting such investigation based on the allegations of the complaint and the Answer of the respondent, including the supporting documents of both parties
 - 6.5.2. The formal investigation/hearing shall commence within ten (10) days from receipt of the respondent's Answer or upon the expiration of the period to answer
 - 6.5.3. The Answer, which is in writing, shall be specific and shall contain material facts and applicable laws, if any, including documentary evidence, sworn statements covering testimonies of witnesses, if there be any, in support of his case. The Answer shall be submitted to the Investigating Team within five (5) days from receipt of the Notice. If no Answer is received within five (5) days, it shall be considered that respondent has waived his right thereto and


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the case may be decided based on available records. Only one request for extension to file an Answer shall be allowed by the Investigating Team, which in no case shall be more than five (5) days.

- 6.5.4. Pre-hearing conference may be conducted as deemed necessary.
- 6.5.5. At the start of the formal investigation/hearing, the Hearing Officer shall note the appearances of the parties and shall proceed with the reception of evidence for the complainant.
- 6.5.6. If respondent fails or refuses to appear or is not represented by counsel during the scheduled hearings despite due notice, the investigation shall proceed and the respondent shall be deemed to have waived his right to present evidence in his favor during the said hearing
- 6.5.7. Formal Investigation Report shall be made available within fifteen (15) days after the conclusion of the formal investigation, a report containing the following shall be submitted AAC:
 - vi. Narration of material facts established during the investigation;
 - vii. Findings and the evidence supporting said findings;
 - viii. Recommendations; and
 - ix. Complete records of the case

7. Remedy

- 7.1. The subject officer/employee may file a Request/Motion for Reconsideration before the Disciplining Authority under the following grounds:
 - 7.1.1. Newly discovered evidence which materially affects the Decision thereof;
 - 7.1.2. The Decision is not supported by the evidence on record; or
 - 7.1.3. Errors of law or irregularities have been committed prejudicial to the interest of the respondent.
- 7.2. A motion for extension of time to file a Motion for Reconsideration is not allowed.
- 7.3. Only one Motion for Reconsideration shall be entertained. If a second Motion for Reconsideration is filed notwithstanding its proscription under these Rules, the finality of action shall be reckoned from receipt by the respondent of the denial of the first Motion for Reconsideration.
- 7.4. The filing of motion for reconsideration within the 15-day reglementary period shall suspend the execution of the Decision sought to be reconsidered.
- 7.5. Procedures for Filing of Motion for Reconsideration
 - 7.5.1. Within fifteen (15) days from receipt of the Decision, the respondent may file his Motion for Reconsideration before the Disciplining Authority copy furnished AAC.
 - 7.5.2. A Motion for Reconsideration sent by registered mail shall be deemed filed on the date shown by the postmark on the envelope which shall be attached to the records of the case. In case of personal delivery, it is deemed filed on the date of receipt, as stamped thereon, by the OP/BOD through the Corporate

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Secretary.

- 7.5.3. Within three (3) days from receipt of the Motion for Reconsideration, the President or the Disciplining Authority shall refer the same to the AAC for evaluation and recommendation.
- 7.5.4. Within ten (10) days from receipt of the Motion for Reconsideration, the AAC shall evaluate and submit recommendation to the Disciplining Authority.
- 7.5.5. Action of Disciplining Authority
 - i. Within five (5) days from receipt thereof, the President shall act on the recommendation of AAC and immediately forward its resolution to the Corporate Secretary for BOD consideration.
 - ii. The BOD shall act on the recommendation of AAC during its BOD meeting and the Corporate Secretary shall immediately forward the BOD's resolution to the CSG Head.
- 7.6. The CSG Head shall serve the resolution upon the respondent through personal service or substituted service within three (3) days from receipt of decision or resolution.

8. Execution of Decision of Disciplining Authority

8.1. Notice of Termination

Notice of Termination shall be enforced immediately upon receipt of notice on the decision of Disciplining Authority. The immediate supervisor shall handle the turnover immediately.

8.2. Notice of Suspension

Suspension shall be enforced immediately upon receipt of notice on the decision of Disciplining Authority unless deferment of the execution of sanctions is warranted based on justifiable reasons. However, the deferment of the execution of suspension shall only be for a maximum of five (5) days from receipt of notice on the decision of Disciplining Authority.

Staggered application of the suspension may be allowed subject to the approval of the President when it would significantly affect operations in LLFC.


9. Evaluation and Recommendation for Filing of Cases

9.1. Evaluation Report

If the filing of appropriate criminal and/or civil case against the officer/ employee is warranted by the evidence, a separate Evaluation Report and/or Formal Charge or Notice of Charge/s shall be submitted to the President by the General Counsel, including but not limited to the filing of attachment of properties and application for the issuance of hold departure order and watch list order. The recommended action shall be coordinated with Office of the Government Corporate Counsel (OGCC), as needed.

9.2. Action of the President/CEO

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The President shall act on recommendation of the General Counsel within five (5) days from receipt of the Evaluation Report, Formal Charge or Notice of Charge/s.

