



SOCIAL HOUSING FINANCE CORPORATION

WHISTLEBLOWING POLICY

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Kaagapay ng Komunidad sa Maginhawang Pamumuhay



FINAL DRAFT

SHFC CORPORATE CIRCULAR NO. _____
Series of 2020.

SUBJECT : WHISTLEBLOWING POLICY OF SOCIAL HOUSING FINANCE CORPORATION (SHFC WHISTLEBLOWING POLICY)

I.

PRELIMINARY CONSIDERATIONS

1. TITLE AND OBJECTIVE

These guidelines and regulations shall be known and cited as the “*Whistleblowing Policy of Social Housing Finance Corporation*” and shall be referred to as “SHFC Whistleblowing Policy”, for brevity.

This Policy is issued in compliance with the *GCG¹ Memorandum Circular No. 2016-02*, otherwise known as “*Revised Whistleblowing Policy for the GOCC Sector*”, which mandates GOCCs and GFIs “*to establish their own whistleblowing systems, duly approved by their Governing Boards*”.

2. POLICY STATEMENT

The Social Housing Finance Corporation (“SHFC” or the “Corporation”), acting through its Board of Directors (“Board”) and duly authorized officers and employees, shall conduct its affairs, operations, and business in full compliance with applicable laws, rules, regulations. As public officers, all the Corporation’s directors, officers and employees must exemplify the behavior and professional demeanor consistent with such laws, rules and regulations, policies and procedures of the highest standards.

3. BACKGROUND AND PURPOSE

The purpose of this Whistleblowing Policy is to enable any concerned individual to report and provide information (anonymously if he/she wishes), and even testify on matters involving the actions or omissions of the directors, officers and employees of the Corporation that are illegal, unethical, violate good governance principles, are against public policy and morals, promote unsound and unhealthy business practices, are grossly disadvantageous to the Corporation and/or the Government.

¹ Governance Commission for Government-Owned or -Controlled Corporations (“GCG” or “Governance Commission”, for brevity).

4. SCOPE

SHFC, in adherence to the principles of good governance, issues this Policy to provide a system and venue for the proper submission, handling or resolution of employees' reports, complaints, or disclosures regarding the following cases, among others:

- a. Violation of laws, rules and regulations, particularly those “reportable conditions” as defined in this Policy;
- b. Violation of corporate governance standards, rules and regulations; and
- c. Offenses covered by the SHFC's existing Code of Conduct or other similar disciplinary policy.

5. APPLICABILITY

This Policy shall be applicable to all directors, officers (whether corporate or otherwise) and employees of SHFC.

6. DEFINITION OF TERMS

- a. “*Board*” – refers to the body composed of the directors of SHFC together with representatives from public/private sectors as its members, which has collegial and primary authority to control and manage the affairs of the Corporation.
- b. “*Community Association*” (*CA*) – refers to the homeowners' association (HOA) which is a non-stock, nonprofit corporation registered with the Human Settlements and Adjudication Commission (HSAC), or one previously registered with the Home Guaranty Corporation (HGC) or the Securities and Exchange Commission (SEC), or Cooperative Development Authority (CDA) organized by:
 1. Owners or purchasers of a lot in a subdivision/village or other residential real property located within the jurisdiction of the association;
 2. Awardees, usufructuaries, legal occupants and/or lessees of a housing unit and/or lot in a government socialized or economic housing or relocation project and other urban estates; or
 3. Underprivileged and homeless citizens as defined under existing laws in the process of being accredited as usufructuaries or awardees of ownership rights under the Community Mortgage Program (CMP), Land Tenure Assistance Program (LTAP) and other similar programs in relation to a socialized housing project actually being implemented by the national government or the LGU.

A community association may or may not be a cooperative. Under **Article 3 of Republic Act No. 9250 (Philippine Cooperative Code of 2008)**, a “*cooperative*” is an autonomous and duly registered association of persons, with a common bond of interest, who have voluntarily joined together to achieve their social, economic, and cultural needs and aspirations by making equitable contributions to the capital required, patronizing their products and services and accepting a fair share of the risks and

benefits of the undertaking in accordance with universally accepted cooperative principles.

c. “*Community Mortgage Program*” (CMP) – refers to the mortgage financing program of SHFC which assists legally organized associations of underprivileged and homeless citizens to purchase and develop a tract of land under the concept of community ownership. The primary objective of the program is to assist residents of blighted or depressed areas to own the lots they occupy, or where they choose to relocate to, and eventually improve their neighborhood and homes to the extent of their affordability.

d. “*Compliance Officer*” – refers to the officer who is responsible for monitoring compliance by SHFC with the laws, rules and regulations of regulatory agencies as well as the Corporation’s corporate governance rules and standards. The Compliance Officer shall also perform the duties laid down in *SHFC Revised Manual on Corporate Governance*.

