

FOURTEENTH CONGRESS OF THE REPUBLIC)  
OF THE PHILIPPINES )  
First Regular Session

7 JUN 30 P2:18

SENATE

RECEIVED BY: 

Senate Bill No. 132

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Introduced by Senator Francis N. Pangilinan

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### **EXPLANATORY NOTE**

The University of the Philippines Charter is 96 years old. It was enacted in 1908. As we live in a fast changing world, with humankind advancing radically in terms of science and technology, many changes have taken place since 1908. Centuries old monarchies crumbled, colonies gained independence, and dissimilar cultures came together through convenient continental unions. Likewise, globalization broke barriers in communications, trading and finance, and even personal relationships. Such sweeping changes taking place, and while all else is changing, the University of the Philippines Charter has remained the same, in largely its original form, for 96 long years.

Said to be the bastion of academic freedom and academic excellence, the University of the Philippines nevertheless needs a revised charter to become more *competitive in promoting, fostering, nurturing and protecting the right of all citizens to quality education*. There is need for legislation to modernize, update and revise the organizational structure, rights and responsibilities of the University of the Philippines as an educational institution.

An update charter therefore will allow the University of the Philippines to continue to perform its basic functions of *teaching, research and service to the nation*. Also, it will allow the University to effectively perform its role as a standard-setter and innovator in higher education, as a major center for the sciences and the professions, as the foremost graduate university in the country, as a leading university on research and public service, and as a recognized regional and international university.

In view of the foregoing considerations, immediate approval of the bill is earnestly urged.

  
FRANCIS N. PANGILINAN

CONGRESS OF THE PHILIPPINES)  
FOURTEENTH CONGRESS )  
*First Regular Session*

SENATE  
OFFICE OF THE SECRETARY

7 JUN 30 P2:18

SENATE  
SENATE BILL NO. 132

RECEIVED BY: 

**AN ACT  
TO STRENGTHEN THE UNIVERSITY OF THE PHILIPPINES AS THE NATIONAL  
UNIVERSITY**

*Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:*

1 SECTION 1. *Title.* - This Act shall be known as "The University of the  
2 Philippines Charter of 2007."

3 SEC. 2. *Declaration of Policy.* - The State shall promote, foster, nurture and  
4 protect the rights of all citizens to quality education. Toward this end, it is the policy of  
5 the State to strengthen the University of the Philippines as the National University.

6 SEC. 3. *Purpose of the University.* - As the National University, a public and  
7 secular institution of higher learning, and a community of scholars dedicated to the  
8 search for truth and knowledge, the University of the Philippines shall carry out its  
9 unique and distinctive leadership in higher education and national education  
10 development through its combined functions, as follows:

11 (1) Lead in setting academic standards and initiating innovations in teaching,  
12 research and faculty development in philosophy, the arts and humanities, the  
13 social sciences, the professions and engineering, natural sciences, mathematics,  
14 and technology; and maintain centers of excellence in such disciplines and  
15 professions;

16 (2) Serve as a graduate university by providing advanced studies and  
17 specialization for scholars, scientists, writers, artists and professionals,  
18 especially those who serve on the faculties of state and private colleges and  
19 universities;

1 (3) Serve as a research university in its various fields of expertise and  
2 specialization by conducting basic and applied research and development, and  
3 promoting research in the various colleges and universities, and contributing to  
4 the dissemination and application of knowledge;

5 (4) Lead as a public service university by providing various forms of community,  
6 public , and volunteer service, and scholarly and technical assistance to the  
7 government, the private sector, and civil society while maintaining its standards  
8 of excellence;

9 (5) Protect and promote the professional and economic rights and welfare of its  
10 academic and non-academic personnel;

11 (6) Provide opportunities for training and learning in progressive leadership,  
12 responsible citizenship, and the development of democratic values, institutions  
13 and practice through academic and non-academic programs, including sports  
14 and national identity; and

15 (7) Serve as a regional and global university in cooperation with international  
16 and scientific unions with networks of universities and scholarly and professional  
17 associations in the Asia-Pacific region and around the world.

