

FOURTEENTH CONGRESS OF THE REPUBLIC
OF THE PHILIPPINES
First Regular Session

7 JUN 30 P 1:17

SENATE
S. No. 67RECEIVED BY: 

Introduced by SENATOR EDGARDO J. ANGARA

EXPLANATORY NOTE

Political parties play a vital role in the country's quest for political and economic development. The political party system in the country is basically confined to personalities rather than issues and political platform. There have been many attempts to reform the orientation of our political parties in the past so as to veer way from the concept of traditional politics, but unfortunately they have not been successful because of lack of legal institutional framework to govern system of political parties.

Our history tells us that political parties in the Philippines are normally used only as political vehicles to win an election. Hence, most political aspirants change political parties for convenience, rather than because of conviction. This only shows the lack of ideological commitment of the members of party because they choose parties based on the rise and fall of the tide of opportunity. "Turncoatism" should never be encouraged nor tolerated since it only distorts the concept of word of honor and dignity of a leader.


It is this light that the Political Party Act should be enacted. It is imperative that political party system should be strengthened if we want to develop, achieve genuine political development and democratization. We have to enact laws to prevent the system of ward politics and political chameleons that we have today.

A Party Development Fund shall be created to provide subsidy to political parties of national character for their operational expenses and party building activities not only for electoral campaign but also for their, developmental programs. These funds shall be appropriated in the national budget.

A political party may qualify to receive a portion from the Party Development Fund if its national candidates garnered at least 15% of the popular vote in the most recent general elections.

For their part, Political parties should institute internal control mechanisms within political parties to promote accountability and transparency.

The bill also encourages the political parties to raise its funds through Party Foundation to finance their activities so that they will

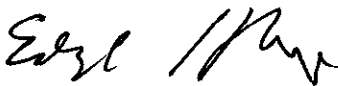


develop their self-sufficiency and lessen their dependence on contributions from illegal sources.

The bill envisions changing the norm of having political butterflies during and after the election period. It aims to give importance to party ideals and policy agenda rather than the political pragmatism and survival. The bill proposes that any member of the party wanting to change the party affiliation after being elected on that party's ticket, should first resign from his elective position and must seek a fresh mandate from the electorate. Likewise, defecting persons cannot be appointed nor hold any position in any public office, till after the expiration of the term within which they were elected.

In general, the proposed bill hopes to transform the Philippine political parties from personality-oriented to issue-oriented political organizations. Thus, we can provide our constituents with better brand of party politics.

In view of the urgent need to address the irregularities in the political party system, the passage of this bill is urgently sought.


EDGARDO J. ANGARA
Senator

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

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

Chapter I

Declaration of Policy, Purposes and Coverage

SECTION 1. Title. - This Act shall be known as "*The Political Party
Development Act of 2007.*"

SECTION 2. Declaration of Policy. - It is hereby declared a policy
of the State to institutionalize and strengthen political parties as vital
pillars of the country's democratic system. Towards this end, the State
shall institute reforms in campaign financing through effective and
transparent mechanisms designed to level the playing field among all
candidates and political parties during elections, and reduce
opportunities for graft and corruption. As part of the State's thrust to
strengthen the political party system, it shall uphold party loyalty and
adherence to the party's ideological principles, platforms and programs.
The State shall also institute measures to professionalize political
parties, and make them viable instruments of development and good
governance

SECTION 3. Purposes. - This Act aims to:

- (a) Institutionalize reforms in the financing of electoral
campaigns, so as to promote accountability and
transparency;

- 1 (b) Provide financial subsidies to political parties, to augment
2 their expenditures for campaign purposes and for party
3 development;
- 4 (c) Promote party loyalty and discipline; and
- 5 (d) Encourage and support continuing voters' education and
6 civic literacy programs through the political parties.

7

8 **SECTION 4. Coverage.** - This Act shall apply to National Political
9 Parties duly registered with and certified to as such by the Commission
10 on Elections.

