

SENATE

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COMMITTEE REPORT NO. 435

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Prepared and submitted jointly by the Committees on Electoral Reforms and People's Participation; and Finance on SEP - 5 2018.

Re : Senate Bill No. 1984

Recommending its approval in substitution of Senate Bill Nos. 226, 455, and 885.

Sponsor : Senator Pimentel III

MR. PRESIDENT:

The Committees on Electoral Reforms and People's Participation; and Finance, to which were referred **Senate Bill No. 226**, introduced by Senator Drilon, entitled:

**AN ACT
STRENGTHENING THE POLITICAL PARTY SYSTEM**

Senate Bill No. 455, introduced by Senator Trillanes IV, entitled:

**AN ACT
STRENGTHENING THE POLITICAL PARTY SYSTEM,
APPROPRIATING FUNDS THEREFOR AND FOR
OTHER PURPOSES**

and **Senate Bill No. 885**, introduced by Senator Ejercito, entitled:

**AN ACT
STRENGTHENING THE POLITICAL PARTY SYSTEM,
APPROPRIATING FUNDS THEREFOR AND FOR
OTHER PURPOSES**

have considered the same and have the honor to report them back to the Senate with the recommendation that the attached **Senate Bill No. 1984**, entitled:

**AN ACT
STRENGTHENING THE POLITICAL PARTY SYSTEM
OF THE PHILIPPINES, CREATING A STATE SUBSIDY
FUND FOR POLITICAL PARTIES, AND FOR OTHER
PURPOSES**

be approved in substitution of Senate Bill Nos. 226, 455, and 885 with Senators Drilon, Trillanes IV, Ejercito, and Pimentel III as authors thereof.

RESPECTFULLY SUBMITTED:

Chairpersons:



AQUILINO "KOKO" PIMENTEL III

Committee on Electoral Reforms and People's Participation



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Committee on Finance

Member, Committee on Electoral Reforms and People's Participation

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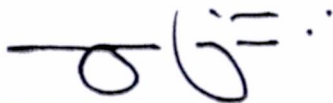
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Committee on Finance

May interpellate & propose amendments.



JOEL VILLANUEVA
Committee on Finance



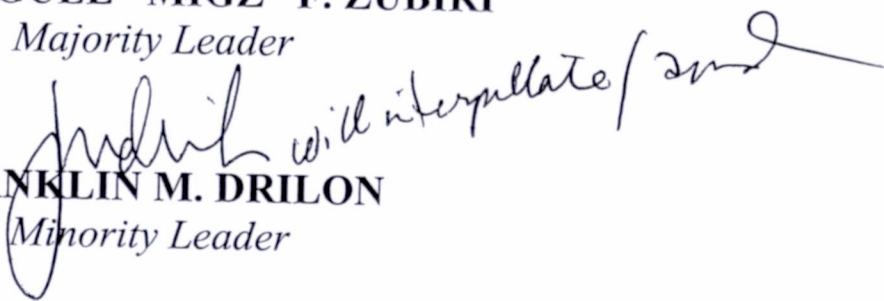
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Minority Leader

HON. VICENTE C. SOTTO III
President
Senate of the Philippines

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SENATE

Senate Bill No. 1984

RECEIVED 

(In substitution of SBNs 226, 455, and 885)

Prepared by the Committee on Electoral Reforms and People's
Participation and by the Committee on Finance
with Senators Drilon, Trillanes IV, Ejercito, and Pimentel III as authors

**AN ACT STRENGTHENING THE POLITICAL PARTY SYSTEM
OF THE PHILIPPINES, CREATING A STATE SUBSIDY FUND
FOR POLITICAL PARTIES, AND FOR OTHER PURPOSES**

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

1 **SECTION 1. *Short Title.*** – This Act shall be known as "*The*
2 *Political Party System Act*".

3 **SEC. 2. *Declaration of Policy.*** – It is hereby declared a policy of
4 the State to institutionalize and strengthen political parties as pillars of
5 the country's democratic system. Toward this end, the State shall:

6 (a) institute reforms in campaign financing to promote
7 accountability and transparency and reduce opportunities for
8 graft and corruption;

9 (b) foster the development of strong political parties through
10 financial subsidies for party development and campaign
11 expenditures;

- 1 (c) promote party loyalty, discipline, and adherence to ideological
2 principles, platforms, and programs;
- 3 (d) institute measures to professionalize political parties and make
4 them viable instruments of development and good governance;
5 and
- 6 (e) encourage and support continuing voters' education through
7 the political parties.

