

A

Introduced by Senator Francis N. Pangilinan

EXPLANATORY NOTE

The strength of the political party system in the Philippines has long been the subject of concern in both the academic field and in the political arena. There is a public perception that Philippine politics is based on personalities rather than ideology. This perception is reinforced by the shifting political allegiance and affirmation of turncoats, whether in national and local politics.

The political parties in the Philippines appear to be visible only during elections. The positions of some of these parties on various issues do not appear to be clear cut and defined. There is little difference in the ideology of a number of political parties established in the country. Hence, it is not surprising that a member of one political party suddenly shifts to another political party at anytime of the year.

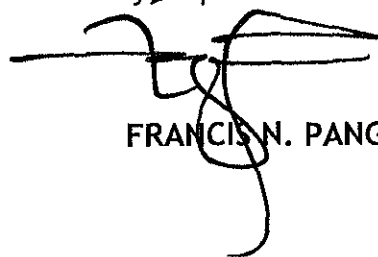
Party loyalty is not as strong as it should be. The politician or candidate for public office bases his or her choice of party-affiliation not on party ideology but on other factors such as availability of funds and the party's political networking. Of these factors, availability of funds for the party's day to day operations and for its campaign election requirements appear to be the primordial consideration for choosing party affiliation.

During elections, contributions from various sources are used by political parties to field and finance the election of candidates to public offices. More often than not, officials who are elected and financed through funds from private sources owe a great degree of loyalty to these private sources. This sense of loyalty is a potential source of malfeasance in office by the official concerned since public interest is subordinated to those of their donors' / contributors'.

This bill aims to minimize the possible influence exerted by private contributors upon elected officials (particularly, the President and the Vice President) whose campaign they have helped finance. This bill also aims to address the problem of political parties in the funding of candidates to the Offices of the President and Vice President, respectively. Under this measure, the political parties are entitled to reimbursement and payments from a public fund to be designated as the "Presidential Campaign Fund". Thus, the evil of private funding can be eradicated.

Moreover, this bill aims to establish the political party as a stronger electoral and lobbying force. The lack of funds has traditionally undermined the strength of the political party. Through subsidizing the political party which seeks to field candidates to the Offices of the President and Vice President, the political party gains strength as a continuing body. Any political party will be able to field candidates who, although qualified and highly competent, are unable to finance the high costs of the election campaign.

In view of the foregoing, approval of this bill is earnestly requested.

A handwritten signature in black ink, consisting of several fluid, overlapping strokes that form a stylized representation of the name Francis N. Pangilinan.

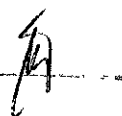
FRANCIS N. PANGILINAN

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

8 MAY 27

SENATE
S. B. No. 2327

RECEIVED BY



Introduced by Senator Francis N. Pangilinan

**AN ACT
PROVIDING FOR THE ESTABLISHMENT OF A
PRESIDENTIAL CAMPAIGN FUND FOR PAYMENT OF THE
APPROPRIATE AND ALLOWED EXPENDITURES OF
POLITICAL PARTIES AND POLITICAL COMMITTEES IN
PRESIDENTIAL AND VICE PRESIDENTIAL ELECTIONS AND
ESTABLISHING PENALTIES FOR VIOLATIONS THEREFOR**

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

Section 1. Short title

This chapter may be cited as the "Presidential Election Campaign Fund Act"

Section 2. Definitions

For purposes of this chapter -

- (1) The term "authorized committee" means, with respect to the candidates of a political party for President and Vice President of the Republic of the Philippines, any political committee which is authorized in writing by such candidates to incur expenses to further the election of such candidates. Such authorization shall be addressed to the chairman of such political committee, and a copy of such authorization shall be filed by such candidates with the commission. Any withdrawal of any authorization shall also be in writing and shall be addressed and filed in the same manner as the authorization.
- (2) The term "candidate" means with respect to any presidential election, an individual who -
 - (A) has been nominated for election to the office of President of the Republic of the Philippines or the office of Vice President of the Republic of the Philippines by a major party, or
 - (B) has qualified to have his name on the election ballot (or have the names of electors pledged to him on the election ballot) as the candidate of a political party for election to either such office.