18 SEC. 4. *The University System.* - The University of the Philippines, hereinafter  
19 referred to as the "University," is a university system and shall be composed of  
20 constituent universities established solely by its Board of Regents upon the  
21 recommendation of the President of the University.

22 SEC. 5. *Academic Freedom.* - The University shall have the right to enjoy and  
23 the responsibility to exercise academic freedom.

24 SEC. 6. *Academic Excellence.* - The University has the responsibility to  
25 maintain and enhance its high academic standards in the performance of its functions of  
26 instructions, research, and extension and public service.

27 SEC. 7. *Commitment To National Development.* - The University shall harness  
28 the expertise of the members of the University community and other individuals to  
29 regularly study the state of the nation in relation to its quest for national development in

1 the primary areas of politics and economics, among others, identify key concerns,  
2 formulate responsive policies regarding these concerns, and give advice and make  
3 recommendations to Congress and the President of the Philippines.

4       SEC. 8. *Social Responsibility.* – The University is committed to serve the Filipino  
5 nation and humanity. While it carries out the obligation to pursue universal principles, it  
6 must relate its activities to the needs of the Filipino people and their aspirations for  
7 social progress and transformation. The University may provide venues for student  
8 volunteerism.

9       SEC. 9. *Democratic Access.* – The University shall take affirmative steps which  
10 may take the form of an alternative and equitable admissions process to enhance the  
11 access of disadvantaged students, such as indigenous peoples and deserving students  
12 from depressed areas, to its programs and services.

13       No student shall be denied admission to the University by reason solely of age,  
14 gender, nationality, religious belief, ethnicity, physical disability, or political opinion or  
15 affiliation.

16       The University recognizes the separation of Church and State. It shall guarantee  
17 religious freedom and shall not discriminate on the basis of religion.

18       SEC. 10. *Sports.* - The University shall undertake and support comprehensive  
19 sports programs that promote physical education, uphold excellence in sports activities  
20 and encourage competitive participation on the same, instill school identity and  
21 solidarity, cultivate pride, self-discipline and teamwork which serves as a foundation for  
22 fostering active participation in the University, as well as in nation building.

23       SEC. 11. *Institutional Autonomy as the National University.* – To provide greater  
24 flexibility to the University, it shall be treated in a manner consistent with its institutional  
25 requirements as the National University by the service-wide agencies in the exercise of  
26 their respective jurisdiction.

27       SEC. 12. *The Board of Regents.* –

1 (1) Composition – The governance of the University is vested in a board of  
2 regents known as the “Board of Regents of the University of the Philippines System,”  
3 hereinafter referred to as the “Board,” composed of:

- 4 (a) The Chairperson of the Commission on Higher Education as Chairperson;
- 5 (b) The President of the University of the Philippines System as Vice-  
6 Chairperson;
- 7 (c) The Chairperson of the Senate Committee on Education, Arts and Culture;
- 8 (d) The Chairperson of the House Committee on Higher and Technical  
9 Education;
- 10 (e) The President of the U.P. Alumni Association, to serve as Alumni Regent  
11 during his or her incumbency in that position;
- 12 (f) One Faculty Regent chosen by the full-time tenure faculty members of the  
13 University from their ranks, to serve for a term of two years;
- 14 (g) One Student Regent, to serve for a term of one year, chosen by the  
15 students from their ranks in accordance with rules and qualifications  
16 approved in a referendum by the students;
- 17 (h) One Staff Regent representing the full-time permanent research,  
18 extension, and professional staff (REPS) and administrative personnel  
19 and chosen by them from their ranks, to serve for a term of two years;  
20 and
- 21 (i) Three other Regents who have distinguished themselves in their  
22 professions or fields of specialization, chosen from a list of five persons  
23 for every vacancy as recommended by a search committee constituted by  
24 the President of the University, based on standards and guidelines  
25 approved by the Board of Regents. At least two of these Regents should  
26 be alumni. All these Regents shall be appointed by the President of the  
27 Philippines considering the recommendation of the Board of Regents and  
28 shall serve for a term of two years: *Provided*, That the Regents holding  
29 office as members of the Board of Regents at the time of the effectivity of

1           this Act shall continue to serve until the expiration of their appointments  
2           as provided in Executive Order No. 204-A, issued by the President of the  
3           Philippines on July 15, 1987.