9.3. Action on the Approved Recommendation/Formal Charge or Notice of Charge/s

Upon receipt of the approved documents, the General Counsel shall refer the same to the LSU for proper disposition.

LSU shall inform in writing within three (3) days the CSG of the issuance of Formal Charge or Notice of Charge/s copy furnished the concerned Group/Unit Head and Risk Management Unit (RMU).

9.4. Preventive Suspension

9.4.1. The order of preventive suspension shall be incorporated in the Formal Charge or Notice of Charge/s, as deemed applicable. This shall be applicable if the charge involves any of the following:

- i. Dishonesty;
- ii. Oppression;
- iii. Grave misconduct;
- iv. Neglect in the performance of duty;
- v. Administrative offenses which are punishable by dismissal from the service on its second or third offense; or,
- vi. If there are reasons to believe that the respondent is guilty of charges which would warrant his removal from the service.

9.4.2. Effectivity of the preventive suspension shall be upon service of the Formal Charge or Notice of Charge/s to the respondent/s. CSG shall immediately be given formal notice or report.


9.4.3. A respondent who is under preventive suspension shall not be entitled to salary and all benefits (statutory and non-statutory).

9.4.4. Duration of preventive suspension shall be for a maximum period of ninety (90) days from service of the Formal Charge or Notice of Charge/s.

When the administrative case against an officer or employee under preventive suspension is not finally decided by the Disciplining Authority within the period of ninety (90) days after the date of his preventive suspension, the respondent shall be automatically reinstated in the service. However, when the delay in the disposition of the case is due to the fault, negligence or petition of the respondent, the period of delay shall not be included in the counting of the 90-day period of preventive suspension.

Any period of delay caused by motions filed by the respondent shall be added to the period of preventive suspension. Provided, that where the order of preventive suspension is for a period less than the maximum period, the Disciplining Authority undertakes to finish the formal investigation within the said period and is precluded from imposing another preventive suspension.

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In case respondent is on authorized leave, the preventive suspension shall be deferred or interrupted until such time that said leave has been fully exhausted.

10. Dropping from the Rolls

The dropping from the rolls of an officer/employee on absence without official leave or AWOL who is subject of an ongoing investigation or has pending administrative case shall have prior clearance from IAU and AAC.

11. Effect of Pendency of Administrative Cases

- 11.1. An officer/employee with pending administrative case may continue to receive the statutory benefits in accordance with existing guidelines. He/She shall not be disqualified from claiming maternity/paternity benefits.
- 11.2. Upon service/issuance of the Formal Charge or during the pendency of administrative case, release of and withholding of non-statutory benefits granted by the Corporation shall be determined in accordance with existing guidelines taking into consideration the purpose of the benefit, the nature and gravity of the offense charged and the imposable penalty for the offense.

12. Complaint arising from Purely Personal Transactions


In cases of offenses where the act is purely personal on the part of the private complainant and the officer/employee complained of and there is no apparent injury committed to LLFC, settlement of offenses may be considered. Provided that settlement can no longer be applied for the second offense of the same act committed by the officer/employee complained of.

13. Settlement in Administrative cases from Purely Personal Transaction

The following are the guidelines in the settlement of purely personal matters in administrative cases:

- 13.1. Compromise settlement shall be allowed only for administrative light offenses where the act is purely personal between the private complainant and the officer/employee complained of and there is no apparent injury to the Corporation.
- 13.2. Upon filing of the complaint, the CSG Head shall determine whether the offense is purely personal or can be the subject of settlement. The following cases may be the subject of settlement and/or compromise:
 - 13.2.1. Borrowing money by superior officers from subordinates;
 - 13.2.2. Willful failure to pay just debts;
 - 13.2.3. Simple misconduct resulting from misunderstanding/fight between respondent and complainant provided that the act is not committed within

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office premises;

13.2.4. Discourtesy in the course of official duties; and,

13.2.5. Other analogous circumstances/cases.

In these enumerated cases, compromise or settlement can no longer be applied for the second time the same act is committed.

13.3. The grant of back salaries and other benefits may likewise be subject of settlement and/or compromise.

13.4. If during the settlement process, the parties failed to settle their differences, the CSG Head shall issue an order terminating the process and recommend endorsing the same to the Investigating Team.

13.5. In case of non-compliance with the compromise agreement, the case may likewise be reopened for investigation until the final determination of the case.

F. MISCELLANEOUS/TRANSITORY PROVISIONS

All pending complaints/incident reports/administrative disciplinary cases shall be covered by the provisions of these Rules provided that it will not adversely affect the parties' right to due process.

G. REPEALING CLAUSE

All previous issuances inconsistent herewith are deemed superseded/amended.

H. EFFECTIVITY


These guidelines shall take effect after approval of the Board of Directors.

L. DROPPING FROM THE ROLLS

Officers and employees who are either habitually absent or have unsatisfactory or poor performance or have shown to be physically and mentally unfit to perform their duties may be dropped from the rolls.

This mode of separation from the service for unauthorized absences or unsatisfactory or poor performance or physical or mental incapacity is non-disciplinary in nature and shall not result in the forfeiture of any benefit on the part of the officer or employee or in

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disqualification from reemployment in the Corporation or other government instrumentalities.