For purposes of paragraph (6) and (7) of this section and purposes of section 4(a) (2), the term "candidate" means, with respect to any preceding presidential

election, an individual who received popular votes for the office of President in such election. The term “candidate” shall not include any individual who has ceased actively to seek election to the office of President of the Republic of the Philippines or to the office of Vice President of the Republic of the Philippines.

- (3) The term “Commission” means the Commission on Elections”
- (4) The term “eligible candidates” means the candidates of a political party for President and Vice President of the Republic of the Philippines who have met all applicable conditions for eligibility to receive payments under this law as set forth in section 3.
- (5) The term “fund: means the Presidential Elections Campaign Fund established by Section 6(a).
- (6) The term “major party” means, with respect to any presidential election, a political party whose candidate for the office of President in the preceding presidential elections received, as the candidate of such party, 25 percent or more of the total number of popular votes received by all candidates for such office.
- (7) The term “minor party” means, with respect to any presidential election, a political party whose candidate for the office of President in the preceding presidential elections received, as the candidate of such party, 5 percent or more but less than 25 percent of the total number of popular votes received by all candidates for such office.
- (8) The term “new party” means with respect to any presidential election, a political party which is neither a major party nor a minor party.
- (9) The term “political committee” means any committee, association, or organization (whether or not incorporated) which accepts contributions or makes expenditures for the purpose of influencing, or attempting to influence , the nomination or election of one or more individuals to national or local elective public office.
- (10) The term “presidential election” means the election of presidential and vice-presidential electors.
- (11) The term “qualified campaign expense” means an expense -
 - (A) incurred (i) by the candidate of a political party for the office of President to further his elections to such office or to further the elections of the candidate of such political party of the office of Vice President, or both (ii) by the candidate of a political party for the office Vice President to further his election to such office of to further the election of the candidates of a political party for the office of President, or both, or (iii) by an authorized committee of the candidates of a political party for the offices of President and Vice President to further the election of either or both of such candidates to such offices,
 - (B) incurred within the expenditure report period (as defined in paragraph (12)), or incurred before the beginning of such period to the extent such expenses in for property, services, or facilities used during such period, and

- (C) neither the incurring nor payment of which constitutes a violation of any law of the Republic of the Philippines

An expense shall be considered as incurred by a candidate or an authorized committee if it is incurred by a person authorized by such candidate or such committee, as the case may be, to incur such expense on behalf of such candidate or such committee. If an authorized committee of the candidates of a political party for President and Vice President of the Republic of the Philippines also incurs expenses to further the election of one or more other individuals to national or local elective public office, expenses incurred by such committee which are not specifically to further the elections of such other individual or individuals shall be considered as incurred to further the election of such candidates for President and Vice President in such proportions as the Commission prescribes by rules or regulations.

- (12) The term "expenditure report period" with respect to any presidential election means -

- (A) in the case of a major party, the period beginning with the first day of September before the election, or, if, earlier, with the date on which such major party at its national convention nominated of its candidates for elections to the office of President of the Republic of the Philippines, and ending 30 days after the date of the presidential election; and

- (B) in the case of a party which is not a major party, the same period as the expenditure report period of the major party which has the shortest expenditure report period for such presidential election under subparagraph (A).

Section 3. Conditions for eligibility for payments

- (a) In general

In order to be eligible to receive any payments under section 6, the candidate of the political party in the presidential election shall, in writing -

- (1) agree to obtain and furnish to the Commission such evidence as it may request of the qualified campaign expenses of such candidates,
- (2) agree to keep and furnish to the Commission such records, books, and other information as it may request, and
- (3) agree to an audit and examination by the Commission under section 7 and to pay any amounts required to be paid under such section.

- (b) Major parties

In order to be eligible to receive any payments under section 6, the candidates of a major party in a presidential election shall certify to the Commission, under penalty of perjury, that -

- (1) such candidates and their authorized committees will not incur qualified campaign expenses in excess of the aggregate payments to which they will be entitled under section 4, and
- (2) no contributions to defray qualified campaign expenses have been or will be accepted by such candidates or any of their authorized

committees except to the extent necessary to make up any deficiency in payments received out of the fund on account of the fund on amount of the application of section 6(d), and no contributions to defray expenses which would be qualified campaign expenses but for subparagraph (C) of section 2(11) have been or will be accepted by such candidates or any of their authorized committees.