11

12 **SECTION 5. Definition of Terms.** - The following terms as used in
13 this Act shall mean –

- 14 (a) **“Accredited National Political Party”** refers to a National
15 Political Party qualified to receive subsidy for party
16 development and campaign purposes, accredited for this
17 purpose by the Commission based on a set of criteria
18 provided under this Act.
- 19 (b) **“Candidate”** refers to any person aspiring for, or seeking an
20 elective public office, duly nominated by a political party,
21 aggrupation or coalition thereof, and who has filed a
22 certificate of candidacy with the Commission.
- 23 (c) **“Commission”** refers to the Commission on Elections.
- 24 (d) **“Campaign Contribution”** refers to any form of donation to
25 any candidate, political party, aggrupation or coalition
26 thereof, given before, during or after the holding of elections.
27 It includes any gift, donation, subscription, loan, advance or
28 deposit of money or anything of value, or those arising from
29 a contract, pledge or agreement to contribute, made for the
30 purpose of influencing the results of the elections, but shall
31 not include services rendered without compensation by
32 individuals volunteering a portion or all of their time in
33 behalf of a candidate or political party. It also includes the
34 use of office space, facilities, equipment, office supplies and
35 other materials and fixtures voluntarily donated by other
36 persons, or allowed their use for free, the monetary value of

1 which shall be assessed based on market rates prevailing in
2 a particular area.

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

13 (f) **“COA”** refers to the Commission on Audit.

14 (g) **“Disclosure Requirement”** refers to the duty of all
15 candidates and political parties, aggrupations or coalitions
16 thereof to reveal the details of campaign contributions
17 received by them, and the expenditures made on account
18 thereof. For accredited national political parties, it includes
19 expenditures and destinations of party development and
20 campaign monies given to them as their share in the State
21 Subsidy Fund established under this act.

22 (h) **“Donor”** refers to any person, natural or juridical, who
23 contributes money, property or any other form of material
24 contribution to a candidate, political party, aggrupation or
25 coalition thereof.

26 (i) **“Donee”** refers to any candidate, political party, aggrupation
27 or coalition thereof, or any representative acting in their
28 behalf or interest, to whom money, property, or any other
29 form of contribution k made.

30 (j) **“Fund”** refers to the State Subsidy Fund established under
31 this Act.

32 (k) **“National Political Party”** refers to a political party or an
33 organized group of persons duly registered with the
34 Commission, whose constituency is effectively spread across
35 the geographical territory of all or a majority of the
36 administrative regions of the Philippines, pursuing or
37 advocating platform, principles and policies for the general

1 conduct of government and which, as the most immediate
2 means of securing their adoption and implementation,
3 regularly nominates and supports its members as candidates
4 for public office.

5 (l) **“Political Turncoatism”** refers to the change of political
6 party affiliation by any candidate whether or not elected,
7 from the time he was first nominated; Provided that, the
8 term shall not include any such change in party affiliation
9 before the effectivity of this Act; Provided further that,
10 political turncoatism shall not apply in any of the following
11 instances:

12 i. Abolition, merger or coalition of political parties where
13 a candidate is a registered member thereof;

14 ii. Expulsion in writing, of the registered member from
15 his/her political party; Provided, that the cause for
16 such does not constitute Political Opportunism.

17 It includes political opportunism or any act of a party
18 member constituting disloyalty to the party, or regular
19 non-adherence to the party’s ideological principles,
20 platforms, and programs, as determined by the party
21 in accordance with its constitution and by-laws.

22 (m) **“State Subsidy Fund”** refers to the fund for party
23 development and campaign activities of accredited national
24 political parties under this Act.

25 (n) **“Voluntary Contributions”** refers to the contributions to
26 candidates and/or political parties, aggrupations or
27 coalitions thereof, from persons, natural or juridical, allowed
28 under existing laws.