The Board shall appoint the Compliance Officer who must possess the rank of at least a Manager, pursuant to the DBM approved plantilla item position. In the absence of such appointment, the Corporate Secretary (preferably a lawyer), shall in the meantime act as the Compliance Officer.

e. “*Corporate Officers*” – shall refer to those officers defined and stated in the Corporation’s charter or by-laws, such as the Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Investment Officer, President, Vice President, General Manager, Treasurer, Corporate Secretary, and Compliance Officer (*Compare: “SHFC Officers”*).

f. “*Government Financial Institutions*” (GFIs) – shall refer to financial institutions or corporations in which the government directly or indirectly owns majority of the capital stock and which are either: (1) registered with or directly supervised by the Bangko Sentral ng Pilipinas; or (2) collecting or transacting funds or contributions from the public and places them in financial instruments or assets such as deposits, loans, bonds and equity.

g. “*Government-Owned or -Controlled Corporation*” (GOCC) – refers to any agency organized as a stock or non-stock corporation, vested with functions relating to public needs whether governmental or proprietary in nature, and owned by the Government of the Republic of the Philippines directly or through its instrumentalities either wholly or, where applicable as in the case of stock corporations, to the extent of at least a majority of its outstanding capital stock.

h. “*Informal Settler Families*” (ISFs) – refers to those communities or group of persons who are already residing in an area without the consent of the landowner. Upon compliance with legal requirements and other processes, these informal settlers may become beneficiaries under the CMP.

i. “*Landowner*” – refers to the registered owner of the land under the Torrens System, which is the subject of a CMP project or other housing projects implemented by SHFC. The term also includes a co-owner, or the heirs and successors-in-interest of the landowner.

j. “*Member-beneficiary*” (*MB*) – refers to a homeowner who is a member of the community association as defined and/or listed in the association’s articles of incorporation and by-laws, and whose housing unit or lot is situated in the area within the jurisdiction of the association as specified in the approved subdivision plan. The term likewise includes the heirs and successors-in-interest of the original MB. In case of a substitute MB, he or she must have undergone the substitution process and the substitution must have been duly approved by SHFC.

In determining who is a bona fide member-beneficiary, reference must be made to the “*approved subdivision plan*” which refers to the plan drawn to scale showing the divisions of a piece of land intended for subdivision development delineating its open space and individual lots, bearing the signature of a licensed professional, and the stamp of approval of the NHA, HSAC, LGU or any appropriate government agency.

k. “*Partner*” – refers to the National Government Agencies (NGA), Local Government Units (LGU), the Private Sector (PS), Non-Government Organizations (NGO), Civil Society Organizations (CSO), People's Organizations (PO), and other stakeholders which collaborate with SHFC in its mandate in providing socialized housing to qualified beneficiaries under the Community Mortgage Program (CMP) and other housing programs of SHFC.

Under **SHFC CMP Corporate Circular No. 19-052**, there are three (3) kinds of Partners, namely:

1. “*CMP-Mobilizer*” (*CMP-M or Mobilizer*) – refers to an organization working with communities of informal settlers and duly accredited by SHFC whose principal role is to assist, organize and prepare the communities for participation in CMP. CMP-Ms may be an NGA, LGU or NGO, CSO or PO.
2. “*CMP Resource Person/Organization*” – refers to a person, government agency, LGU, CMP-M, corporation, business, academic institution, vocational schools, or any other entity who will assist and support SHFC’s programs and communities with financial or material support, technical expertise, knowledge, information or research, or specialized knowledge in the areas of values formation, organizational development, estate support, technical expertise, knowledge, information or research, or specialized knowledge in the areas of values formation, organizational development, estate management, livelihood and entrepreneurial development, capacity building, climate change, gender sensitivity, and such other similar topics which would be beneficial in achieving SHFC's mandate.
3. “*Partner Local Government Unit*” (*Partner LGU*) – refers to Local Government Unit with an existing Memorandum of Understanding with SHFC under which the said LGU agrees to be a CMP partner generally undertaking the role of: (a) community organizer, (b) landowner, and/or (c) developer/contractor for informal settler families who wish to enroll in the Community Mortgage Program. To perform such roles, they have to sufficiently establish that they have designated a specific department, unit, or personnel, competent to perform the expected duties and responsibilities of each.

Notwithstanding the foregoing, the term “*partner*” also includes:

4. “*Contractor*” – refers to any natural or juridical person who undertakes construction, alteration, repair, addition to, subtraction from, improvement, movement, wrecking or demolition of any building, highway, road, excavation or other structure, projects, development or improvement, or to do any part thereof, including the erection of other structures or works in connection therewith.

Contractors who will participate in SHFC’s programs shall generally not be allowed to sub-contract the works for which they were hired to do, except for specialized ancillary construction works such as electrical installation works, soil compacting, installation of scaffoldings, waterproofing, sanitary-engineering or heat insulation works, etc.

5. “*Developer*” – refers to a natural or juridical person or firm that owns, buys and improves raw land with labor and capital, and arranges for utilities and essential services, in order to sell subdivided parcels of land or to build structures for rent and/or sale. The term also refers to any natural or juridical person who develops or improves the CMP project or other housing projects of SHFC.

6. “*Home Builder*” – refers to the person, natural or juridical, usually a non-government organization, whose primary function is community development with house building or house construction as a component project.