(c) Minor and new parties

In order to be eligible to receive any payment under section 6, the candidates of a minor or new party in a presidential election shall certify to the Commission under penalty or perjury, that -

- (1) such candidates and their authorized committees shall not incur qualified campaign expenses in excess of the aggregate payments to which the eligible candidates of a major party are entitled under section 4, and
- (2) such candidates and their authorized committee will accept and expend or retain contributions to defray qualified campaign expenses only to the extent that the qualified campaign expenses incurred by such candidates and their authorized committees certified to under paragraph (1) exceed that aggregate payments received by such candidates out of the fund pursuant to section 6.

Such certification shall be made within such time prior to the day of the presidential election as the Commission shall prescribe by rules or regulations.

(d) Withdrawal by candidate

In any case in which an individual ceases to be candidate as a result of the operation of the last sentence of section 2(2), such individual -

- (1) shall no longer be eligible to receive any payments under section 6, except that such individual shall be eligible to receive payments under such section to defray qualified campaign expenses incurred while actively seeking election to the office of President of the Republic of the Philippines or to the office of Vice President of the Republic of the Philippines; and
- (2) shall pay to the Secretary, as soon as practicable after the date upon which such individual ceases to be a candidate, an amount equal to the amount of payments received by such individual under section 6 which are not used to defray qualified campaign expenses.

Section 4. Entitlement of eligible candidates to payments

(a) In general

Subject to the provisions of this chapter -

- (1) The eligible candidates of each major party in a presidential election shall be entitled to equal payments under section 6 in an amount which, in the aggregate, shall not exceed the expenditure

limitations applicable to such candidates under existing laws, rules and regulations.

- (2) (A) The eligible candidates of a minor party in a presidential election shall be entitled to payments under section 6 equal in the aggregate to an amount which bears the same ratio to the amount allowed under paragraph (1) for a major party as the number of popular votes received by the candidate for President of the minor party, as such candidate, in the preceding presidential election bears to the average number of popular votes received by her candidates for President of the major parties in the preceding presidential election.

(B) If the candidate of one or more political parties (not including a major party) for the office of the President was a candidate for such office in the preceding presidential election and received 5 percent or more but less than 25 percent of the total number of popular votes received by all candidates for such office, such candidate and his running mate for the office of Vice President, upon compliance with the provisions of section 3(a) and (c), shall be treated as eligible candidates entitled to payments under section 6 in an amount computed as provided in subparagraph (A) by taking into account all popular votes received by such candidate for the office of President in the preceding presidential election. If eligible candidates of a minor party are entitled to payments under this subparagraph, such entitlements shall be reduced by the amount of the entitlement allowed under subparagraph (A).

- (3) The eligible candidates of a minor party or a new party in a presidential election whose candidate for president in such election receives, as such candidate, 5 percent or more of the total number of popular votes cast for the office of President in such election shall be entitled to payments under section 6 equal in the aggregate to an amount which bears the same ratio to the amount allowed under paragraph (1) for a major party as the number of popular votes received in such election bears to the average number of popular votes received in such election by the candidates for President of the major parties. In the case of eligible candidates entitled to payments under paragraph (2), the amount allowable under this paragraph shall be limited to the amount, if any, by which the entitlement under preceding sentence exceeds the amount of entitlement under paragraph (2).

(b) Limitations

The aggregate payments to which the eligible candidates of a political party shall be entitled under subsections (a)(2) and (3) with respect to a presidential election shall not exceed an amount equal to the lower of -

- (1) the amount of qualified campaign expenses incurred by such eligible candidates and their authorized committees, reduced by the amount of allowable contributions to defray qualified campaign expenses received and expended or retained by such eligible candidates and such committees, or

- (2) the aggregate payments to which the eligible candidates of a major party are entitled under subsection (a)(1), reduced by the amount of contributions described in paragraph (1) of this subsection.

(c) Restrictions

The eligible candidates of a political party shall be entitled to payments under subsection (a) only -

- (1) to defray qualified campaign expenses incurred by such eligible candidates or their authorized committees, or
- (2) to repay loans the proceeds of which were used to defray such qualified campaign expenses, or otherwise to restore funds (other than allowed contributions to defray qualified campaign expenses received and expended by such candidates or such committees) used to defray such qualified campaign expenses.