The written notice mentioned in the succeeding sections shall be signed by the person exercising immediate supervision over the officer or employee. However, the notice of separation shall be signed by the LLFC President.

Dropping from the rolls shall be subject to the following procedures:


1. ABSENCE WITHOUT APPROVED LEAVE

- a. An officer or employee who is continuously absent without official leave (AWOL) for at least thirty (30) working days shall be separated from the service or dropped from the rolls without prior notice. He/She shall, however, be informed of his/her separation not later than five (5) days from its effectivity which shall be sent to the address appearing on his/her 201 files or to his/her last known address;
- b. If the number of unauthorized absences incurred is less than thirty (30) working days, a written Return-to-Work order shall be served on the officer or employee at his/her last known address on record. Failure on his/her part to report to work within the period stated in the order shall be a valid ground to drop him/her from the rolls.
- c. If it is clear under the obtaining circumstances that the officer or employee concerned, has established a scheme to circumvent the rule by incurring substantial absences though less than thirty (30) working days, three (3) times in a semester, such that a pattern is already apparent, dropping from the rolls without notice may likewise be justified.

2. UNSATISFACTORY OR POOR PERFORMANCE

- a. An officer or employee who is given two (2) consecutive unsatisfactory ratings may be dropped from the rolls after due notice. Notice shall mean that the officer or employee concerned is informed in writing of his/her unsatisfactory performance for a semester and is sufficiently warned that a succeeding unsatisfactory performance shall warrant his/her separation from the service. Such notice shall be given not later than thirty (30) days from the end of the

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semester and shall contain sufficient information which shall enable the official or employee to prepare an explanation.

- b. An officer or employee, who for one evaluation period is rated poor in performance, may be dropped from the rolls after due notice. Due notice shall mean that the officer or employees is informed in writing of the status of his/her performance not later than the fourth (4th) month of that rating period with sufficient warning that failure to improve his/her performance within the remaining period of the semester shall warrant his/her separation from the service. Such notice shall also contain sufficient information which shall enable the official or employee to prepare an explanation.

3. PHYSICALLY UNFIT

- a. An officer or employee who is continuously absent for more than one (1) year by reason of illness may be declared physically unfit to perform his/her duties and the LLFC President in the exercise of his/her sound judgment may consequently drop him/her from the rolls.
- b. An officer or employee who is intermittently absent by reason of illness for at least two hundred sixty (260) working days during a twenty-four (24) – month period may also be declared physically unfit by the LLFC President.
- c. An officer or employee who is behaving abnormally and manifests continuing mental disorder and incapacity to work as reported by his/her co-workers or immediate supervisor and confirmed by a competent physician, may likewise be dropped from the rolls.
- d. For the purpose of the three (3) preceding paragraphs, notice shall be given to the officer or employee concerned containing a brief statement of the nature of his/her incapacity to work.

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M. NO GIFT POLICY - GUIDELINES PROHIBITING SOLICITATION AND ACCEPTANCE OF GIFTS AND DONATIONS

1. OBJECTIVE

The following guidelines on solicitation and acceptance of gifts and donations are issued in line with LBP Leasing and Finance Corporation's (LLFC) commitment to uphold the highest standards of ethics and moral values and as an embodiment of its social duty, as well as to comply with the specific provisions of Republic Act No. 6713 (An Act Establishing a Code of Conduct and Ethical Standards for Public Officials and Employees, to Uphold the Time-Honored Principle of Public Office Being a Public Trust, Granting Incentives and Rewards for Exemplary Service, Enumerating Prohibited Acts and Transactions and Providing Penalties for Violations Thereof and Other Purpose) and R.A. No. 3019 (Anti-Graft and Corrupt Practices Act), as well as GCG Memorandum Circular No. 2012-07 (Code of Corporate Governance for GOCCs).

2. COVERAGE


These guidelines shall cover all LLFC Board Members, Corporate Officers and LLFC employees.

Service company workers and directly hired contractuales shall also be covered by this policy and these shall be so provided in their service agreements with LLFC.

3. DEFINITION OF TERMS

- a. **Gifts** refer to a thing or a right to dispose of gratuitously, or any act of liberality in favour of another who accepts it and shall include a simulated sale or an ostensibly onerous disposition thereof. It shall not include unsolicited gift of nominal or insignificant value not given in anticipation of, or in exchange for, a favour from an employee of LLFC. The term "gift" is used interchangeably with "donation".
- b. **Gift of Monetary Value** refers to a thing which is evidently or manifestly excessive by its very nature.
- c. **Gift of Nominal or Insignificant Value** shall depend on the circumstances of each case taking into account the salary of the LLFC employee, the frequency or infrequency of the giving, the expectation of benefits and other similar factors

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[Rule X, Sec. 1(f)(1), IRR of R.A. 6713, Code of Conduct and Ethical Standards for Public Officials and Employees].