4           (2)   Vacancy - In case of vacancy in the Board of Regents, except for the  
5   President of the University, such vacancy shall be filled in the same manner as provided  
6   for the predecessor, and such appointee shall hold office for the unexpired term. In the  
7   case of a sectoral Regent, membership in the Board ceases upon suspension,  
8   separation, or recall.

9           (3)   Compensation – Members of the Board shall serve without compensation  
10   other than reimbursement for actual and necessary expenses incurred in attendance to  
11   meetings of the Board or other official business authorized by the Board.

12          (4)   Meetings; Quorum - The Board of Regents shall convene regularly. The  
13   Chairperson of the Board may call a special meeting whenever necessary: *Provided*,  
14   That members are notified in writing at least three days prior to said meeting.

15          A majority of all members of the Board holding office at the time the meeting is  
16   called shall constitute a quorum for Board meetings.

17          In no case shall any and all members of the Board appoint representatives to act  
18   on their behalf.

19          SEC. 13. *Powers and Duties of the Board of Regents.* – The administration of  
20   the University and the exercise of its corporate powers are vested in the Board of  
21   Regents.

22          The Board shall exercise the following specific powers and duties:

23          (a)   To define the thrusts of the University and adopt broad policy guidelines to  
24               ensure their implementation;

25          (b)   To preserve the integrity of the University;

26          (c)   To approve the institution, merger or abolition of academic programs,  
27               upon recommendation of the University Council of the Constituent  
28               University concerned through the President of the University;

- 1 (d) To approve the graduation of students and grant of honors, as  
2 recommended by their respective University Councils through the  
3 President of the University;
- 4 (e) To confer honorary degrees upon persons in recognition of learning,  
5 statesmanship, or eminence in literature, science, or art, upon  
6 recommendation of a committee created by the President of the  
7 University: *Provided*, That such degrees shall not be conferred in  
8 consideration of any payment, gift or other valuable consideration;
- 9 (f) To approve the institutional programs and rules on student discipline,  
10 upon recommendation of the University Councils through the President of  
11 the University;
- 12 (g) To create, organize, reorganize, merge or abolish constituent universities,  
13 colleges, institutes, and other academic and administrative units of the  
14 University;
- 15 (h) To establish professorial chair awards;
- 16 (i) To provide fellowships, scholarships and grants, including athletic grants  
17 and to award the same to faculty, staff and students having special  
18 evidence of merit, especially those who are poor and deserving  
19 individuals;
- 20 (j) To elect the President of the University for a term of six years following a  
21 process of consultation with the University community based on  
22 standards and guidelines set by the Board of Regents. In the event of a  
23 vacancy, the Board of Regents shall elect a president who shall serve a  
24 full term within six months from the occurrence of the vacancy.
- 25 (k) To appoint faculty members and other officials and employees, to draw up  
26 a position classification and compensation plan for its faculty and staff,  
27 and to fix and adjust salaries and benefits of the faculty members and  
28 other employees: *Provided*, That salaries and other benefits of the  
29 faculties shall be comparable to those being received by their

1 counterparts in the private sector; to determine their hours of service, and  
2 such other terms and conditions of employment as it may deem proper; to  
3 grant leave of absence under such regulations as it may promulgate, any  
4 other provisions of law to the contrary notwithstanding; and to remove  
5 them for cause as provided by law after due investigation and proper  
6 hearing;

7 (l) To extend, with their consent, the *tenure of faculty members of the*  
8 *University beyond the compulsory retirement age, on recommendation of*  
9 *the units upon endorsement of the President of the University, whenever*  
10 *their services are especially needed;*

11 (m) To fix the tuition fees and other necessary school charges, as the Board  
12 may deem proper to impose, after due consultation with the students  
13 concerned. Such fees and charges, including government support and  
14 other income generated by the University, shall constitute special trust  
15 funds and shall be deposited in an authorized government depository  
16 bank. Any and all interest that shall accrue therefrom shall form part of  
17 the same funds for the use of the University.