7. “*Supplier*” – refers to a person who merely furnishes materials or supplies considered as finished products, without fabricating them into, or consuming them in the performance of the work of the general building contractor. For this purpose, “*finished products*” are those materials, articles, or merchandise, which are not actually fabricated into and do not become a permanent and fixed part of the structure.

l. “*Persons*” – shall mean a natural or juridical person. A juridical person refers to any firm, partnership, corporation, association or other organization, or any combination thereof.

m. “*Public Officials*” – includes elective and appointive officials and employees, permanent or temporary, whether in the career or non-career service, including military and police personnel, whether or not they receive compensation, regardless of amount.

n. “*Reportable condition/s*” – refers to such acts or omissions that are illegal, unethical, in violation of good governance principles, are against public policy and morals, promoting unsound and unhealthy business practices, and are grossly disadvantageous to SHFC or the Government.

o. “*Respondent*” – refers to any SHFC director, officer, or employee who is the subject of a Whistleblowing Report, or who is impleaded in a Whistleblowing Complaint in relation to his/her act or omission which appears to be illegal, unjust, improper, or inefficient, or which may be subject of reportable conditions.

Any SHFC partner (whether a mobilizer, resource person, LGU official, contractor, builder, contractor, developer, supplier, etc.), or stakeholder (i.e., landowner, community-association, among others), or any third party (e.g., member-beneficiary, HOA officers, or even ISFs) who colludes or connives with such director, officer, or employee may also be impleaded as a respondent in a Whistleblowing Complaint/Report.

If warranted under the circumstances, the respondent may be required to file his “*Response*” to the Whistleblowing Complaint, which sets forth the defenses, arguments and evidence relied upon by the respondent and the reasons why the complaint should not be given due course.

p. “*Retaliation*” – pertains to an act of reprisal, discrimination, harassment, intimidation or adverse personnel action by SHFC directors, officers, executives, supervisors, or employees against a Whistleblower or a Witness by reason of filing a whistleblowing complaint or by participating in the investigation/hearing of a whistleblowing case. For this purpose, such Whistleblower or Witness may file a “*complaint on retaliation*”.

q. “*SHFC Employees*” – shall refer to the Corporation’s Plantilla and Non-Plantilla (agency-hired) personnel regardless of employment status. The term includes rank-and-file personnel as well as those whose services are engaged by SHFC as consultants.

r. “*SHFC Officers*” – shall refer to the officers of SHFC, however designated or appointed, irrespective of employment status, and includes the Chiefs of Division, Managers and Vice President/s, or officers of equivalent rank or position. The term also covers Supervisors or those who exercise supervisory powers over subordinate personnel (*Compare: “Corporate Officers”*).

s. “*Whistleblower*” – refers to any concerned individual who reports and provides information, anonymously if he/she wishes, and who testifies on matters covered under this Policy.

t. “*Whistleblowing*” – is the disclosure of and/or giving of evidence to information that a Whistleblower reasonably believes constitute graft and corrupt practices.

u. “*Whistleblowing Complaint/Report*” – refers to a disclosure or a complaint regarding illegal or unethical conduct, or any complaint arising from or connected with:

- a. Violation of laws, rules and regulations, particularly those “reportable conditions” as defined below;
- b. Violation of corporate governance standards, rules and regulations; and
- c. Offenses covered by the SHFC’s existing Code of Conduct or other similar disciplinary policy.

The Whistleblowing Complaint/Report is the procedural device which sets forth the allegations of the Whistleblower. SHFC or the Governance Commission shall act promptly on complaints filed in *any* form or manner against any SHFC director, officer, or employee (which shall be referred to as “*respondent*”) concerning the latter’s act or

omission which appears to be illegal, unjust, improper, or inefficient, or which may be subject of a reportable condition.

Procedurally speaking, “*report*” is the generic term employed for those concerns submitted to the Governance Commission, while “*complaint*” is used for those filed with SHFC. In substance, however, these terms are essentially the same and may be used interchangeably.

v. “*Witness*” – refers to an employee of the Corporation or any third party other than a Whistleblower who supplies relevant and material information by testimonial or documentary evidence, or by any other means pertaining to a Whistleblowing Complaint/Report.

II.

GENERAL POLICIES

1. CONFIDENTIALITY

Except when the Whistleblower waives anonymity and/or confidentiality under this Policy, SHFC and the Governance Commission shall ensure confidentiality of all information arising from whistleblowing complaints/reports. It shall treat all complaints/reports, including the identity of the Whistleblower and the person/s complained of in a confidential and sensitive manner. The identity of the Whistleblower shall be kept confidential, unless compelled by law or the Courts to be divulged, or unless the Whistleblower himself authorized his identity to be revealed.

2. ANONYMOUS REPORTING

To ensure anonymity, any whistleblowing complaint/report must be filed or submitted through any of the various modes under *Chapter III* below. To aid in the investigation of a case, any Whistleblower may opt to provide means by which he can be contacted without compromising his identity (e.g., send and/or receive mails through a post office [P.O.] Box number, an e-mail address, or communicate through text messages using a pre-paid cell phone number, etc.).