8 **SEC. 3. *Definition of Terms.*** – As used in this Act, the following
9 terms shall mean:

- 10 (a) *Accredited National Political Party* refers to a national
11 political party qualified to receive subsidy for party
12 development and campaign purposes, and accredited for this
13 purpose by the Commission on Elections (COMELEC) based
14 on the criteria provided under this Act.
- 15 (b) *Candidate* refers to any person aspiring for or seeking an
16 elective public office, who by himself or duly nominated by an
17 accredited political party, aggroupment, or coalition of parties,
18 has filed a certificate of candidacy with the Commission.
- 19 (c) *Campaign Contribution* refers to any form of donation to any
20 candidate, political party, aggroupment, or coalition thereof. It
21 includes any gift, donation, subscription, loan, advance or
22 deposit of money or anything of value, or those arising from
23 contract, pledge, or agreement to contribute, made for the
24 purpose of influencing the results of the elections, but shall not
25 include services rendered without compensation by individuals
26 volunteering a portion or all of their time in behalf of a

1 candidate or political party. It also includes the use of office
2 space, facilities, equipment, office supplies, and other
3 materials and fixtures voluntarily donated by other persons, or
4 allowed their use for free, the monetary value of which shall
5 be assessed based on market rates prevailing in a particular
6 area.

7 (d) *Campaign Expenditure* refers to any type of expense incurred,
8 regardless of source, amount, and purpose, that relates, directly
9 or indirectly, to the conduct of an electoral campaign. It
10 includes all payments of money or anything of value, or a
11 contract, promise, or agreement to spend, for the purpose of
12 influencing the results of the election. It includes the use of
13 office space and facilities personally owned by the candidate,
14 the monetary value of the use of which shall be assessed based
15 on the market rates prevailing in a particular area.

16 (e) *Coalition Agreement* refers to an agreement between different
17 political parties who are cooperating to achieve a particular
18 aim.

19 (f) *Disclosure Requirement* refers to the duty of all candidates and
20 political parties, aggroupment, or coalitions thereof to reveal
21 the details of campaign contributions received by them, and
22 the expenditures made on account thereof. For accredited
23 national political parties, it includes expenditures and
24 destinations of party development and campaign monies given
25 to them as their share in the State Subsidy Fund established
26 under this Act.

27 (g) *COMELEC* refers to the Commission on Elections.

- 1 (h) *Donor* refers to any person not prohibited by law to contribute
2 money, property, or any other form of material contribution to
3 a candidate, political party, aggroupment, or coalition thereof.
- 4 (i) *Donee* refers to any political party duly accredited with the
5 COMELEC or any authorized representative acting in behalf
6 of or in the interest of the party to whom money, property, or
7 any other form of contribution is made.
- 8 (j) *Person* includes an individual, partnership, committee,
9 association, corporation, and any other organization or group
10 of persons.
- 11 (k) *National Political Party* refers to a political party duly
12 registered with the COMELEC, whose constituency is
13 effectively spread across the geographical territory of all or a
14 majority of the administrative regions of the Philippines,
15 pursuing or advocating a particular ideology, platform of
16 government, values, principles, and policies for the general
17 conduct of government and which, as the most immediate
18 means of securing their adoption and implementation,
19 regularly nominates and supports its members as candidates
20 for public office.
- 21 (l) *Political Opportunism* refers to any act of a party member
22 constituting disloyalty to the party, or regular non-adherence to
23 the party's ideological principles, platforms, policies, and
24 programs, as determined by the party in accordance with its
25 constitution and by-laws.
- 26 (m) *Political Turncoatism* refers to the change of political party
27 affiliation by any candidate, whether or not elected, within one

1 (1) year prior to the next election and within one (1) year after
2 the immediately preceding election. Political turncoatism shall
3 not apply in any of the following instances:

4 (1) change in party affiliation before the effectivity of this
5 Act;

6 (2) abolition, merger, or coalition of political parties where a
7 candidate is a registered member thereof;

8 (3) expulsion in writing of a registered member from the
9 political party: *Provided*, That the cause for such does
10 not constitute political opportunism.