- d. **Receiving any gift** includes the act of accepting directly or indirectly a gift from a person other than a member of his/her family or relative as defined in these guidelines, even on the occasion of a family celebration or national festivity like Christmas, if the value of the gift is neither nominal nor insignificant, or the gift is given in anticipation of, or in exchange for a favour.
- e. **LLFC employees** shall refer to all employees whether permanent, temporary or co- terminus.
- f. **Family of LLFC employees** means their spouse and children.
- g. **Relatives** refer to any and all persons related to an employee of LLFC within the fourth civil degree of consanguinity or affinity, including *bilas*, *inso* and *balae*.
- h. **Person** includes natural and juridical persons unless the context indicates otherwise.
- i. **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 in.
- j. **Pecuniary gain or benefit** means monetary or financial gain/benefit.

4. SPECIFIC GUIDELINES


- a. As a general rule, solicitation and acceptance of gifts and donations is strictly prohibited. The following acts or omissions shall constitute the prohibited acts on solicitation and acceptance of gifts and donations.
 - i. Soliciting or accepting, directly or indirectly any gift, gratuity, favour, entertainment, commodatum or anything of monetary value in the course of the LLFC employee's official duties or in connection with any operation being regulated by or any transaction which may be affected by the functions or his/her office.

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- ii. Directly or indirectly requesting or receiving any gift present, share, percentage, or benefit for himself/herself or for any other person in connection with any contract or transaction between LLFC and any other party, wherein the LLFC employee, in his/her official capacity, has to intervene under the law or existing policies of LLFC.
 - iii. Directly or indirectly, requesting or receiving any gift, present or other pecuniary or material benefit, for himself/herself or any other party, from any person for whom the LLFC employee in any manner or capacity has secured or obtained or will secure or obtain any LLFC product or service, in consideration for the help given or to be given.
- b. The determination of the propriety or impropriety of soliciting or accepting gifts shall consider the value of the gift, kinship or relationship between the given and the receiver, the frequency or infrequency of the giving and the motivation of the parties on the expectation of benefits.
 - c. Any offer of gift or entertainment which might be seen as excessive, or put the recipient under an obligation, or influence a procurement decision or be in doubtful taste or be liable to bring LLFC's name into disrepute should be declined or returned to the giver. "Excessive" would include offers of gift or entertainment that are over-frequent or part of a pattern of invitations that, taken together, appears inappropriate or disproportionately lavish considering the relationship between or the position of the giver and the recipient.
 - d. The LLFC personnel assigned at the public assistance desk at the LLFC lobby shall be responsible in recording the general description of the gifts as well as the name and group/unit of the recipient.
 - e. In cases where it is considered inappropriate or impractical to decline or return gift, the LLFC employee concerned shall immediately turn over the gift to the Office of the President-LLFC for its proper disposition. The Office of the President-LLFC or the LLFC employee concerned shall formally acknowledge the gift and inform the giver of the intended disposition.

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- f. Queries relating to the implementation of these guidelines shall be directed to the Corporate Services Group (CSG).

5. EXCEPTIONS

The following shall be excluded in the prohibitions on solicitation and acceptance of gifts/donations:

- a. Unsolicited gifts or presents of small/nominal or insignificant value offered or given as a mere ordinary token of gratitude or friendship according to local customs or usage, not given in anticipation of, or in exchange for a favour from an employee of LLFC or given after the transaction is completed, or service is rendered;
- b. A gift from a member of the family, relative or friends on the occasion of family celebration, and without any expectation of pecuniary gain or benefit;
- c. Gifts offered in a public forum where refusal would cause embarrassment subject to the provision under item e hereof;
- d. Nominal gifts or grants, as defined under Sec. 3.c. hereof, from persons with no regular, pending or expected transactions with the group or unit with which the LLFC employee is connected and without any expectation of pecuniary gain or benefit;
- e. Gifts or grants coming from government entities or private organizations whether local or foreign, which are considered and accepted as humanitarian and altruistic in purpose and mission; and
- f. Solicitation by LLFC from organizations where LLFC is a member-institution or LLFC is supporting membership in institutions where membership will redound to the benefit of LLFC.

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6. DUTY TO INFORM

LLFC officers and employees are required to professionally inform any individual or organization with any actual or potential business with LLFC of this "No Gift Policy", the reasons the Corporation has adopted this policy, and request that such individual or organization respect such Policy. Notices informing walk-in clients and visitors of the Policy shall likewise be posted in conspicuous areas within LLFC premises.

7. VIOLATION AND SANCTIONS

Any violation of this policy shall be a ground for filling an administrative case in accordance with the applicable laws, rules and regulations.

N. DRUG-FREE WORKPLACE PROGRAM**1. POLICY STATEMENT**

It is the policy of LBP Leasing and Finance Corporation (LLFC) to ensure compliance with all pertinent government issuances.

Executive Order No. 66 dated 29 October 2018 was issued by President Rodrigo R. Duterte to institutionalize the Philippine Anti-Illegal Drugs Strategy (PADS) and directing all government offices, including GOCCs to implement the PADS in accordance with their respective mandates. Further, it directs all government entities to formulate and adopt a Drug-Free Workplace Program and to conduct Authorized Drug Testing among their officials and personnel in accordance with R.A. No. 9165 and other relevant issuances, i.e., CSC Memorandum Circular No. 13, s. 2017.