18 Notwithstanding any provision of law to the contrary, all incomes  
19 generated by the University or by its subsidiaries shall, upon their  
20 collection, be retained by the University and disbursed at the discretion of  
21 the Board for the professional growth and development, health, welfare,  
22 and other benefits of the students, faculty members and other personnel;  
23 for the acquisition, construction, maintenance and repair of urgently  
24 needed instructional and auxiliary facilities, equipment, buildings and  
25 other infrastructure; and for expenses necessary for the attainment of its  
26 purposes under its approved program of expenditures;

27 (n) To receive and appropriate all sums as may be provided by law for the  
28 support of the University to the ends specified by law, and all other sums



1 in the manner it may, in its discretion, determine to carry out the purposes  
2 and functions of the University;

3 (o) To authorize the construction, maintenance or repair of its buildings,  
4 machinery, equipment and other facilities, and the purchase and  
5 acquisition of real and personal properties, including necessary supplies,  
6 materials and equipment;

7 (p) To receive in trust legacies, gifts and donations of real and personal  
8 property of all kinds and to administer and dispose the same when  
9 necessary for the benefit of the University and subject to the instructions  
10 of the donor, if any;

11 (q) Notwithstanding any provision of law to the contrary, to authorize its  
12 faculty and staff to travel abroad to study, deliver papers, attend  
13 conferences and disseminate research: *Provided, That the fellowship,*  
14 *scholarship or grant is authorized by the Board of Regents: Provided,*  
15 *finally, That research and other activities funded by the University shall*  
16 *likewise undertake fields or topics that have promising commercial*  
17 *applications, and that the faculty and staff involved in said research be*  
18 *allowed to participate in its financial or economic benefits;*

19 (r) To exercise the general powers set out in the Corporation Code;

20 (s) To delegate any of its powers to the President of the University or other  
21 officials or officers as it may deem necessary;

22 (t) To prescribe rules for its own government and the discipline of the faculty  
23 and other personnel and to enact for the government of the University  
24 such general policies, rules and regulations, not contrary to law, as are  
25 consistent with the purposes of the University; and

26 (u) To exercise such powers as may be proper and necessary to carry out  
27 the objectives of this Act.

28 SEC. 14. *The President of the University.* - The President of the University is  
29 the chief academic officer, head of the University Faculty and the chief executive officer

1 of the University. The President of the University shall exercise the powers specifically  
2 provided for in this Act, those determine by the Board of Regents, those which pertain to  
3 the office of the president of a university, and those which are related or necessary to its  
4 functions. The Board of Regents shall determine the compensation of the President of  
5 the University.

6 The President of the University shall be appointed by the Board of Regents. He  
7 or she shall serve for a term of six years without prejudice to one reappointment after a  
8 determination of outstanding performance by a committee created by the Board of  
9 Regents: *Provided*, That the President of the University sought to be reappointed shall  
10 not vote or participate in the creation of such committee.

11 SEC. 15. *The Secretary of the University and of the Board of Regents.* – There  
12 shall be a Secretary of the University appointed by the Board of Regents, who shall also  
13 be the Secretary of the Board, and who shall keep such records of the University as  
14 may be designated by the Board.

15 SEC. 16. *The University Council.* – There shall be in each constituent university  
16 a University Council consisting of the Chancellor as chairperson, and all faculty  
17 members in the constituent university holding the rank of assistant professor and higher  
18 as members.