11 (n) *State Subsidy Fund* refers to the fund established under this
12 Act for party development and campaign activities of national
13 political parties duly accredited by the COMELEC.

14 **NATIONAL POLITICAL PARTY/CANDIDATES**

15 **SEC. 4. *Registration as a National Political Party.*** – Any
16 organized group of persons seeking registration as a national political
17 party may file with the COMELEC a verified petition attaching thereto
18 its constitution and by-laws, platform, principles, policies, and general
19 program of government, a verified list of its national officials, members
20 of the executive board, or its equivalent, and the heads of its regional,
21 provincial, and city chapters, annual statement of accounts, and such
22 other relevant information as may be required by the COMELEC.

23 The COMELEC shall, after due notice and hearing, resolve the
24 petition within ten (10) days from the date it is submitted for decision.
25 National Political Parties already registered as such with the
26 Commission prior to the effectivity of this Act are not required to

1 register anew, but are required to submit their intent to continue
2 participating in elections within a period of six (6) months after the
3 effectivity of this Act.

4 **SEC. 5. *Policy Agenda and Program of Governance.*** – National
5 Political Parties are mandated to craft a clear policy agenda and program
6 of governance consistent with their party philosophy and ideals. The
7 members of the National Political Party shall endeavor to act in
8 accordance with the defined party platform and pursue programs to
9 fulfill party commitments.

10 **SEC. 6. *Party Ethics.*** – Accredited National Political Parties, as
11 provided for in *Section 21* of this Act, shall institute internal control
12 mechanisms to promote accountability and transparency within the
13 party. Accredited National Political Parties shall likewise develop and
14 enforce an internal code of conduct and ethical standards that will guide
15 party members in upholding the values and standards of public life, and
16 toward this end shall formulate and implement disciplinary procedures
17 for party members: *Provided*, That said program for internal controls,
18 ethical standards, and disciplinary procedures shall be duly submitted to
19 the COMELEC and made available to the public.

20 **SEC. 7. *Selection of Candidates.*** – The selection process for
21 candidates of National Political Parties shall be democratized through
22 the adoption of a process that is fair, open, and transparent, and which
23 promotes participation of choice from the members of the party. Toward
24 this end, every National Political Party is mandated to formulate a merit
25 system on nomination and selection of candidates who must be members
26 of the party. Every National Political Party shall submit to the
27 COMELEC its rules governing the merit system on nomination and

1 selection of candidates not later than one hundred and eighty (180) days
2 before the election day following the effectivity of this Act.

3 Any aggrieved member of an Accredited National Political Party
4 may file a verified complaint to its Grievance and Arbitration
5 Committee not later than ten (10) days after the party convention, for
6 violation of the rules governing the merit system on the nomination and
7 selection of candidates. Every National Political Party shall hold
8 conventions or meetings to nominate their official candidates not earlier
9 than fifteen (15) days before the start of election period and shall submit
10 to the COMELEC not later than the start of the election period the
11 names of the officials of the party authorized to nominate their official
12 candidates.

13 No political party shall nominate more candidates than the number
14 of persons required to be voted for in an elective position nor shall any
15 candidate be allowed to accept nominations from more than one
16 registered political party, except in cases of aggroupment or coalitions
17 thereof. Nominations made in violation hereof shall be denied due
18 course by the Commission and the candidates concerned shall be
19 considered independent candidates. The nominations of candidates of
20 political parties shall be filed not later than the last day for filing of the
21 certificates of candidacy as determined by the COMELEC.

22 **SEC. 8. *Certificate of Nomination and Acceptance.*** – The
23 certificate of nomination and acceptance shall state that the person
24 issuing the nomination is the duly authorized representative of the
25 political party as provided for in its constitution and by-laws, that the
26 person named therein is the official candidate of the party for the
27 elective position stated, and that he has accepted said nomination. The

1 certificate of nomination and acceptance shall be subscribed under oath
2 by the duly authorized representative of the political party.