3. PROTECTION FROM RETALIATION

Retaliatory acts against Whistleblowers who submit whistleblowing complaints/reports in good faith shall not be tolerated by SHFC and the Governance Commission.

Subject to the legally-mandated courses of action to protect one’s right, baseless and illegal retaliation against any Whistleblower or Witness is prohibited and shall be dealt with in accordance with this Policy, other relevant company policies and rules, and applicable laws. A Whistleblower or Witness who identifies himself, or allows his identity to be revealed, or whose identity is divulged through any other means, shall be protected from retaliation. Such retaliatory acts may include:

- a. Discrimination or harassment in the workplace;
- b. Demotion in rank, position, or salary grade;
- c. Diminution in pay or other benefits;
- d. Termination of contract;

- e. Evident bias in performance evaluation; or
- f. Any acts or threats that adversely affect the rights and interests of the Whistleblower.

If the Whistleblower has a reasonable ground to believe that the foregoing or similar acts are being directed against him/her, such Whistleblower may report the same to SHFC or the Governance Commission for extension of all possible assistance under the law and the circumstances present.

4. BASELESS COMPLAINTS/REPORTS OR MALICIOUS ALLEGATIONS

Upon its determination, SHFC or the Governance Commission may take appropriate legal and other actions against the Whistleblower in the following instances:

- a. If the Whistleblower makes false, fabricated, or malicious allegations in his/her complaint/report;
- b. If the Whistleblower submits a complaint/report without just or legal ground, or with evident bad faith; or
- c. Other analogous cases as may be determined by SHFC or the Governance Commission.

This is without prejudice on the part of the respondent who is subject of the groundless or malicious report, or impleaded in the complaint, to avail of legal and other remedies, or to institute separate legal action against the Whistleblower.

III.

SPECIFIC POLICIES AND PROCEDURES

1. WHISTLEBLOWING CASES

1.1. *Reportable conditions*

Whistleblowers may file complaints with the Social Housing Finance Corporation (SHFC) or directly report to the Governance Commission regarding such acts or omissions that are illegal, unethical, in violation of good governance principles, are against public policy and morals, promoting unsound and unhealthy business practices, and are grossly disadvantageous to SHFC or the Government, including, but not limited to:

- a. Abuse of Authority
- b. Bribery
- c. Conflict of Interest
- d. Destruction/manipulation of Records
- e. Fixing
- f. Inefficiency
- g. Making False Statements
- h. Malversation
- i. Misappropriation of Assets
- j. Misconduct
- k. Money Laundering

- l. Negligence of Duty
- m. Nepotism
- n. Plunder
- o. Receiving a Commission
- p. Solicitation of Gifts²
- q. Taking Advantage of Corporate Opportunities
- r. Undue Delay in Rendition of Service
- s. Undue Influence
- t. Violation of Procurement Laws

Whistleblowers may also report such other acts or omissions that otherwise involve violations of the following laws, rules and regulations:

- u. R.A. No. 6713, known as “Code of Conduct and Ethical Standards for Public Officials and Employees”;
- v. R.A. No. 3019, known as “Anti-Grail and Corrupt Practices Act”;
- w. R.A. No. 7080, as amended, known as “The Plunder Law”;
- x. Book II, Title VII, Crimes Committed by Public Officers, The Revised Penal Code;
- y. Executive Order (E.O.) No. 292, s.198,7 known as “Administrative Code of 1987”;
- z. GCG M.C. No. 2012-05 on “Fit and Proper Rules”;
- aa. GCG M.C. No. 2012-06 on “Ownership and Operations Manual Governing the GOCC Sector”;
- ab. GCG M.C. No. 2012-07 on “Code of Corporate Governance for GOCCs”;
- ac. Violations of the SHFC Charter; and
- ad. Other GCG Circulars and Orders, and applicable laws and regulations.

1.2. *Subjects of whistleblowing cases*

A whistleblowing complaint may be broadly categorized into three (3) *subjects*, to wit:

- a. Violation of laws, rules and regulations, particularly those “reportable conditions” as enumerated above;
- b. Violation of corporate governance standards, rules and regulations; and
- c. Offenses covered by the SHFC’s existing Code of Conduct or other similar disciplinary policy.

² Please see SHFC’s No Gift Policy.