2. POLICIES AND GUIDELINES**a. Pre-employment Testing**

Drug testing shall be a requirement for initial entry to LLFC service for appointive officials and employees. Any applicant found positive for drug use shall be denied entry to LLFC service.

b. Initial and Subsequent Drug Testing of LLFC Officers and Employees

Within six (6) months from the effectivity of these guidelines, LLFC Management, through the Corporate Services Group (CSG), shall conduct a mandatory,

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random and suspicionless drug testing of its incumbent officers and employees as a condition for retention in the service.

The frequency of subsequent random drug tests shall be determined by LLFC Management based on the number of officers and employees, nature of work being discharged by the incumbents, funding, and other logistics. Subsequent random testing shall be periodically conducted in an interval not to exceed two (2) years.

LLFC Management shall conduct the drug test in accordance with the procedures set forth by the Dangerous Drugs Board, which shall be disseminated to their personnel, to include but not limited to the following:


- i. The drug test shall only be conducted by a government drug testing laboratory or by a drug testing laboratory duly authorized and accredited by the DOH.
- ii. The randomly selected officers and employees will fill up and sign a chain of custody form issued to them.
- iii. The specimen bottles must be properly labeled and taking of specimen samples for screening test must be done in an area where manipulation (e.g. adding of water) is not possible.
- iv. Specimen samples found positive in the screening test shall be submitted for confirmatory testing within the same day.

A positive drug test result from the confirmatory test shall immediately be made known to the LLFC President, or to the Head-CSG who shall then notify the concerned officer or employee in writing. Said officer or employee shall have fifteen (15) days from receipt of Notice to challenge the result of the confirmatory test. The challenge test shall be conducted, using the same specimen, by a government drug testing laboratory or by a drug testing laboratory duly authorized and accredited by the DOH. Failure to file a challenge within the prescribed period shall make the positive drug test result from the confirmatory test final and LLFC Management shall then take the appropriate action as provided in the succeeding section.

A positive drug test result from the challenge test is deemed final and the officer or employee shall be immediately subjected to the provisions in the succeeding section.

The drug test result shall be attached to the 201 file of the officer or employee. All drug test results and records must strictly be held confidential as provided for under the pertinent provisions of R.A. No. 9165.

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c. Interventions

- i. Officers and employees who are found positive of dangerous drugs at the first instance after the challenge test, or after positive drug test result from a confirmatory test should the concerned officer or employee fail to challenge said result, shall undergo a Drug Dependency Examination, conducted by the DOH or by any medical practitioner accredited by the DOH, to conduct said examination and shall be subjected to the following treatment and rehabilitation program:
 - Experimenter – Outpatient, guidance counseling for six (6) months.
 - Occasional User – Outpatient, guidance counseling and regular monthly drug testing for six (6) months which shall be at the personal expense of officer or employee concerned.
 - Chronic User / Drug Dependent – Mandatory continuous treatment and rehabilitation for a minimum period of six (6) months in a government rehabilitation center, a DOH accredited private rehabilitation program sanctioned under the rules of the Dangerous Drugs Board.
- ii. An officer or employee found to be an Experimenter shall shoulder the expenses of his / her guidance counseling. The same rule shall also apply to an officer or employee found to be an Occasional User, who shall undergo the guidance counseling and regular monthly drug testing. Time spent for counseling and regular monthly drug testing, if done during office hours, shall be charged against the officer or employee's leave credits. For this purpose, the officer or employee's leave credit shall be utilized and when exhausted, vacation leave credits may be utilized for the purpose. If all leave credits are used, absence shall be on leave without pay.

As proof of successful completion of the intervention program, an officer or employee assessed as an Experimenter or Occasional User shall secure a certification of completion issued by his / her attending guidance counselor.

- iii. Any officer or employee found to be a Chronic User/Drug Dependent, based on the result of the Drug Dependency Examination, and who will undergo a mandatory rehabilitation program for a minimum period of six months shall be considered on sick leave for the entire period of his / her rehabilitation. When

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the concerned officer or employee's sick leave is exhausted, his / her vacation leave credits may be utilized for the purpose. If all leave credits are used, his / her absence shall be on leave without pay.

The officer or employee shall undertake the processing of his admission to a rehabilitation center in accordance with the provision of R.A. No. 9165 and existing rules of the Dangerous Drug Board.

The officer or employee concerned shall shoulder the expenses of his / her rehabilitation, which shall commence within fifteen (15) days from receipt of Drug Dependency Examination results, to give way to the processing of the necessary clearances.


The officer or employee concerned shall secure a certificate of completion of his / her rehabilitation program and clearance from his / her attending physician that he / she has been successfully rehabilitated and is now fit to return to work. Said officer or employee shall not be allowed to report back to work without first submitting said certification and clearance to LLFC through CSG.

d. Administrative Liability

- i. Officers and employees found to have used dangerous drugs during the prescribed period of their intervention or rehabilitation shall be charged with the administrative offense of Grave Misconduct.
- ii. Officers and employee who are not issued a certificate of completion (in the case of experimenter and occasional user) or a certificate of completion with clearance (in the case of a chronic user / drug dependent), shall be charged with the administrative offense of Grave Misconduct.
- iii. Any officer or employee who, after being tested positive of drug use, shall refuse to undergo treatment or rehabilitation, or fails to complete his / her treatment or rehabilitation program, shall be charged with the administrative offense of Grave Misconduct.