(d) Expenditures from personal funds

In order to be eligible to receive any payment under section 5, the candidate for a major, minor, or new party in an election for the office of President shall certify to the Commission, under penalty of perjury, that such candidate will not knowingly make expenditures from his personal funds, or the personal funds of his immediate family in connection with his campaign for election to the office of President in excess of, in the aggregate, Php250,000.

For purposes of this subsection, expenditures from personal funds made by a candidate of a major, minor, or new party for the office of Vice President shall be considered to be expenditures by the candidate of such party for the office of President.

(e) Definition of immediate family

For purposes of subsection (d), the term "immediate family" means a candidate's spouse, and any child, parent, grandparent, brother, half-brother, sister, or half-sister of the candidate, and the spouses of such persons.

(f) Amount of Allowable Contributions

Within sixty (60) days from the effectivity of this Act, the Commission shall promulgate rules and regulations prescribing the limit of allowable contributions to candidates for presidential and vice-presidential office.

Section 5. Certification Commission

(a) Initial certifications

Not later than 10 days after the candidates of a political party for President and Vice President of the Republic of the Philippines have met all applicable conditions for eligibility to receive payments under this law as set forth in this section 3, the Commission shall certify to the Secretary of the Department of Finance for payment such eligible candidates under section 6

payment in full of amounts to which such candidates are entitled under section 4.

(b) Finality of certifications and determinations

Initial certifications by the Commission under subsection (a), and all determinations made by it under this chapter, shall be final and conclusive, except to the extent that they are subject to examination and audit by the Commission under section 7 and judicial review under section 11.

Section 6. Payments to eligible candidates

(a) Establishment of campaign fund

There is hereby established on the books of the Republic of the Philippines a special fund to be known as the "Presidential Election Campaign Fund". There is appropriated to the fund of the Department of Finance not otherwise appropriated an amount equal to the amounts so designated during each fiscal year, which shall remain available to the fund without fiscal year limitation.

(b) Payments from the fund

Upon receipt of a certification from the Commission under section 5 for payment to the eligible candidates of a political party, the Secretary of the Department of Finance shall pay to such candidates shall be under the control of such candidates.

(c) Insufficient amounts in fund

If at the time of a certification by the Commission under section 5 for payment to the eligible candidates of a political party, the Secretary determines that the moneys in the fund are not, or maybe not, sufficient to satisfy the full entitlements of the eligible candidates of all political parties, he shall withhold from such payment such amount as he determines to be necessary to assure that the eligible candidates of each political party will receive their pro rata share of their full entitlement. Amount withheld by reason of the preceding sentence shall be paid when the Secretary determines that there are sufficient moneys in the fund to pay such amounts, or portions thereof, to all eligible candidates from whom amounts have been withheld, but, if there are not sufficient moneys in the fund to satisfy the full entitlement of the eligible candidates of all political parties, the amounts withheld shall be paid in such manner that the eligible candidates of each political party receive their pro rata share of their full entitlement. In any case in which the Secretary determines that there are insufficient moneys in the fund to make payments under subsection (b), section 8(b)(3), moneys shall not be made available from any other source for the purpose of making such payments.

Section 7. Examinations and audits; repayments

(a) Examinations and audits

After each presidential elections, the Commission shall conduct a thorough examination and audit of the qualified campaign expenses of the candidates of each political party for President and Vice President.

(b) Repayments

(1) If the Commission determines that any portion of the payments made to the eligible candidates of a political party under section 6 was in excess of the aggregate payments to which candidates were entitled under section 4, it shall so notify such candidates, and such candidates shall pay to the Secretary of the Department of Finance an amount equal to such portion.

(2) If the Commission determines that the eligible candidates of a political party and their authorized committees incurred qualified campaign expenses in excess of the aggregate payments to which the eligible candidates of a major party were entitled under section 4, it shall notify such candidates of the amount of such excess and such candidates shall pay to the Secretary of the Department of Finance an amount equal to such amount.

(3) If the Commission determines that the eligible candidates of a major party or an authorized committees of such candidates accepted contributions (other than contributions to make up deficiencies in payments out of the fund on account of the application of section 6(c)) to defray qualified campaign expenses (other than qualified campaign expenses with respect to which payment is required under paragraph (2)), it shall notify such candidates of the amount of contributions so accepted, and such candidates shall pay to the Secretary of the Department of Finance an amount equal to such amount.