1.3. Jurisdiction

The Whistleblower may either (1) file his complaint with SHFC³ or (2) he may directly report the matter to the GCG.⁴

When the whistleblowing complaint is filed with SHFC, **the complaint shall be referred/endorsed**, or after due investigation, **the case shall be recommended**⁵ to the proper body for appropriate action. Please refer to the matrix of jurisdiction below:

Department, division, officer, or other body/tribunal which exercises jurisdiction	Jurisdiction
Compliance Officer and/or Compliance Division of SCEXD	Concurrent jurisdiction over: <ol style="list-style-type: none"> 1. Reportable conditions as defined and enumerated in this Policy. 2. Cases involving violation of, or non-compliance by SHFC with the laws, rules and regulations of regulatory agencies; 3. Cases involving violation of, or non-compliance by SHFC with the Corporation's corporate governance rules, policies and standards (e.g., SHFC's Gifts and Benefits Policy).
Human Resources Department (HRD)	Offenses covered by the SHFC's existing Code of Conduct or other similar disciplinary policy.
Customer Relations and Complaints Division (CRCD)	If the subject of the Whistleblowing Complaint/Case arises out of, or is connected with, or refers/relates to: <ol style="list-style-type: none"> 1. Matters or complaints submitted to, filed before, or received by the Information and Public Assistance Desk (IPAD), shall be taken cognizance of in the first instance by the CRCD. 2. Matters or complaints submitted to, or directly filed with the CRCD involving cases not falling under the jurisdiction of any other department or division of SHFC. 3. Matters or disputes involving community-associations, member-beneficiaries, which only require for its resolution mediation proceedings

³ For remedies within SHFC, please refer to **Part 2 of Chapter III**.

⁴ For GCG's procedural rules, please see **Part 5 of Chapter III**.

⁵ In this Policy, "*complaint referral/endorsement*" and "*case recommendation*" have technical meanings. To understand the procedure, the premise here is that the CRCD receives the Whistleblowing Complaint. Thus, the complaint is "*referred/endorsed*" to the other department, division, or body, if the CRCD has no jurisdiction over the subject matter in the complaint and jurisdiction lies with such other body.

On the other hand, if the CRCD has original jurisdiction over the subject matter, it shall proceed to hear the case according to the rules stated in **Part 2 of Chapter III**. The IED shall then "*recommend*" the case to the proper body for review.

	<p>or investigation and fact-finding proceedings by the CRCD or IED.</p>
<p>Partner Relations Division (PRD) and/or Investigation and Enforcement Division (IED) of SCEXD</p> <p><i>Note: In these cases, the PRD exercises jurisdiction concurrently with the IED. The IED investigates these cases and makes reports and recommendations to the Enforcement Committee (ENCOM) for the latter's resolution. The ENCOM's resolution/order shall then be transmitted to the PRD which shall issue the order to the partners and other parties to case.</i></p>	<p>If the subject of the Whistleblowing Complaint/Case arises out of, or is connected with, or refers/relates to any offense mentioned in CMP Corporate Circular No.19-052, Series of 2019:</p> <ol style="list-style-type: none"> 1. Negotiation with the landowner or contractor without the presence of the representative from the community association 2. Misrepresentation in any material fact pertaining to CMP-M qualification and/or accreditation 3. Charging of processing fees more than the amount prescribed (Php 3,000 per MB) 4. Misrepresentation of member beneficiary qualification 5. Engaging in open market and sale of lots in CMP projects or acting as broker for the landowner 6. Abandonment of the community after entering into a MOA and accepting payment for processing fee or receiving any other funds from the community without formal and justifiable termination of contract 7. Collecting or accepting commission from the landowner on the sale of land or from contractor's billing 8. Bad track record in assisting the community by using false pretenses, misrepresentation, abuse of authority, employing threats and intimidation 9. Using SHFC Programs to pursue own business interests or personal profit 10. Collecting money from the community and using it for purposes other than intended or for personal gain 11. Commission of fraudulent acts or submission of spurious documents to SHFC 12. Misrepresentation and withholding of information affecting approval of project 13. Unauthorized substitution of MB in violation of SHFC guidelines 14. Engaging in land development without the necessary license or permit from the appropriate government agency and/or LGU.
<p>Legal Department</p>	<p>If the subject of the Whistleblowing Complaint/Case arises out of, or is connected with, or refers/relates to:</p> <ol style="list-style-type: none"> 1. Complaints in the nature of Grievance/Request for Assistance seeking redress or relief concerning an act or omission of SHFC officers and employees which do not amount to administrative offenses; 2. Administrative complaints filed by any person or juridical entity involving the employees and officers of SHFC; and 3. Violations and offenses committed by the CMP-M/HDH Partner