The charge of Grave Misconduct shall be grounded on the fact that said officer or employee was tested positive of drug use and not on his / her refusal to undergo or failure to complete his / her treatment.

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- iv. Any officer or employee who refuses, without any valid reason, to submit himself / herself for drug testing, shall be charged with the administrative offense of Gross Insubordination.
 - v. Officers and employees who, for the second time, have tested positive in a random drug test after completion of his/ her treatment and / or rehabilitation program or shall be found to have used dangerous drugs during the prescribed period of intervention or rehabilitation, shall be charged with the administrative offense of Grave Misconduct.
 - vi. Any officer or employee found to have tampered the result of a drug test or interfered in the conduct of the drug test or in the release of drug test results shall be charged with the administrative offense of Grave Misconduct.
 - vii. Officials and employee caught using or peddling drugs shall be charged with the administrative offense of Grave Misconduct, without prejudice to the filing of appropriate criminal charge/s under R.A. No. 9165 and other pertinent laws.
- e. Funds
- LLFC shall bear the expenses for the conduct of the screening and confirmatory drug test of its employees, subject to existing budgeting, accounting and auditing rules and regulations. Funds for the conduct of the screening and confirmatory drug tests may be sourced LLFC's budget for personnel development. Henceforth, LLFC shall include the funds for the conduct of subsequent drug tests in its annual budget proposal for personnel development.
- However, drug test conducted as a result of a challenge to a positive drug test result from the confirmatory test shall be charged to the personal account of the concerned officer or employee.

O. ANTI-SEXUAL HARASSMENT

A. RATIONALE

Pursuant to the provisions of Republic Act No. 7877 otherwise known as Anti-Sexual Harassment Act of 1995 and Republic Act No. 11313, otherwise known as Safe Spaces Act, the LBP Leasing and Finance Corporation shall implement guidelines to

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prevent the sexual harassment in the workplace and to provide the procedure for the resolution, settlement and/or disposition of sexual harassment cases.

B. OBJECTIVES

These guidelines are prepared to:


1. Create and maintain a working environment where all LLFC personnel can work harmoniously in an atmosphere free from all forms of harassment, exploitation and intimidation; and
2. Provide a process for reporting and responding to complaints of sexual harassment in order to prevent, correct, and if necessary, discipline any employee who violates this policy
3. Recognize the role of women in nation-building and ensure the fundamental equality before the law of women and men.

C. COVERAGE


This policy covers all personnel of LBP Leasing and Finance Corporation as well as Service Company workers assigned to LLFC.

D. DEFINITION OF TERMS

Education or Training related Sexual Harassment	Committed against one who is under the actual or constructive care, custody, or supervision of the offender, or against one whose education, training, apprenticeship, internship, or tutorship.
Online Harassment	Gender-based online sexual harassment may be committed through an online conduct targeted at a particular person that causes or likely to cause another mental, emotional or psychological distress, and fear for personal safety, sexual harassment acts including unwanted sexual remarks and comments, threats, uploading or sharing of one's photo's without consent, video and audio recordings, cyberstalking and online identity theft.
Sexual Harassment	Sexual harassment in workplace is committed by an employer, employee, manager, supervisor, agent of the employer, or any other person who, having authority, influence or moral ascendancy over another in a work environment, demands, requires or otherwise requires any sexual favor from the other, regardless of whether the demand, request or requirement for submission is accepted by the object of said act.

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	<p>In a work-related or employment environment, sexual harassment is committed when:</p> <ol style="list-style-type: none"> The sexual favor is made as a condition in the hiring or in the employment, reemployment, or continued employment of said individual, or in granting said individual favorable compensation, terms of conditions, promotions, or privileges; or the refusal to grant the sexual favor results in limiting, segregating or classifying the employee which in any way would discriminate, deprive or diminish employment opportunities or otherwise adversely affect said employee; The above acts would impair the employees' rights or privileges under existing labor laws; or The above acts would result in an intimidating, hostile, or offensive environment for the employee <p>Sexual harassment may be committed in any of the following forms:</p> <ol style="list-style-type: none"> Overt sexual advances; Unwelcome or improper gestures of affection; Request or demand for sexual favors including but not limited to going out on dates, outings, or the like for the same purpose; Any other act or conduct of a sexual nature or for purposes of sexual gratification which is generally annoying, disgusting or offensive to the victim. <p>Sexual harassment does not refer to occasional compliments of a socially acceptable nature. It refers to behavior that is not welcome, that is personally offensive, that debilitates morale, and that, therefore, interferes with work effectiveness.</p>
<p>Sexual Harassment in Streets and Public Spaces</p>	<ol style="list-style-type: none"> Committed through any unwanted and uninvited sexual actions or remarks against any person regardless of the motive for committing such action or remarks. Includes catcalling, wolf-whistling, unwanted invitations, misogynistic, transphobic and sexist slurs, persistent uninvited comments or gestures on a person's appearances, relentless request for personal details, statement of sexual comments and