(4) If the Commission determines that any amount of any payments made to the eligible candidates of a political party under section 6 was used for any purpose other than -

(A) to defray the qualified campaign expenses with respect to which such payments was made, or

(B) to repay loans the proceeds of which were used, or otherwise to restore funds (other than contributions to defray qualified campaign expenses which were received and expended) which were used to defray such qualified campaign expenses, it shall notify such candidates of the amount used, and such candidates will pay to the Secretary of the Department of Finance an amount equal to such amount.

(5) No payment shall be required from the eligible candidates of a political party under this subsection to the extent that such payments, when added to other payments required from such candidates under this subsection, exceed the amount of payments received by such candidates under section 6.

(c) Notification

No notification shall be made by the Commission under subsection (b) with respect to a presidential election more than 3 years after the day of such election.

(d) Deposit of repayments

All payments received by the Secretary of the Department of Finance under subsection (b) shall be deposited by him in the general fund of the Department of Finance.

Section 8. Payments for presidential nominating conventions

(a) Establishment of accounts

The Secretary shall maintain in the fund, in addition to any account which he maintains under section 6(a), a separate account for the national committee of each major party and minor party. The Secretary shall deposit in each such account an amount equal to the amount, which each such committee may receive under subsection (b). Such deposits shall be made before any transfer in made to any account for any eligible candidate under section 6(a).

(b) Entitlement to payments from the fund

(1) Major parties

Subject to the provision of this section, the national committee of a major party shall be entitled to payments under paragraph (3), with respect to any presidential nominating convention, in amounts which, in the aggregate, shall not exceed Php4,000,000.

(2) Minor parties

Subject to the provision of this section, the national committee of a minor party shall be entitled to payments under paragraph (3), with respect to any presidential nominating convention, in amounts which, in the aggregate, shall not exceed an amount which bears the same ratio to the amount the national committee of a major party is entitled to received under paragraph (1) as the number of popular votes received by the candidate for President of the minor party, as such candidate, in the preceding presidential election bears to the average number of popular votes recoiled by the candidates for President of the Republic of the Philippines of the major parties in the preceding presidential election.

(3) Payments

Upon receipt of certification from the Commission under subsection (g), the Secretary shall make payments from the appropriate account maintained under subsection (a) to the National committee of a major party or minor party, which elects to receive its entitlements under this subsection. Such payments shall be available for use by such committee in accordance with the provisions of subsection (c)

(4) Limitation

Payments to the national committee of a major party or minor party under this subsection, from the account designated for such committee shall be limited to the amount in such account at the time of payment.

(5) Adjustments of entitlements

The entitlements established by this subsection shall be adjusted in accordance with increases in price index as follows:

(A) At the beginning of each calendar year, as there become available necessary data from the Department of Labor, the Secretary of Labor shall certify to the Commission the percent difference between the price index of the 12 months preceding the beginning of such calendar year and the price index for the price period. The limitations established herein shall be increased

by such percent difference. Each amount so increased shall be the amount in effect for such calendar year.

(B) For purposes of paragraph (1) - (i) the term "price index" means the average over a calendar year of the Consumer Price Index; (ii) the term "base period" means the calendar year 2001.

(c) Use of funds

No part of any payment made under subsection (b) shall be used to defray such expenses of any candidate or delegate which is participating in any presidential nominating convention. Such payments shall be used only -

(1) to defray expenses incurred with respect to a presidential nominating convention (including the payment of deposits) by or on behalf of the national committee receiving such payments; or

(2) to repay loans the proceeds of which were used to defray such expenses, or otherwise to restore funds (other than contributions to defray such expenses received by such committee) used to defray such expenses.

(d) Limitation of expenditures

(1) Major parties

Except as provided by paragraph (3), the national committee of a major party may not make expenditures with respect to a presidential nominating convention which, in the aggregate, exceed the amount of payments to which such committee is entitled under subsection (b)(1).

(2) Minor parties

Except as provided by paragraph (3), the national committee of a major party may not make expenditures with respect to a presidential nominating convention which, in the aggregate, exceed the amount of entitlement of a national committee of a major party under subsection (b)(1).

