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Republika ng Pilipinas  
PAMBANSANG PANGASIWAAN NG PATUBIG  
(National Irrigation Administration)  
Lungsod ng Quezon

MC No. 59, s. 1993

MEMORANDUM CIRCULAR

T O : The Deputy Administrator, Assistant Administrators,  
Heads of Departments/Staffs, Heads of Foreign-Assisted  
Projects, Heads of Provincial Irrigation Offices,  
Irrigation Superintendents and All Others Concerned  
This Agency

SUBJECT: Policy on Entrepreneurial Activities of Government  
Employees.

Quoted hereunder in full is CSC M.C. No. 32, s. 1993 for  
implementation and guidance of all concerned.

"Republic of the Philippines  
CIVIL SERVICE COMMISSION

MC NO. 32, s. 1993

T O : ALL HEADS OF DEPARTMENTS, BUREAUS AND AGENCIES  
OF THE NATIONAL AND LOCAL GOVERNMENTS, STATE  
COLLEGES AND UNIVERSITIES, GOVERNMENT-OWNED OR  
CONTROLLED CORPORATIONS

SUBJECT : Policy on Entrepreneurial Activities of Government  
Employees.

Section 2 of R.A. 6713 provides that "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 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.

The issue of whether entrepreneurial activities of some  
government employees can be allowed arises in the light of  
abovestated provision of R.A. 6713. Such activities appear to  
have been triggered by the urgent need of government employees to  
augment their income and to cope up with the rising cost of living.

Working as real estate or insurance agents, direct selling of  
commodities and merchandise, operating retail stores, managing a  
farm, and contracting out specialized services are some activities  
from which some employees derive extra income and sustain their  
living standards.

Cognizant of the reasons behind these economic ventures, entre-  
preneurship may be allowed subject, however, to the following  
conditions:

1. That government employees shall strictly observe Section 7, paragraphs (a), (b) and (c) of R.A. 6713 which declares as unlawful the following acts and transactions of any public official and employee:

xxxx

(a) Financial and material interest. - Public officials and employees shall not, directly or indirectly have any financial or material interest in any transaction requiring the approval of their office.

(b) Outside employment and other activities related thereto. - Public officials and employees during their incumbency shall not:

- (1) Own, control, manage or accept employment as office employee, consultant, counsel, broker, agent, trustee or nominee in any private enterprise regulated, supervised or licensed by their office unless expressly allowed by law;
  - (2) Engage in the private practice of their own profession unless authorized by the Constitution or law, provided that such practice will not conflict or tend to conflict with their official functions; or
  - (3) Recommend any person to any position in a private enterprise which has a regular or pending official transaction with their office.
2. That the conduct of business or economic ventures shall not conflict or tend to conflict with the official functions of the public official or employee;
  3. That the conduct of business or economic ventures shall not be done during office hours nor within the required forty hour work a week period; and
  4. That the public official or employee shall not in any manner use government resources, facilities, equipment and supplies in the conduct of his or her business or economic ventures.

In view thereof, the Commission hereby enjoins all concerned to observe the abovementioned conditions and the provisions provided for under RA 8713, and other existing Civil Service laws, rules, regulations relative to entrepreneurial activities.

Please be guided accordingly.

(SGD.) PATRICIA A. STO. TOMAS  
Chairman"

August 26, 1993

Heads of responsibility centers are advised to exercise caution before recommending leave applications of personnel who are engaged in private practice whether here or abroad.

or compliance.

(SGD.) APOLONIO V. BAUTISTA  
Administrator

October 20, 1993