30 Chapter II

31 Institutionalization of Political Parties

32
33 **SECTION 6. Registration as a National Political Party.** - Any
34 organized group of persons seeking registration as a national political
35 party may file with the Commission a verified petition attaching thereto
36 its constitution and by-laws, platform, principles, policies and general
37 program of government, a verified list of its national officials, members of

1 the executive board, or its equivalent, and the heads of its regional,
2 provincial, and city chapters, and such other relevant information as
3 may be required by the Commission.

4 The Commission shall, after due notice and hearing, resolve the
5 petition within ten (10) days from the date it is submitted for decision.

6 National Political Parties already registered as such with the
7 Commission prior to the effectivity of this Act are not required to register
8 anew.

9
10 **SECTION 7. Policy Agenda and Program of Governance.** -

11 National Political Parties are mandated to craft a clear policy agenda and
12 program of governance consistent with their party philosophy and ideals.
13 The members of the National Political Party shall endeavor to act in
14 accordance with the defined party platform and pursue programs to
15 fulfill party commitments.

16
17 **SECTION 8. Selection of Candidates.** -

18 The selection process for candidates of National Political Parties shall be democratized through the
19 adoption of a process that is fair, open and transparent, and which
20 promotes participation of choice from the members of the party. Towards
21 this end, every National Political Party is mandated to formulate a merit
22 system on nomination and selection of candidates who must be members
23 of the party.

24 Every National Political Party shall submit to the Commission its
25 rules governing the merit system on nomination and selection of
26 candidates not later than one hundred and eighty (180) days before the
27 Election Day following the effectivity of this Act.

28 Any aggrieved member of an Accredited National Political Party
29 may file a verified complaint to its Grievance and Arbitration Committee
30 not later than ten (10) days after the party convention, for violation of the
31 rules governing the merit system on the nomination and selection of
32 candidates. Every National Political Party may hold conventions or
33 meetings to nominate their official candidates not earlier than fifteen (15)
34 days before the start of election period and shall submit to the
35 Commission not later than the start of the election period the names of
36 the officials of the party authorized to nominate their official candidates.

1 No political party shall nominate more candidates than the
2 number of persons required to be voted for in an elective position nor
3 shall any candidate be allowed to accept nominations from more than
4 one registered political party, except in cases of aggrupations or
5 coalitions thereof. Nominations made in violation hereof shall be denied
6 due course by the Commission and the candidates concerned shall be
7 considered independent candidates. The nominations of candidates of
8 political parties shall be filed not later than the last day for filing of the
9 certificates of candidacy as determined by the Commission.

10
11 **SECTION 9. Contents Of Certificate Of Nomination.** - The
12 certificate of nomination shall state that the person issuing the
13 nomination is the duly authorized representative of the political party as
14 provided for in its constitution and by-laws, that the person named
15 therein is the official candidate of the party for the elective position
16 stated, and that he has accepted said nomination. The certificate of
17 nomination shall be subscribed under oath by the duly authorized
18 representative of the political party.

19
20 **SECTION 10. Limits on Voluntary Contributions.** - Voluntary
21 contributions to any National Political Party shall be limited to the
22 following maximum amounts:

- 23 (a) Up to One Hundred Thousand Pesos (P100, 00.00) from a
24 natural person; and
25 (b) Up to One Million Pesos (P1, 000, 000.00) from a juridical
26 person is allowed to make a voluntary contribution under
27 existing laws.

28 Any contribution in cash or in kind to any candidate or political
29 party for campaign purposes, duly reported to the Commission, shall be
30 exempt from donor's tax.

31
32 **SECTION 11. Voluntary Contributions to Party; How Made.** -
33 Voluntary contribution to a political party shall be deposited by the
34 contributor to the account of the party with any reputable bank
35 accredited by the Commission, within six (6) months prior to the
36 campaign period but not later than fifteen (15) days before the day of
37 election. The accredited banks shall issue a corresponding receipt to the

1 contributor on the amount deposited, and shall submit to the
2 Commission a statement of account of every political party with deposits.