(3) Exception

The Commission may authorize the national committee of a major party or minor party to make expenditures, which, on the aggregate, exceed the limitation established by paragraph (1) or paragraph (2) of this subsection. Such authorization shall be based upon a determination by the Commission that, due to extraordinary and unforeseen circumstances, such expenditures are necessary to assure the effective operation of the presidential nominating convention by such committee.

(4) Provision of legal or accounting services

For purposes of this section, the payment, by any person other than the national committees of a political party (unless the person paying for such services is a person other than the regular employer or the individual rendering such services) of compensation to any individual for legal or accounting services to or on behalf of the national committee of a political party shall not be treated as an expenditure made by or on behalf of such

committee with respect to its limitation on presidential nomination convention expenses

(e) Availability of payments

The national committee of a major party or minor party may receive payments under subsection (b)(3) beginning on July 1 of the calendar year immediately preceding the calendar year in which a presidential nominating convention of the political party involved is held.

(f) Transfer to the fund

If, after the close of a presidential nominating convention and after the national committee of a political party involved has been paid the amount which it is entitled to receive under this section, there are moneys remaining in the account of such national committee, the Secretary shall transfer the moneys so remaining to the fund.

(g) Certification by Commission

Any major party or minor party may file a statement with the commission in such form and manner and that at such times as it may require, designating the national committee of such party. Such statements shall include the following information:

- (1) the name and address of the committee;
- (2) the names, addresses, and relationships of affiliated or connected organizations;
- (3) the area, scope, or jurisdiction of the committee;
- (4) the name, addresses, and position of custodian of books and accounts;
- (5) the name, address and positions of other principal officers, including officers and members of the finance committee, if any;
- (6) the name, address, the office sought, and party affiliation of (a) each candidate whom the committee is supporting, and (b) any other individual, if any, whom the committee is supporting for nomination for election, or election, to any public office whatever; or if, the committee is supporting the entire ticket of any party, the name of the party;
- (7) a statement whether the committee is a continuing one;
- (8) the disposition of residual funds which will be made in the event of dissolution;
- (9) a listing of all banks, safety deposit boxes or other repositories used;
- (10) a statement of the reports required to be filed by the committee with national and local officers, and if so, the names, addresses, and positions of such persons; and
- (11) Such other information as shall be required by the Commission.

Upon receipt of a statement filed under the preceding sentences, the Commission promptly shall verify such statement according to such procedures and criteria as it may establish and shall certify to the Secretary for payment in full to any such committee of amounts to which such committee may be entitled under subsection (b). Such certification shall be subject to an examination and audit which the Commission shall conduct no later than December 31, of the calendar year in which the presidential nominating convention involved is held.

(h) Repayments

The Commission shall have the same authority to require repayments from the national committee of a major party or a minor party as it has with respect to repayments from any eligible candidate under section 7(b). The provision of section 7(c) and section (d) shall apply with respect to any repayment required by the Commission under this subsection.

Section 9. Report to Congress; regulations

(a) Reports

The Commission shall, as soon as practicable after each presidential election, submit a full report to the Senate and House of Representatives setting forth -

- (1) the qualified campaign expenses (shown in such detail as the Commission determines necessary) incurred by the candidates of each political party and their authorized committees;
- (2) the amounts certified by it under section 5 for payment to the eligible candidates of each political party;
- (3) the amount of payments, if any, required from such candidates under section 7, and the reason for each payment required; and
- (4) the expenses incurred by the national committee of a major party or minor party with respect to a presidential nominating convention;
- (5) the amount certified by it under section 8(g) for payment to each such committee; and
- (6) the amount of payments, if any, required from such committees under section 8(h), and the reason for each such payment.

Each report submitted pursuant to this section shall be printed as a Senate document.

(b) Regulations, etc.

The Commission is authorized to prescribe such rules and regulations in accordance with the provisions of subsection (c), to conduct such examinations and audits (in addition to the examinations and audits required by section 7(a), to conduct such investigations, and to require the keeping and submission of such books, records, and information, as it deems necessary to carry out the functions and duties imposed on it by this chapter.

(c) Review of regulations

(1) The Commission, before prescribing any rule and regulations under subsection (b), shall transmit a statement with respect to such rule or regulation to the Senate and to the House of Representatives, in accordance with the provisions of this subsection. Such statement shall set forth the proposed rule or regulation and shall contain a detailed explanation and justification of such rule or regulation.