	<p>as embodied in the Corporate Circular No. 12-021 or the “Guidelines for the Accreditation of Community Mortgage Program-Mobilizer (CMP-M)” approved on 22 June 2012 and its Implementing Rules and Regulations (IRRs) under Corporate Circular No. 13-025 approved on 9 July 2013.</p>
<p>Office of the Ombudsman</p>	<p>If the subject of the Whistleblowing Complaint/Case arises out of, or is connected with, or refers/relates to any of the <u>other offenses not cited</u> in the <i>Rules of Procedure on Administrative Cases in Social Housing Finance Corporation</i> but are grounds for administrative complaint before the Office of the Ombudsman which are:</p> <ol style="list-style-type: none"> 1. contrary to law or regulations; 2. unreasonable, unfair oppressive or discriminatory; 3. inconsistent with the general course of SHFC’s functions though in accordance with law; 4. otherwise irregular, immoral or devoid of justification; and 5. such other grounds analogous to the foregoing. <p>The Legal Department shall either prescribe the penalty or <u>refer the matter to the Office of the Ombudsman for formal investigation</u> (<i>Rule 4, Section 13 [IV-G]</i>; emphasis and underscoring ours).</p>
<p>Human Settlements Adjudication Commission (HSAC)</p> <p><i>Note: Formerly Housing and Land Use Regulatory Board (HLURB)</i></p>	<p>If the subject of the Whistleblowing Complaint/Case arises out of, or is connected with, or refers/relates to any of the instances mentioned in the <i>2011 Revised Rules of Procedure of the Housing and Land Use Regulatory Board</i>:</p> <ol style="list-style-type: none"> (a) Actions concerning unsound real estate business practices filed by buyers; (b) Claims involving refund and other claims filed by subdivision lot or condominium unit buyer against the project owner, developer, dealer, broker or salesman; (c) Cases involving specific performance of contractual and statutory obligations filed by subdivision lot or condominium unit buyer against the project owner, developer, dealer, broker or salesman; (d) Intra-association disputes or controversies arising out of the relations between and among members of homeowners associations; between any or all of them and the homeowners association of which they are members; (e) Inter-association disputes or controversies arising out of the relations between and among two or more homeowners associations; (f) Disputes between such homeowners association and the state insofar as it concerns their individual franchise or right to exist and those which are intrinsically connected with the regulation of homeowners associations or dealing with the internal affairs of such entity; (g) Suits filed in opposition to an application for certificate of registration and license to sell, development permit for condominium projects, clearance to mortgage, or the revocation or cancellation thereof, and locational clearances, certifications or permits, when issued by the Regional Field Office of HLURB;

	<p>(h) Appeals from decisions of local and regional planning and zoning bodies; and</p> <p>(i) Other analogous cases.</p>
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All other cases within the ambit of jurisdiction of other departments/divisions pursuant to other SHFC circulars shall likewise be **referred/endorsed** by the CRCDC to the proper department/division for investigation and appropriate action unless the same have reached such department/division by any other means.

However, in the event that the controversy properly pertains to the courts, quasi-judicial agencies, administrative bodies and other tribunals, the CRCDC shall not in any way institute or commence any action, suit or proceeding for or in behalf of the Whistleblower.

2. WHISTLEBLOWING COMPLAINTS-HANDLING PROCEDURE BY SHFC

2.1. *Applicability*

These rules shall apply to all Whistleblowing Complaints filed with SHFC.

However, SHFC shall no longer entertain a complaint which is the subject of a whistleblowing report or case involving the same parties, issues, and subject matter pending with, or resolved/decided with finality by the Governance Commission, or any court, body, or tribunal, **except** in the instances mentioned in *paragraph 5.5. (b), (c), (d), and (f) of this Chapter*.

2.2. *Form and contents of the complaint*

The CRCDC shall promptly act on reports made or complaints filed in **any form or manner** against any SHFC director, officer, or employee (which shall be referred to as “*respondent*”) concerning the latter’s act or omission which appears to be illegal, unjust, improper, or inefficient, or which may be subject of reportable conditions mentioned in the immediately preceding paragraphs.

No particular form is required for the complaint/report provided that it states in clear, categorical and concise manner the ultimate facts on which it is based, the cause or reason which gave rise to the controversy, the grounds and arguments relied upon, with supporting documents and evidence, if any.

The complaint/report shall also state the names and addresses of the parties involved, if known. In case of an unknown party, such party must be described with such particularity so as to identify the party concerned. However, this does not apply to a Whistleblower who files an anonymous complaint/report but it shall be necessary in all cases that the respondent is properly identified.

The complaint/report may be oral or written, or even in electronic form. However, in case of an oral complaint, the same must be reduced into writing or electronic form within five (5) working days from the date the oral complaint has been made. Within the same period, the written/electronic complaint must be mailed/sent to the CRCDC under the rules stated in the immediately succeeding section.

2.3. Modes for filing of whistleblowing complaint; due process and quantum of proof

The complaint shall be filed with the **Customer Relations and Complaints Division (CRCD)**,⁶ the central complaints-receiving and -handling body of SHFC.

- a. The written complaint shall be filed personally or by registered mail, in a sealed envelope marked “**CONFIDENTIAL**” and addressed to:

Customer Relations and Complaints Division
9th Floor, BDO Plaza, 8737 Paseo de Roxas
Makati City, Philippines

- b. In case of an electronic complaint, the same must be sent to **scex.shfc@gmail.com** or **crcd.shfc@gmail.com**.⁷ The subject heading must read as follows: **WHISTLEBLOWING CASE (NAME OF RESPONDENT/S)**.

Alternatively, whistleblowing cases may be reported to the CRCD thru any of the following means:

- c. By appointment⁸ : face to face meeting with CRCD officers and staff
- d. Telephone : (+632) 750-6337

The CRCD shall carefully evaluate the complaint and shall be guided by the principles of due process. “*Due process*” in CRCD whistleblowing proceedings means that the parties are given ample opportunity to be heard and does not strictly adhere to the concept of due process as applied in court proceedings.