3 **POLITICAL TURNCOATISM**

4 **SEC. 9. *Changing Political Party Affiliation.*** – Any member of a
5 National Political Party who changes party affiliation after being
6 nominated by the party shall be deemed to have committed Political
7 Turncoatism.

8 **SEC. 10. *Penalties for Political Turncoatism.*** – Political
9 Turncoats shall be:

10 (a) Deemed to have forfeited their elective office if they change
11 their political party affiliation, within one (1) year prior to the
12 next election and within one (1) year after the immediately
13 preceding election;

14 (b) Prohibited from being appointed or from holding any position
15 in any public or government office for three (3) years after the
16 expiration of the current term or office;

17 (c) Prohibited from assuming any executive or administrative
18 position in the new political party; and

19 (d) Directed to refund any and all amounts the political turncoat
20 received from the previous political party, plus a fifty percent
21 (50%) surcharge thereon.

22 **SEC. 11. *Petition for Disqualification.*** – Any citizen of voting
23 age, or any candidate, political party, aggroupment, or coalition thereof,
24 may file with the COMELEC, upon the filing of the certificate of
25 candidacy and before proclamation, a verified petition to disqualify a
26 candidate on the ground of political turncoatism as defined in this Act.

1 prior to the campaign period, a statement of account of every political
2 party with deposits. The COMELEC shall cause the publication of the
3 account of all political parties in any newspaper of general circulation
4 within five (5) days before the elections.

5 **SEC. 16. *Authorized Expenses of National Political Parties.*** –

6 The amount that a National Political Party may spend for every election
7 campaign shall be Twenty Pesos (P20.00) for every voter currently
8 registered in the constituency or constituencies where it has an official
9 candidate.

10 **STATE SUBSIDY FUND**

11 **SEC. 17. *Establishment of a State Subsidy Fund.*** – There is
12 hereby established a State Subsidy Fund, hereafter referred to as the
13 Fund, which shall be used to augment the operating funds of Accredited
14 National Political Parties. The funds shall be used directly and
15 exclusively for party development and campaign expenditures.

16 **SEC. 18. *Allowable Party Development Activities.*** – Due to the
17 vital role played by the National Political Parties in the country's
18 political development, and in order to promote professionalism and
19 accountability among members of the parties, the following party
20 development activities shall be allowed to be funded out of the Fund:

- 21 (a) Party administration, recruitment, and civic education;
- 22 (b) Research and policy development;
- 23 (c) Education and training of members;
- 24 (d) Institution building and constituent outreach program; and
- 25 (e) Other reasonable logistical and operational expenses that are

1 essential in strengthening the party.

2 **SEC. 19. Allowable Campaign Expenditures.** – The Accredited
3 National Political Parties are authorized to use the subsidy given to them
4 only for the following campaign activities:

5 (a) Operating expenses of the party, which may include hiring of
6 personnel, professional secretariat, setting up of headquarters,
7 and other relevant electoral expenditures;

8 (b) Traveling expenses of the candidates and support personnel in
9 the course of the campaign, and for personal expenses incident
10 thereto;

11 (c) Information dissemination and advocacy campaigns of the
12 political party;

13 (d) Production and distribution of electoral paraphernalia and
14 other propaganda materials; and

15 (e) Other expenditures under Section 102 of the Omnibus Election
16 Code.

17 **Sec. 20. Exemption.** – The National Political Parties shall be
18 exempt from the coverage of *R.A. No. 9184* or the *Government*
19 *Procurement Reform Act* in their use of monies from the Fund. In lieu
20 thereof, the Commission on Audit (COA) and the Department of Budget
21 and Management (DBM), in consultation with the COMELEC and the
22 Accredited National Political Parties, are hereby mandated to draw an
23 alternative mechanism that shall govern the use of funds by the National
24 Political Parties.

25 **SEC. 21. Accreditation.** – A National Political Party eligible in
26 accordance with *Section 22* hereof, and which desires to be entitled to
27 the rights and privileges as recipient of the subsidy provided for under

1 this Act, may apply for accreditation by the COMELEC, under such
2 rules and regulations as the COMELEC shall prescribe consistent with
3 the provisions of this Act.