(2) If either such House does not, through appropriate action, disapprove the proposed rule or regulation set forth in such statement no later than 30 legislative days after receipt of such statement, then the Commission may

prescribe such rule or regulation. Whenever a committee of the House of Representatives reports any resolution relating to any such rule or regulation, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider to vote by which the motion is agreed to or disagreed to. The Commission may not prescribe and rule or regulation which is disapproved by either such House under this paragraph.

(3) For the purposes of this subsection, the term "legislative days" does not include any calendar day on which both House of the Congress are not in session.

(4) For purposes of this subsection, the term "rule or regulation" means a provision or series of interrelated provisions stating a single separable rule of law.

Section 10. Participation by Commission in judicial proceedings

(a) Appearance by counsel

The Commission is authorized to appear in and defend against any action filed under section 11, either by attorneys employed in its office or by counsel whom it may appoint.

(b) Recovery of certain payments

The Commission is authorized through attorneys and counsel described in subsection (a) to petition the courts of the Republic of the Philippines to seek recovery of any amounts determined to be payable to the Secretary of the Department of Finance as a result of examination and audit made pursuant to section 7.

(c) Declaratory and injunctive relief

The Commission is authorized through attorneys and counsel described in subsection (a) to petition the courts of the Republic of the Philippines for declaratory or injunctive relief concerning any civil matter covered by the provision of this subtitle.

Upon application of the Commission as action brought pursuant to this subsection shall be heard and determined by the appropriate court in accordance with applicable laws, rules and regulations.

(d) Appeal

The Commission is authorized on behalf of the Republic of the Philippines to appeal from, and to petition the Supreme Court for certiorari to review, judgments or decrees entered with respect to actions in which it appears pursuant to the authority provided in this section.

Section 11. Judicial Review

(a) Review of certification, determination, or other action by the Commission. Any certification, determination, or other action by the Commission made or taken

pursuant to the provisions of this chapter shall be subject to review by the Court of Appeals upon petition filed in such Court by any interested person. Any petition filed pursuant to this section shall be filed within thirty days after the certification, determination, or other action by the Commission for which review is sought.

(b) Suits to implement chapter

(1) The Commission, the national committee of any political party, and individuals eligible to vote for President are authorized to institute such actions, including actions for declaratory judgment or injunctive relief, as may be appropriate to implement or construe any provisions for this chapter.

(2) The appropriate courts of the Republic of the Philippines shall have jurisdiction of proceedings instituted pursuant to this subsection and shall exercise the same without regard to whether a person asserting rights under provisions of this subsection shall have exhausted administrative or other remedies that may be provided at law.

Section 12. Criminal penalties

(a) Excess expenses

(1) It shall be unlawful for an eligible candidate of a political party for President and Vice President in a presidential election or any of his authorized committees knowingly and willfully to incur qualified campaign expenses in excess of the aggregate payments to which the eligible candidates of a major party are entitled under section 4 with respect to such election. It shall be unlawful for the national committee of a major party or minor party knowingly and willfully to incur expenses with respect to a presidential nominating convention in excess of the expenditure limitation applicable with respect to such committee under section 8(d), unless the incurring of such expenses is authorized by the Commission under section 8(d)(3).

(2) Any person who violates paragraph (1) shall be fined not more than Php500,000, or imprisoned not more than one year or both. In case of a violation by an authorized committee, any officer or member of such committee who knowingly and willfully consent to such violations shall be fined not more than Php500,000, or imprisoned not more than one year, or both.

(b) Contributions

(1) It shall be unlawful for an eligible candidate of a major party in a presidential election or any of his authorized committees knowingly and willfully to accept any contributions to defray qualified campaign expenses, except to the extent necessary to make up any deficiency in payments received out of the fund on account of the application of section 6(c), or to defray expenses which would be qualified campaign expenses but for subparagraph (C) of section 2(11).