3 The Commission shall cause the publication of the account of all
4 political parties in any newspaper of general circulation within a
5 reasonable time as determined by the Commission.

6
7 **SECTION 12. *Changing Political Party Affiliation.*** - Any
8 member of a National Political Party who changes party affiliation after
9 being nominated by the party shall be deemed to have committed
10 Political Turncoatism.

11
12 **SECTION 13. *Penalties for Political Turncoatism.*** - Political
13 Turncoats shall be:

- 14 (a) Deemed to have forfeited his/her office, if he/she is an
15 elected official who changes political party affiliation during
16 his/her term of office;
- 17 (b) Disqualified from running for any elective position in the
18 next succeeding election immediately following the act of
19 changing political party affiliation;
- 20 (c) Prohibited from being appointed or from holding any position
21 in any public or government office for three (3) years after
22 the expiration of his/her current term;
- 23 (d) Prohibited from assuming any executive or administrative
24 position in his/her new political party; and
- 25 (e) Directed to refund any and all amounts he/she received from
26 his/her political party, plus a twenty five percent (25%)
27 surcharge thereon;

28
29 **SECTION 14. *Petition for Disqualification.*** - Any citizen of
30 voting age, or any candidate, political party, aggrupation or coalition
31 thereof, may file with the Commission, upon the filing of the certificate of
32 candidacy and before proclamation, a petition to disqualify a candidate
33 on the ground of political turncoatism as defined in this Act.

34
35 **SECTION 15. *Authorized Expenses of National Pafitical***
36 ***Parties.*** - The amount that a National Political Party may spend for every
37 election campaign shall be Eleven Pesos (P11.00) for every voter currently

1 registered in the constituency or constituencies where it has official
2 candidate; The Commission shall adjust the authorized amount based on
3 the Consumer Price Index every three (3) years following the effectivity of
4 this Act.

5
6 **Chapter 3**
7 **State Subsidy Fund**
8

9 **SEC 16. *Establishment of a State Subsidy Fund.*** - There is
10 hereby established a State Subsidy Fund, which shall be used to
11 augment the operating funds of the Accredited National Political Parties.
12 The fund shall be used directly and exclusively for the following
13 purposes:

- 14 (a) Party development; and
15 (b) Campaign expenditures.
16

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

- 23 (a) Party administration, recruitment and civic education;
24 (b) Research and policy development;
25 (c) Education and training of members;
26 (d) Institution building and constituent outreach program; and
27 (e) Other reasonable logistical and operational expenses that are
28 essential in strengthening the party.
29

30 **SECTION 18. *Allowable Campaign Expenditures.*** - The
31 Accredited National Political Parties are authorized to use the subsidy
32 given to them only for the following campaign activities:

- 33 (a) Operating expenses of the party, which may include hiring of
34 personnel, professional secretariat, setting up of
35 headquarters, and other relevant electoral expenditures;

- 1 (b) Traveling expenses of the candidates and support personnel
2 in the course of the campaign, and for personal expenses
3 incident thereto;
- 4 (c) Information dissemination and advocacy campaigns of the
5 political party;
- 6 (d) Production and distribution of electoral paraphernalia and
7 other propaganda materials; and
- 8 (e) Other expenditures under Section 102 of the Omnibus
9 Election Code.

10

11 **SECTION 19. Accreditation.** - A National Political Party eligible in
12 accordance with Section 20 hereof, and which desires to be entitled to
13 the rights and privileges as recipient of the subsidy provided for under
14 this Act, may apply for accreditation by the Commission, under such
15 rules and regulations as the Commission shall prescribe consistent with
16 the provisions of this Act.