4 **SEC. 22. *Criteria for Eligibility.*** – The Commission shall accredit
5 National Political Parties eligible to receive subsidy from the Fund,
6 based on the following general criteria:

7 (a) Submission of constitution and by-laws as a National Political
8 Party seeking registration; platform or program of government;
9 list of all its officers and members (national, regional,
10 provincial, city/municipal); Articles of Incorporation, by-laws,
11 and Certificate of Registration issued by the Securities and
12 Exchange Commission (SEC), if registered therewith;

13 (b) Political representation, consisting of the incumbent president,
14 vice president, members of congress, governors, vice-
15 governors, members of sangguniang panlalawigan, city
16 mayors, city vice-mayors, members of sangguniang
17 panlungsod, municipal mayors, municipal vice-mayors, and
18 members of sangguniang bayan;

19 (c) Organizational strength and mobilization capability, which
20 may include the identifiable political organizations and
21 strengths as evidenced by their organized chapters; the number
22 of political chapters, organizations nationwide, the number of
23 active and permanent members of the party; and the number of
24 incumbent elective officials belonging to them ninety (90)
25 days before the date of elections; sworn statement as a political
26 party of its existence in the areas where the organization is
27 claiming representation;

1 (d) Performance and track record of the party, which may include
2 the established record of the parties, that now compose them,
3 taking into account, among other things, the number of years
4 of existence of the party, their showing in the past elections as
5 well as the ability of the party to field a slate of candidates
6 from the municipal level to the position of senator in the
7 immediately preceding national elections;

8 (e) Coalition agreement, if any, and the detailed list of affiliates
9 comprising the coalition, including the signed coalition
10 agreement;

11 (f) Membership and participation of women in the national
12 political party; and

13 (g) Other information required by the COMELEC.
14

15 **SEC. 23. *Effects of Accreditation.*** – An Accredited National
16 Political Party shall be entitled to the rights and privileges accorded
17 under this Act. Likewise, the Accredited National Political Party shall be
18 subject to the regulations set forth in this Act and its implementing rules
19 and regulations as prescribed by the COMELEC.

20 **SEC. 24. *Distribution of the Fund.*** – The total amount of State
21 Subsidy Fund released annually shall be distributed as follows:

22 (a) Ten percent (10%) of the fund shall accrue to the COMELEC,
23 to be used exclusively for monitoring purposes and the
24 conduct of information dissemination campaigns and voters'
25 education;

26 (b) Thirty percent (30%) of the fund shall be proportionately and
27 ratably distributed to accredited national political parties

1 represented in the Senate based on the number of seats
2 obtained in the most recent general elections;

3 (c) Thirty percent (30%) of the fund shall be proportionately and
4 ratably distributed to accredited national political parties
5 represented in the House of Representatives based on the
6 number of seats obtained in the most recent general elections;

7 (d) Thirty percent (30%) of the fund shall be proportionately and
8 ratably distributed to accredited national political parties based
9 on the number of seats obtained in local elective positions for
10 governor, sangguniang panlalawigan, city mayor, city vice-
11 mayor, sangguniang panlungsod, municipal mayor, municipal
12 vice-mayor and sangguniang bayan in the most recent general
13 elections.

14 *Provided*, That notwithstanding the above percentages of fund
15 allocation, all National Political Parties shall, upon accreditation by the
16 COMELEC, be automatically entitled to subsidy from the Fund, the total
17 amount for all the accredited parties of which shall be determined by the
18 COMELEC: *Provided further*, That the COMELEC shall determine
19 whether Accredited National Political Parties shall continue to be
20 entitled to subsidy based on their performance in the general elections
21 next following their accreditation by the COMELEC: *Provided finally*,
22 That the Accredited National Political Parties shall submit to the
23 COMELEC the requirements of eligibility under *Section 22* of this Act
24 immediately after each general election to assist the COMELEC in
25 determining their qualifications as recipients of the Fund.

26 **SEC. 25. Schedule of Releases from the Fund.** – For purposes of
27 this Act, all releases from the Fund during a non-election year shall be

1 used exclusively for party development activities. Funds released during
2 an election year shall be divided as follows: seventy-five percent (75%)
3 shall be used for campaign expenditures, and twenty-five percent (25%)
4 for party development activities. The COMELEC shall inform the
5 Accredited National Political Parties of the schedule of releases as well
6 as the amount of the subsidy allocated at the start of every fiscal year.