(2) It shall be unlawful for an eligible candidate of a political party (other than a major party) in a presidential election or any of his authorized committees knowingly and willfully to accept and expend or retain contributions to defray qualified campaign expenses in an amount which exceeds the qualified campaign expenses incurred with respect to such election by such eligible candidate... (PARAGRAPH NOT COMPLETE)

(3) Any person who violates paragraph (1) or (2) shall be fined not more than Php500,000, or imprisoned not more than one year, or both. In the case of a violation by an authorized committee, any officer or member of such committee who knowingly and willfully consent to such shall be fined not more than Php500,000, or imprisoned not more than one year, or both.

(c) Unlawful use of payments

(1) It shall be unlawful for any person who receives any payment under section 6, or to whom any portion of any payment received under such section is transferred, knowingly and willfully to use, or authorize the use of, such payment or such portion for any purpose other than -

(A) to defray the qualified campaign expenses with respect to such payment was made , or

(B) to repay loans the proceeds of which were used, or otherwise to restore funds (other than contributions to defray qualifies campaign expenses which were received and expended) which were used , to defray such qualified campaign expenses.

(2) It shall be unlawful for the national committee of a major party or minor party which receives any payment under section 8 (b)(3) to use, or authorized the use of, such payment for any purpose other than a purpose authorized by section 8(c).

(3) Any person who violates paragraph (1) shall be fined not more than Php1,000,000, or imprisoned not more than five years, or both.

(d) False statements, etc.

(1) It shall be unlawful for any person knowingly and willfully -

(A) to furnish any false, fictitious, or fraudulent evidence, books, or information to the Commission under this subtitle, or to include in any evidence, books, or information so furnished any misinterpretation of a material fact, or to falsify or conceal any evidence, books or information relevant to certification by the Commission or an examination and audit by the Commission under this act; or

(B) to fail to furnish to the Commission any records, books or information requested by r for purposes of this act.

(2) Any person who violates paragraph (1) shall be fined not more than Php1,000,000, or imprisoned not more than five years, or both.

(e) Kickbacks and illegal payments

(1) It shall be unlawful for any person knowingly and willfully to give or accept any kickback or any illegal payment in connection with any qualified campaign expenses or eligible candidates or their authorized committees. It shall be unlawful for the national committee of a major party or minor party knowingly and willfully to give or accept any kickback or any illegal payment in connection with any expense incurred by such committee with respect to a presidential nominating convention.

(2) Any person who violates paragraph (1) shall be fined not more than Php1,000,000, or imprisoned not more than five years, or both.

(3) In addition to the penalty provided by paragraph (2), any person who accepts any kickback or any illegal payment in connection with any qualified campaign expense of eligible candidates or their authorized committees, or in connection with any expense incurred by the national committee of a major or minor party with respect to a presidential nominating convention shall pay to the Secretary of Finance, for deposit in the general fund of the Department of Finance, an amount equal to 125 percent of the kickback or payment received.

(f) Unauthorized expenditures and contributions

(1) Except as provided in paragraph (2), it shall be unlawful for any political committee which is not authorized committee with respect to the eligible candidates for a political party for President and Vice President in a presidential election knowingly and willfully to incur expenditures to further the election of such candidates, which would constitute qualified campaign expenses in incurred by an authorized committee of such candidates, in an aggregate amount exceeding Php1,000,000.

(2) This subsection shall not apply to (a) expenditures by a broadcaster regulated by the National Telecommunications Commission, or by a periodical publication, in reporting the news or in taking editorial positions, or (B) expenditures by any organization in communicating to its members the views of that organization.

(3) Any political committee which violates paragraph (1) shall be fined not more than Php500,000, and any officer or member of such committee who knowingly and willfully consent to such violation and any other individual who knowingly and willfully violates paragraph (1) shall be fined not more than Php500,000, or imprisoned not more than one year, or both.

(g) Unauthorized disclosure of information

(1) It shall be unlawful for nay individual to disclose any information obtained under the provisions of this chapter except as may be required by law.

(2) Any person who violates paragraph (1) shall be fined not more than Php500,000, or imprisoned not more than one year, or both.

Section 13. Separability Clause

In any section or provision of this Act shall be declared unconstitutional or invalid, the other section or provision not affected thereby shall remain in full force and effect.

Section 14. Repealing Clause

All laws, decrees, orders, rules and regulations and other issuance inconsistent with the provisions of this Act are deemed modified, revoked or repealed accordingly.

Section 15. Effectivity

This act shall take in effect fifteen (15) days after its publication in two (2) newspapers of general circulation.

Approved,