19 SEC. 17. *Powers of the University Council.* - The University Council shall be the  
20 highest academic body of each constituent university and shall exercise the following  
21 powers:

- 22 (a) Fix the requirements for admission to any college or unit, graduation, and  
23 the grant of honors subject to the minimum system-wide requirements;
- 24 (b) Prescribe the academic programs including their institution, revision,  
25 abolition and merger, subject to the approval of the Board of Regents;
- 26 (c) Recommend to the Board of Regents the graduation of students and the  
27 grant of honors;
- 28 (d) Exercise disciplinary power over the students, through the Chancellors or  
29 their appropriate committees, subject to review by the President of the

1 University according to the limits prescribed by system-wide rules on  
2 student discipline;

3 (e) Undertake the periodic review of academic courses, programs, standards,  
4 thrusts and policies; and

5 (f) Adopt internal rules or procedure consistent with the provisions of this  
6 Act.

7 SEC. 18. *The Chancellor of the Constituent University.* – The Administration of  
8 each constituent university is vested in the Chancellor insofar as authorized by the  
9 Board of Regents and the President of the University. The Chancellor of the constituent  
10 university shall be elected by the Board of Regents upon nomination of the President of  
11 the University, following a process of consultation with the constituents of the  
12 constituent university based on standards and guidelines set by the Board of Regents.  
13 The Chancellor shall report to the President of the University, and shall perform the  
14 duties and functions elsewhere stated in this Act, and all the usual, necessary and  
15 related functions of the office of the chancellor, subject to the policies and rules  
16 prescribed by the Board of Regents. The Board of Regents shall determine the term  
17 and compensation of the Chancellor.

18 SEC. 19. *The Faculty.* – The teaching staff of each college shall constitute its  
19 faculty. The College Faculty shall be presided over by a Dean. The Dean shall be  
20 elected by the Board of Regents upon nomination of the President of the University and  
21 upon recommendation of the Chancellor of the constituent university, following a  
22 process of consultation with the constituents of the college based on standards and  
23 guidelines set by the Board of Regents.

24 SEC. 20. *Appointment Requisites and Practice of Profession.* - Faculty  
25 members, as well as research, extension and professional staff (REPS) of the  
26 University, shall be exempt as such from any civil service examination or regulation as a  
27 requisite to appointment. The provisions of existing law to the contrary notwithstanding,  
28 licensing requirements for professional regulatory boards shall not affect appointments  
29 to faculty positions. In the appointment of faculty members, no religious test shall be

1 applied, nor shall the religious or political opinions or affiliations of the faculty members  
2 of the University be made subject of examination or inquiry.

3 SEC. 21. *Student Affairs.* – (1) There shall be established in the University the  
4 following student councils: for every college and degree-granting institute, a college or  
5 institute student council; and for every constituent university, a university student  
6 council. Each student council shall advance the interests, welfare, and aspirations of its  
7 constituents. It shall have the power to adopt internal rules of procedure consistent with  
8 the provisions of this Act.

9 Each student council shall be composed of students of an academic unit of the  
10 University duly elected by the students of such unit. Each member of the student  
11 council shall serve for a term of one (1) year, without prejudice to re-election.

12 (2) Every constituent university, college, institute, and department of the  
13 University shall have the right to organize and publish a student publication, funded by  
14 student fees, which shall enjoy unrestricted and immediate access to such funds,  
15 freedom of expression and autonomy in the formulation of editorial policies.

16 SEC. 22. *Land Grants and Other Real Properties of the University.* –

17 (a) The State shall provide subsidy to the University of the Philippines  
18 System as the National University in the form of lump sum amount,  
19 through general appropriations and other financial benefits, and in kind,  
20 through land grants and donations and use of other real properties. To  
21 carry out the intent of these grants, income derived from the development  
22 of all land grants and real properties shall be used to further the ends of  
23 the University, as may be decided by the Board of Regents;

24 (b) Such parcels of land ceded by law, decree or presidential issuance to the  
25 University of the Philippines, are hereby declared to be reserved for the  
26 purposes intended. The absolute ownership of the University over these  
27 landholdings, including those covered by original and transfer certificates  
28 of title in the name of the University of the Philippines and their future  
29 derivatives, is hereby confirmed. Where the issuance of proper