The allegations, claims or defenses of the parties may be established by substantial evidence.

Factual findings of the CRCD supported by substantial evidence shall be final and non-reviewable.

2.4. Action on the whistleblowing complaint

The CRCD shall act upon the complaint within three (3) working days from the time of its filing.

Upon receipt of the complaint, the CRCD shall determine:

- a. Whether the matter falls under its jurisdiction; or
- b. Whether the case calls for referral to other department, division, officer, body or tribunal.

⁶ The Customer Relations and Complaints Division (CRCD) is one of the divisions under the direct supervision of Systems Control and External Affairs Department.

⁷ Subject to the creation of SHFC’s official online reporting portal. Under **GCG Memorandum Circular No. 02, Series of 2016**, SHFC must establish an online portal in their official websites to GCG’s whistleblowing web portal.

⁸ Depends on the circumstances brought about by the “new normal” work environment due to COVID-19 pandemic.

After ascertaining that the matter is within its cognizance, the CRCD may order the respondent to file his response or dismiss the whistleblowing complaint outright if it is patently without merit, merely dilatory, or the matters raised in the complaint are too unsubstantial to require consideration.

2.5. Response

If the whistleblowing complaint is sufficient in form and substance, the CRCD shall order the respondent to file his or her response within ten (10) working days from the receipt of the order. Within the same period, the respondent shall serve copies of the response in such number as there are Whistleblowers.

The response shall be in writing and shall include the defenses, arguments and evidence relied upon by the respondent and the reasons why the complaint should not be given due course. The response shall also contain the respondent's complete name, address, and contact details, together with his or her signature.

The response shall be filed in the manner provided in *paragraphs 2.3.a and 2.3.b of this Chapter*.

If the respondent fails to file his or her response within the time fixed, the CRCD shall resolve the matter on the basis of the complaint and evidence on record unless the CRCD requires the Whistleblower to submit further evidence.

2.6. Proceedings after the response is filed

Within seven (7) working days from the filing of the response or the expiration of the period for filing thereof, the CRCD shall set the matter for initial investigation and/or mediation proceedings.

2.7. Conduct of initial investigation and/or mediation proceedings

The CRCD may conduct an initial investigation or fact-finding inquiry to determine the veracity of the allegations, claims or defenses of the parties. Should the CRCD find the complaint to be meritorious, it may refer the matter to the IED for appropriate action; otherwise, the CRCD shall dismiss the complaint.

To promote mutual peace, the CRCD may also hold mediation proceedings to further hear the concerns of both sides and to encourage the parties to work out their differences, subject to these rules:

- a. Mediation proceedings may be conducted by the personal appearance of the parties or their authorized representatives before the CRCD with or without the appearance/participation of the anonymous Whistleblower. The appearance/participation of the Whistleblower in the mediation proceedings shall mean a waiver of his or her privilege to invoke anonymity.

The mediation may also be conducted via video-conferencing or such other means as the CRCD may deem proper.

b. Information and statements made at mediation proceedings shall be treated as privileged communication and shall not be used as evidence for any other purpose in any other proceeding. Mediators and similar officials shall not testify in any court or body regarding any matters taken up at mediation proceedings conducted by them.

2.8. Resolution; clarificatory hearing

Within twenty (20) working days from the initial investigation or mediation, whichever proceeding comes last, the CRCDD shall resolve the matter unless it requires the parties to submit further evidence. However, should the CRCDD find it necessary to clarify certain material facts, it may, during the said period, issue an order specifying the matters to be clarified, and require the parties to submit affidavits or other evidence on the said matters within ten (10) working days from receipt of said order. The resolution shall be made within ten (10) working days after the receipt of the last clarificatory affidavits, or the expiration of the period for filing the same.

The resolution shall be in writing, duly signed by the manager/head of the CRCDD, and shall state the reasons and bases thereof.

In the event that the case requires a formal investigation, the CRCDD shall refer the case together with its recommendation to the Investigation and Enforcement Division (IED). The IED shall then proceed to formally investigate the case according to its own rules of procedure, subject to the rule stated in *paragraph 2.10.b* below.

2.9. Archiving and revival of the whistleblowing complaint

The CRCDD shall not dismiss the complaint, but shall archive it, if upon its determination it cannot proceed for a valid cause such as the failure of Whistleblower or witnesses to appear due to threats on their lives.

A periodic review of the archived complaints shall be made by the CRCDD that shall, *motu proprio* or upon written request by any party, order their revival when ready for further proceedings.

The complaint shall be dismissed with prejudice upon failure to prosecute the matter after the lapse of six (6) months from notice to the Whistleblower of the order archiving the case.

2.10. Referred/endorsed complaints or cases recommended for review; procedure

a. Complaint referral/endorsement. – In the event the complaint calls for a referral, the CRCDD shall so refer/endorse the complaint to the proper department, division, body or tribunal within three (3) working days from its filing.

b. Cases recommended for review. – Pursuant to the last rule stated in *paragraph 2.8*, and after the **Investigation and Enforcement Division (IED)** has formally investigated the case, it shall draft its recommendation report within twenty (20) working days from the termination of its investigation.