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	suggestions, public masturbation or flashing of private parts, groping, or any advances, whether verbal or physical, that is unwanted and has threatened one's sense of personal space and physical safety, and committed in public spaces as alleys, roads, sidewalks and parks. Acts constitutive of sexual harassment in streets and public spaces are those performed in buildings, schools, churches, restaurants, malls, public washrooms, bars, internet shops, public markets, transportation terminals or public utility vehicles.
Gender-Based Sexual Harassment in the Workplace	a. An act or series of act involving any unwelcome sexual advances, request or demand for sexual favors or any act of sexual nature, whether done verbally, physically or using technology such as text messaging or electronic mail or through any forms of information and communication systems, that has or could have a detrimental effect on the conditions of an individuals' employment or education, job performance or opportunities. b. A conduct that is unwelcome and pervasive and creates an intimidating, hostile or humiliating environment for the recipient.

E. GENERAL GUIDELINES

1. LLFC undertakes to provide its officers and employees a work environment free of sexual harassment by Management personnel, by co-workers and by others with whom officers and employees must interact in the course of their employment in LLFC.
 - a. Sexual harassment is specifically prohibited as unlawful and as a violation of LLFC's policy. LLFC is responsible for preventing sexual harassment in the workplace, by taking immediate corrective action and for promptly investigating any allegation of work-related sexual harassment.
 - b. It is also considered a violation of the Anti-Sexual Harassment Policy for anyone to make a false complaint/report of sexual harassment or to provide false information regarding a complaint/report of sexual harassment.
 - c. Any person who directs or induces another to commit any act of sexual harassment as herein defined, or who cooperates in the commission thereof by another without which it would not have been committed shall also be liable under this policy.

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- d. It is intended that individuals who violate this Policy be disciplined or subjected to corrective action, up to and including termination for cause.
- e. When an incident of sexual harassment has been referred for investigation and disposition, all concerned parties are enjoined to ensure the confidentiality of the issue and all matters related to the incident and guarantee the utmost respect for individual privacy.

2. Composition of Committee on Decorum and Investigation (CODI) of Sexual Harassment Cases

LLFC shall establish CODI who shall be composed of at least one representative from Management, Supervisory and Rank and File employees. It shall be chaired by a woman and a person with authority. More than 50% of the members of the CODI should be women.

The Corporation shall establish a CODI through issuance of a Special Order.


3. Duties and Responsibilities Related to Anti-Sexual Harassment

a. Head of LLFC

- i. The Head of the LLFC shall prevent and deter the occurrence of sexual harassment cases, as well as ensure that necessary action be taken on complaint filed with the CODI.
- ii. Institutionalize the dissemination or posting in a conspicuous place of a copy of the law and this guidelines to all covered persons in the workplace.
- iii. Ensure adoption of measures to prevent sexual harassment in the workplace to include seminar and training relevant to Gender-Based violence and sensitivity.
- iv. Ensure creation of Committee on Decorum and Investigation (CODI) to investigate and address complaints of sexual harassment.

b. CODI

- i. The CODI shall serve as an independent and internal mechanism to investigate and address complaints of gender-based sexual harassment.
- ii. The CODI shall be composed of members who should be impartial and not connected or related to the alleged perpetrator.
- iii. The CODI shall ensure the complainant's protection from retaliations like diminution of benefits and compromised security of tenure.

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- iv. The CODI shall guarantee a gender-sensitive handling of cases and confidentiality of the identity of the parties and the proceedings to the greatest extent possible.
- v. The CODI shall observe due process and within ten (10) days from the termination of the conduct of the investigation, submit a report of its findings with the corresponding recommendation to the disciplining authority for decision.
- vi. The CODI shall lead the discussion of handling sexual harassment cases in terms of recommendation to prevent recurring cases, providing an assistance for counselling, and other needs for welfare and protection of the victim.

c. Employees and Co-workers

- i. Refrain from committing acts of gender-based sexual harassment.
- ii. Discourage the conduct of gender-based sexual harassment in the workplace.
- iii. Provide emotional or social support to fellow employees, co-workers, colleagues, or peers who are victims of gender-based sexual harassment.
- iv. Report acts of gender-based sexual harassment witnessed in the workplace.


4. Handling of Sexual Harassment Cases

- a. All the sexual harassment related cases shall be endorsed to the CODI for investigation, and they shall work with the Investigating Team and Accountability Assessment Committee (AAC) to take action with the complaint in accordance with due process.
- b. The CODI and Disciplining Authority shall follow the Process of Handling Incidents and Administrative Disciplinary Cases according to OC No. 031 s. 2021, Enhanced Guidelines on Handling of Disciplinary Cases and Procedural Lapses for cases related to sexual harassment.