1 certificates of title is yet pending for these landholdings, the appropriate  
2 government office shall expedite the issuance thereof within six months  
3 from the date of effectivity of this Act: *Provided*, That all registration  
4 requirements necessary for the issuance of the said titles have been  
5 submitted and complied with; and

6 (c) The Board of Regents may plan, design, approve and/or cause the  
7 implementation of contracts, mechanisms, and financial instruments, such  
8 as joint ventures, long-term leases, fully-owned subsidiaries,  
9 securitization and, in exceptional cases, sale to give the University the  
10 flexibility to generate revenues and other resources from land grants and  
11 other properties: *Provided*, That such mechanisms and arrangements  
12 shall sustain and protect the environment in accordance with law, and be  
13 exclusive of the academic core zone of the campuses of the University of  
14 the Philippines: *Provided, finally*, That such mechanisms and  
15 arrangements shall not conflict with the academic mission of the  
16 University.

17 SEC. 23. *Safeguards on Assets Disposition.* - The preservation of the value of  
18 the assets of the University shall be of primordial consideration.

19 The exclusive academic core zone of the campuses of the University shall not be  
20 sold, transferred, ceded, conveyed or assigned, encumbered, leased for purposes  
21 inconsistent with its academic mission or otherwise utilized for non-academic purposes.

22 The provision of this Act or any other law to the contrary notwithstanding, the  
23 sale, transfer, conveyance, assignment, lease of more than five years, mortgage or  
24 encumbrance of the assets of the University and any transactions as referred to in  
25 Section 22 shall be subject to the following conditions and procedures:

26 (a) It shall be based on a multi-year comprehensive development plan,  
27 crafted and developed by qualified urban planning professionals having at least five  
28 years experience, with prior consultations with and concurrence of third-party experts  
29 and duly approved by a majority vote of all the members of the Board of Regents;

1 (b) It shall be subject to competitive and public bidding as provided under  
2 Republic Act No. 9184, otherwise known as the Procurement Reform Law;

3 (c) In the case of two failed biddings and negotiated transaction, if  
4 undertaken, the Board of Regents, when considering the approval of any such  
5 transaction, shall secure a fairness opinion report from an independent third-party body.  
6 The said body shall have five members, three of which shall be nominated by the  
7 Bankers Association of the Philippines (BAP), Investment Houses Association of the  
8 Philippines (IHAP), Trust Officers Association of the Philippines, or the Financial  
9 Executive Institute of the Philippines (FINEX). The members shall be entitled to a  
10 reasonable per diem as the Board may specify.

11 The fairness opinion report shall contain a statement expressing the opinion of  
12 the body as to the fairness to the University of the terms of the proposed transaction,  
13 particularly its financial terms. The report shall include, but not limited to, a review and  
14 analysis of the proposed transaction, financial statements, industry information,  
15 economic conditions assumptions using management projections and the assumptions  
16 used therein and a comparison of similar transactions; and

17 (d) If the contract or transaction involves an amount more than P50,000,00, it  
18 shall be approved by two-thirds of all the members of the Board of Regents: *Provided,*  
19 *That the splitting of contracts, which is by breaking up a contract into smaller quantities*  
20 *or amounts or dividing contract implementation into artificial or arbitrary phases or*  
21 *subcontracts for the purpose of circumventing this provision, shall not be allowed. In all*  
22 *other contracts, the approval of the majority of all members of the Board shall be*  
23 *required.*

24 There shall be a formally convened meeting for the purpose of approving the  
25 transaction and the Regents shall be provided with two weeks prior notice.