Within three (3) working days from the end of the 20-day period stated in the immediately preceding paragraph, the IED shall submit its recommendation report to the proper department, division, body or tribunal for review and appropriate action.

c. Procedure after the complaint is referred/endorsed or the case is recommended for review. – The head of the department or division, or the hearing officer or arbiter of the body or tribunal to whom the complaint is referred/endorsed by the CRCD, or the case is recommended for review by the IED shall:

- (1) Acknowledge receipt of the complaint/recommendation report; and
- (2) Take all necessary measures to resolve the case in accordance with its own rules of procedure.

2.11. *Institution of separate actions*

This Policy shall not preclude the filing of separate criminal, civil or administrative actions.

2.12. *Supplementary Application of SHFC Rules on Complaints Handling and Other Rules*

In all other matters not provided for in this Policy, the provisions in the proposed **SHFC Rules on Complaints Handling** as well as other pertinent rules shall apply in a supplementary manner.

3. PROTECTION AGAINST RETALIATION

3.1. *Complaints on Retaliation*

Should there be perceived or actual retaliatory acts directed against the Whistleblower, by reason of the Whistleblowing Complaint/Report, he may likewise file a “*Complaint on Retaliation*”, following the same rules mentioned in **Part 2 of this Chapter**.

4. COMPLAINTS INVOLVING SHFC COMPLAINTS-HANDLING OFFICERS OR INVESTIGATING OFFICERS

4.1. *Complaints involving the head or hearing officers of CRCD / IED*

If subject of the Whistleblowing Complaint (or Complaint on Retaliation) is the head or any of the hearing officers of CRCD or IED, the complaint shall be filed with the Compliance Officer who shall proceed to investigate, hear and determine the matter.

4.2. *Complaints involving the Compliance Officer*

In the event that the Compliance Officer himself is the person complained of or is the subject of the Whistleblowing Complaint (or Complaint on Retaliation), the Whistleblower shall file his complaint directly with the Board of Directors of SHFC. It is the Board which shall hear and determine the matter. For this purpose, the Board may create an *ad hoc* Investigating Committee to look into the matter and submit its findings and recommendations to the Board.

In both instances above-mentioned or in case there is no other remedy available in SHFC, the Whistleblower may directly report to the Governance Commission.

5. GCG PROCEDURAL RULES IN HANDLING OF WHISTLEBLOWING REPORTS

Under *GCG Memorandum Circular No. 2016-02*, otherwise known as “*Revised Whistleblowing Policy for the GOCC Sector*”, the Whistleblower may report directly with the Governance Commission, in accordance with the rules stated below.

5.1. *GCG Whistleblowing Portal*

The Governance Commission has established the website www.whistleblowing.gcg.gov.ph as the primary reporting channel for Whistleblowers.

It is an online based platform by which Whistleblowers may securely submit reports electronically while at the same time ensuring anonymity and confidentiality of reports.

Whistleblowers are encouraged to utilize this online reporting channel.

5.2. *Alternative Reporting Channels*

Whistleblowers may also submit whistleblowing reports to the Governance Commission through the following alternative reporting channels:

- a. By appointment : face to face meeting with GCG officers and employees
- b. E-mail : feedback@gcg.gov.ph
- c. Mail : 3/F Citibank Center 8741 Paseo De Roxas, Makati City, Philippines 1226
- d. Telephone/Fax : (+632) 328-2030 to 33

5.3. *Filing of Whistleblowing Reports*

All whistleblowing reports must be submitted to the Governance Commission through the website: www.whistleblowing.gcg.gov.ph or through any of the Alternative Reporting Channels enumerated above.

5.4. *Investigation by the Office of the General Counsel*

All whistleblowing reports shall be evaluated and investigated by the Office of the General Counsel which reserves the right to disregard or dismiss reports that are vague, ambiguous, patently without merit, or are simply made with malicious intent to tarnish the name and reputation of the person/s complained of.

5.5. *Actions of GCG on Whistleblowing Reports*

In case of whistleblowing reports against SHFC directors, officers and employees, the Governance Commission may pursue the following actions:

- a. Dismiss the whistleblowing report for want of palpable merit.
- b. Forward the whistleblowing report to SHFC for corresponding official action;

- c. Submit a formal recommendation to the SHFC Board for the suspension of the respondent Appointive Director:
- d. Submit a formal recommendation to the SHFC President for the removal of the respondent Appointive Director;
- e. Endorse to the proper government agency, such as the Office of the Ombudsman, for the institution of the criminal and/or administrative proceedings against the respondents;
- f. Enjoin the SHFC Board and Management to comply with applicable laws or jurisprudence and/or to undertake corrective measures to address the matters raised in the whistleblowing report; or
- g. Consider the whistleblowing case closed and terminated if the response of the respondent is found to be meritorious and proper under the circumstances.

IV.

EFFECTIVITY

This Policy shall take effect immediately. All previous issuances inconsistent with the provisions of this Policy/Corporate Circular are hereby amended, repealed, and superseded.

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