7 **SEC. 26. *Management of the Subsidy.*** – The Accredited National
8 Political Parties availing of the subsidy shall maintain separate financial
9 accounts for the funds used to finance campaign activities and party
10 development, respectively.

11 Every Accredited National Political Party shall submit to the
12 Commission a detailed program of activities as well as the breakdown of
13 expenditures drawn from the Fund by the end of December of every
14 fiscal year. No Accredited National Political Party shall be allowed to
15 use the subsidy for purposes other than those indicated in this Act.

16 **SEC. 27. *Audit of the Fund.*** – The Commission on Audit (COA)
17 shall examine the financial reports of the Accredited National Political
18 Parties on their use of the Fund. Campaign contributions to any
19 Accredited National Political Party shall be accounted for separately
20 under a different set of books of accounts, which shall be open to
21 inspection by the COA.

22 **SEC. 28. *Full Disclosure.*** – The officials of every Accredited
23 National Political Party shall submit a sworn statement of their assets
24 and liabilities to the COMELEC, which shall be made available to the
25 public at least six (6) months before election. All Accredited National
26 Political Parties and their candidates shall also be required to make a
27 public disclosure of all contributions as well as expenditures incurred for

1 the use of the Fund.

2 The disclosures shall be made through the official website of the
3 COMELEC and in a newspaper of general circulation within thirty (30)
4 days after the election.

5 **SEC. 29. *Other Reports.*** – The following shall be reported by the
6 Accredited National Political Parties and their candidates:

7 (a) The amount of campaign contribution, the date of receipt by
8 the bank, and the full name and exact address of the person
9 from whom the contribution was received;

10 (b) A full report of expenditures and receipts incurred during the
11 campaign, including those which were drawn from the Fund, if
12 any;

13 (c) Post-election disclosure statements as required under existing
14 laws, which must be submitted to the COMELEC within thirty
15 (30) days after election day. Submissions made after the
16 deadline provided by law will be subject to a fine in such
17 amounts as may be determined by the COMELEC; and

18 (d) Detailed breakdown of expenditures for the party development
19 activities charged against the Fund. The financial report
20 covering the party development activities shall be submitted
21 annually at the end of every fiscal year. The subsidy for the
22 succeeding year will not be released without the submission of
23 the said report covering the preceding year.

24 These reports are required of every Accredited National Political
25 party and its candidates, regardless of the results of the elections.

26 **SEC. 30. *Failure to Comply with Disclosure and Reporting***
27 ***Requirements.*** – Failure of the Accredited National Political Party to

1 comply with the provisions of this Act shall result in its disqualification
2 from receiving its share in the Fund, which shall revert to the general
3 funds of the Government, and forfeiture of all the rights and privileges to
4 which it would have been entitled under this Act.

5 **SEC. 31. *Performance Monitoring and Reporting System.*** – The
6 COMELEC and the COA shall jointly design and implement, in
7 consultation with political parties, aggroupment, or coalitions thereof,
8 accredited citizens' arms, the private sector, non-governmental
9 organizations, and government agencies, an integrated political party
10 development and campaign subsidy performance monitoring and
11 reporting system. The performance and monitoring system shall identify,
12 define, and operationalize a system of performance indicators and
13 measures for party development and campaign subsidy deployment.

14 The COMELEC and the COA shall, based on the results of the
15 system, publish and disseminate annual reports on the development of
16 political parties that have received subsidies and on the distribution, use,
17 and results of the campaign subsidies provided to political parties.

18 **SEC. 32. *Publication and Dissemination of the Political Party***
19 ***Development and Campaign Subsidy Performance Reports.*** – The
20 political party development and campaign subsidy performance reports
21 shall be submitted to both Houses of the Congress of the Philippines and
22 to the COMELEC not later than June 30 of every year. The COMELEC
23 shall cause the posting of the reports on its official website to serve as a
24 guide for the citizenry in evaluating political parties for the purpose of
25 participating in their program of activities, and in supporting, affiliating
26 with, or joining them.