5. Classification of Offenses


SEXUAL HARASSMENT IN THE WORKPLACE		
Category	Offenses	Penalty
Grave Offenses	a. Unwanted touching of private parts of the body (inner thighs, genitalia, buttocks and breast).	Dismissal

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SEXUAL HARASSMENT IN THE WORKPLACE		
Category	Offenses	Penalty
	b. Sexual assault c. Malicious touching d. Requesting for sexual favor in exchange for employment, promotion, local or foreign travels, favorable working conditions or assignments, a passing grade, the granting of honors or scholarship, or the grant of benefits or payment of a stipend or allowance; and other analogous cases.	
Less Grave Offenses	a. Unwanted touching or brushing against a victim's body. b. Pinching not falling under grave offenses. c. Derogatory or degrading remarks or innuendoes directed toward the members of one sex, or one's sexual orientation or used to describe a person. d. Verbal abuse with sexual overtones; and e. Other analogous cases.	1st Offense: Suspension of one (1) month or one (1) day to six (6) months. 2nd Offense: Dismissal
Light Offenses	a. surreptitiously looking at a person's private part or worn undergarments. b. Making sexist statements and uttering smutty jokes or sending these through text, electronic mail including but not limited to social media platform, causing embarrassment or offense and carried out after the offender has been advised that they are offensive or embarrassing or, even without such advise, when they are by their nature clearly embarrassing, offensive or vulgar. c. Malicious leering or ogling. d. Display of sexually offensive pictures, materials or graffiti. e. Unwelcome inquiries or comments about a person's sex life.	1st Offense: Written Reprimand 2nd Offense: Suspension of One (1) to 30 days 3rd Offense: Dismissal


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SEXUAL HARASSMENT IN THE WORKPLACE		
Category	Offenses	Penalty
	<ul style="list-style-type: none"> f. Unwelcome sexual flirtation, advances, propositions. g. Making offensive hand or body gestures at an employee. h. Persistent unwanted attention with sexual overtones. i. Unwelcome phone calls with sexual overtones causing discomfort, embarrassment, offense or insult to the receiver; and j. Other analogous cases. 	

SEXUAL HARASSMENT IN STREETS AND PUBLIC PLACES COMMITTED BY THE LLFC PERSONNEL		
Category	Offenses	Penalty
Grave Offenses	Personnel who engage in acts that include public masturbation or flashing of private parts, groping, or any advances, whether verbal or physical, that is unwanted and has threatened one's sense of personal space and physical safety, and committed in public spaces as alleys, roads, sidewalks, and parks.	Dismissal
Less Grave Offenses	Personnel who engage in acts that include unwanted invitations, misogynistic, transphobic and sexist's slurs, persistent uninvited comments or gestures on a person's appearances, relentless request for personal details or making statements comments and suggestions with sexual innuendos.	1st Offense: Suspension of one (1) month or one (1) day to six (6) months. 2nd Offense: Dismissal
Light Offenses	Personnel who engage in acts that include catcalling or wolf-whistling.	1st Offense: Written Reprimand 2nd Offense: Suspension of One (1) to 30

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		days 3rd Offense: Dismissal
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ONLINE SEXUAL HARASSMENT COMMITTED BY THE LLFC PERSONNEL		
Category	Offenses	Penalty
Grave Offenses	Uploading and sharing without the consent of the victim, any form of media that contains photos, voice, or video with sexual content, any unauthorized recording and sharing online of any of the victim's photos, videos, or any information of sexual content, impersonating identities of victims online or posting lies of sexual nature about the victims to harm their reputation or filing false abuse reports to online platforms to silence victims of sexual harassment.	Dismissal
Less Grave Offenses	Personnel who engage in acts that include the use information and communication technology in terrorizing and intimidating victims through physical, psychological, and emotional threats with sexual overtones.	1st Offense: Suspension of one (1) month or one (1) day to six (6) months. 2nd Offense: Dismissal
Light Offenses	Personnel who engage in acts that include unwanted sexual misogynistic, transphobic, homophobic and sexist remarks and comments online whether publicly or through direct and private messages, invasion of victim's privacy through cyberstalking and incessant messaging with sexual overtones.	1st Offense: Written Reprimand 2nd Offense: Suspension of One (1) to 30 days 3rd Offense: Dismissal

6. Personnel is liable for sexual harassment if he/she:

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- c. Directly participates in the execution of any act of sexual harassment as defined by these rules.
- d. Induces or directs another to commit sexual harassment as defined in these rules.
- e. Cooperates in the commission of sexual harassment by another through an act without which the sexual harassment would not have been accomplished.
- f. Sexual harassment in the workplace may also be committed by the personnel in a work-related, training or education related environment of the person complained of, against any person regardless of the motive for committing such action or remarks, between peers, and by a subordinate to a superior officer.

7. Retaliation

It is also considered a violation of LLFC's Anti-Sexual Harassment Policy to retaliate against a person who reports an alleged incident of sexual harassment or who testifies, assists or participates in any proceeding, investigation or resolution of a sexual harassment report. Retaliation includes, but is not limited to, threats, intimidation, reprisals, and/or any adverse action related to employment or a business decision