26 SEC. 24. *Management of Funds.* - (1) There shall be an independent trust  
27 committee to be composed of one representative each nominated by the Bankers  
28 Association of the Philippines (BAP), the Investment House Association of the  
29 Philippines (IHAP), the Trust Officers Association of the Philippines (TOAP) and the

1 Financial Executive Institute (FINEX). The members shall be entitled to a reasonable  
2 *per diem* as the Board may specify. (2) The independent trust committee shall  
3 recommend to the Board five universal banks selected on a prudent basis whose trust  
4 departments shall manage the University's corporate and other funds through trust  
5 agreements on a non-directed basis: *Provided*, That any such agreement shall be for a  
6 period of not more than two years. (3) The independent trust committee shall provide  
7 the Board with direction on appropriate investment objectives and permissible  
8 investments with the view to preserving the value of the funds while allowing the  
9 University to earn a reasonable return thereon.

10 SEC. 25. *Tax Exemptions*. - The provisions of any general or special law to the  
11 contrary notwithstanding:

12 (1) All revenues and assets of the University of the Philippines used actually,  
13 directly and exclusively for educational purposes shall be exempt from all  
14 taxes and duties;

15 (2) Gifts and donations of real and personal properties of all kinds shall be  
16 exempt from the donor's tax and the same shall be considered as  
17 *allowable deductions from the gross income of the donor, in accordance*  
18 *with the provisions of the National Internal Revenue Code of 1997, as*  
19 *amended: Provided*, That the allowable deductions shall be equivalent to  
20 150 percent of the value of such donation. Valuation of assistance other  
21 than money shall be based on the acquisition cost of the property. Such  
22 valuation shall take into consideration the depreciated value of property  
23 in case said property has been used;

24 (3) Importation of economic, technical, vocational, scientific, philosophical,  
25 historical and cultural books, supplies and materials duly certified by the  
26 Board, including scientific and educational computer and software  
27 equipment, shall be exempt from customs duties; and

28 (4) All academic awards shall be exempt from taxes.

1           SEC. 26. *Reportorial Requirements and Auditing of Accounts.* - The University  
2 shall submit an annual report to Congress containing the financial statements,  
3 statement of assets and liabilities, actual projected income from tuition fees and other  
4 revenue sources, contracts and investments entered into pursuant to Section 22 (c)  
5 hereof and programs of expenditure. All accounts and disbursements of the University  
6 shall be audited by the Commission on Audit.

7           SEC. 27. *Applicability of Procurement Laws, Rules and Regulations to the UP*  
8 *System.* - In the procurement of infrastructure projects, goods and consulting services,  
9 the University of the Philippines shall comply with applicable procurement laws as well  
10 as their implementing rules and regulations.

11           SEC. 28. *Rules of Construction.* - No statutory or other issuances shall diminish  
12 the powers, rights, privileges, and benefits accorded to the University under this Act or  
13 enjoyed at present by the University under other issuances not otherwise modified or  
14 repealed under this Act, unless subsequent legislation expressly provides for their  
15 repeal, amendment or modification. Any case of doubt in the interpretation of any of  
16 the provisions of this Charter shall be resolved in favor of the academic freedom and  
17 fiscal autonomy of the University of the Philippines.

18           SEC. 29. *Appropriations.* – The amount needed to carry out the implementation  
19 of this Act shall be charged against the current fiscal year's lump sum appropriation and  
20 other internal funds of the University. Thereafter, such lump sum representing the  
21 national government's responsibility for the continued growth, operation and  
22 maintenance of the University shall be included in the Annual General Appropriations  
23 Act.

24           The University may use unexpended balances in any appropriation for purposes  
25 that the Board of Regents determines.

26           SEC. 30. *Separability Clause.* - Should any provision herein be declared  
27 unconstitutional, the same shall not affect the validity of the other provisions of this Act.



1           SEC. 31. *Repealing Clause.* – Act No. 1870, as amended, and all laws, decrees,  
2 orders, rules, and regulations or other issuances or parts inconsistent with the  
3 provisions of this Act are hereby repealed or modified accordingly.

4           SEC. 32. *Effectivity.* – This Act shall take effect fifteen (15) days after its  
5 publication in the *Official Gazette* or in any newspaper of general circulation in the  
6 Philippines.

Approved,