27

1 **SEC. 33. Punishable Acts.** – The following acts shall be
2 punishable:

3 (a) Misuse of funds received by National Political Parties both
4 from the Fund and from campaign contributions;

5 (b) The giving of campaign contributions which go beyond the
6 allowable limits set under this Act and other existing laws;

7 (c) Inability to account for all incoming contributions from
8 whatever source;

9 (d) Failure to submit pre-election as well as post-election
10 disclosure statements to the COMELEC. Any submission past
11 the late submission period set in *Section 29(c)* will be deemed
12 as a failure to submit, hence, punishable under existing laws;
13 and

14 (e) False reporting or any misrepresentation in the financial
15 statement reports.

16 **SEC. 34. Penalties.** –

17 (a) Any candidate or official of any National Political Party who
18 violates *Section 33 (a), (c), and (e)* of this Act shall be punished with
19 imprisonment of not less than six (6) years but not more than twelve (12)
20 years, or a fine ranging from One Hundred Thousand Pesos
21 (P100,000.00) to Five Hundred Thousand Pesos (P500,000.00), or both.
22 The said candidate or official shall likewise be disqualified to hold
23 public office. Any National Political Party that violates *Section 33 (a),*
24 *(c), and (e)* of this Act shall pay a fine of not less than Five Hundred
25 Thousand Pesos (P500,000.00) but not more than Five Million Pesos
26 (P5,000,000.00);

1 (b) A donor who violates *Section 33(b)* of this Act shall be
2 punished with imprisonment of not less than six (6) years but not more
3 than twelve (12) years, or a fine ranging from Five Hundred Thousand
4 Pesos (P500,000.00) to Five Million Pesos (P5,000,000.00), or both.

5 (c) Any National Political Party that fails to comply with any of the
6 documentary requirements set forth in this Act shall be subject to
7 administrative sanctions by the COMELEC, which shall include
8 disqualification from receiving state subsidy, temporary or permanent
9 cancellation of the party's registration, as well as payment of fines
10 consistent with existing laws and regulations; and

11 (d) Any bank that fails to comply with the submission of the
12 statement of account of every political party with deposits under *Section*
13 *15* of this Act shall be punished with a fine ranging from One Hundred
14 Thousand Pesos (P100,000.00) to One Million Pesos (P1,000,000.00).

15 **SEC. 35. Appropriations.** – The amount of Three Hundred Fifty
16 Million Pesos (P350,000,000.00) is hereby appropriated out of the funds
17 of the National Treasury, effective immediately upon the approval of
18 this Act. Every year thereafter, there shall be appropriated the amount of
19 Three Hundred Fifty Million Pesos (P350,000,000.00) for the
20 implementation of this Act. All such amounts appropriated pursuant to
21 this Act shall go to the State Subsidy Fund, which shall be administered
22 by the Commission.

23 The COMELEC and the DBM shall promulgate guidelines to
24 facilitate the release of the funds to every accredited national political
25 party.

26

1 **SEC. 36. *Lead Agency.*** – The COMELEC shall administer and
2 enforce the provisions of this Act and for this purpose, a Political Party
3 Affairs and Campaign Finance Department is hereby created in the
4 COMELEC, subject to Civil Service rules and regulations
5 , which shall monitor and regulate political affairs and campaign
6 finance, including but not limited to the accreditation of national
7 political parties for purposes of availment of the State Subsidy Fund.

8 **SEC. 37. *Applicability.*** – The provisions of *Batas Pambansa Blg.*
9 *881*, otherwise known as the "Omnibus Election Code of the
10 Philippines", as amended, and other election laws not inconsistent with
11 this Act shall apply suppletorily.

12 **SEC. 38. *Implementing Rules and Regulations.*** – Within sixty
13 (60) days after the effectivity of this Act, the COMELEC shall
14 promulgate the necessary rules and regulations for the effective
15 implementation of this Act.

16 **SEC. 39. *Separability Clause.*** – Should any provision of this Act
17 or part hereof be declared unconstitutional, the other provisions or parts
18 not affected thereby shall remain valid and effective.

19 **SEC. 40. *Repealing Clause.*** – All laws, decrees, orders, rules and
20 regulations, or portions thereof inconsistent with this Act are hereby
21 repealed or modified accordingly.

22 **SEC. 41. *Effectivity.*** – This Act shall take effect fifteen (15) days
23 after its publication in at least two (2) newspapers of general circulation.

Approved,