17

18 **SECTION 20. Criteria for Eligibility.** - The Commission shall
19 accredit National Political Parties eligible to receive subsidy from the
20 State Subsidy Fund, based on the following general criteria:

- 21 (a) **Political representation**, consisting of the incumbent
22 president, vice president, members of congress, governors,
23 vice-governors, 24 city/municipal mayors and vice-mayors;
- 24 (b) **Organizational strength and mobilization capability**,
25 which may include the number of political chapters,
26 organizations nationwide, and number of active and
27 permanent members of the party;
- 28 (c) **Performance and track record of the party**, which may
29 include the number of years of existence of the party as well
30 as the ability of the party to field a complete slate of
31 candidates in the immediately preceding national elections.

32

33 **SECTION 21. Effects of Accreditation.** - A duly accredited
34 National Political Party shall be entitled to the rights and privileges
35 accorded under this Act. Likewise, the accredited national political party
36 shall be subject to the regulations set forth in this Act and its
37 implementing rules as prescribed by the Commission.

1
2 **SECTION 22. *Distribution of the Fund.*** - The total amount of
3 State Subsidy Fund released annually shall be distributed as follows:

4 (a) Five percent (5%) of the fund shall accrue to the
5 Commission, to be used exclusively for monitoring purposes
6 and the conduct of information dissemination campaigns
7 and voters' education;

8 (b) Forty five percent (45%) of the fund shall be proportionately
9 and ratably distributed to accredited national political
10 parties represented in the Senate based on the number of
11 seats obtained in the most recent general elections;

12 (c) Fifty percent (50%) of the fund shall be proportionately and
13 ratably distributed to accredited national political parties
14 represented in the House of Representatives based on the
15 number of seats obtained in the most recent general
16 elections.

17 The share of each of the Accredited National Political Parties in the
18 State Subsidy Fund shall be released only upon proof that the concerned
19 party has raised an amount equal to its share in the Fund from
20 voluntary contributions; Provided that, the party concerned that fails to
21 raise an amount equal to its share in the fund shall only receive an
22 amount from its share in the fund equal to the amount raised from
23 voluntary contributions; Provided further, that the balance, if any, from
24 the share in the Fund of the party concerned shall be forfeited and
25 reverted to the general funds of the Government.

26
27 **SECTION 23. *Schedule of Releases from the Fund.*** - For
28 purposes of this Act, all releases from the State Subsidy Fund during a
29 non-election year shall be used exclusively for party development
30 activities. Funds released during an election year shall be divided as
31 follows: seventy five percent (75%) shall be used for campaign
32 expenditures, and twenty five percent (25%) for party development
33 activities. The Commission shall inform the Accredited National Political
34 Parties of the schedule of releases as well as the amount of the subsidy
35 allocated at the start of every fiscal year.

1 also be required to make a public-disclosure of all contributions as well
2 as expenditures incurred for the use of the State Subsidy Fund. All these
3 disclosures shall be made through the official website of the Commission
4 and in a newspaper of general circulation.

5
6 **SECTION 28. Other Reports.** The following shall be reported by
7 the Accredited National Political Parties and their candidates:

- 8 (a) The amount of contribution, the date of receipt by the bank,
9 and the full name and exact address of the person from
10 whom the contribution was received;
- 11 (b) A full report of expenditures and receipts incurred during the
12 campaign, including those which were drawn from the State
13 Subsidy Fund, if any;
- 14 (c) Post-election disclosure statements as required under
15 existing laws, which must be submitted to the Commission
16 within thirty (30) days after election day. Late submissions
17 shall be subject to a fine in such amounts as may be
18 determined by the Commission; and
- 19 (d) Detailed breakdown of expenditures for the party
20 development activities charged against the State Subsidy
21 Fund. The financial report covering the party development
22 activities shall be submitted annually, at the end of every
23 fiscal year. The subsidy for the succeeding year will not be
24 released without the submission of the said report covering
25 the preceding year.

26
27 **SECTION 29. Failure to Comply With Disclosure and**
28 **Reporting Requirements.**- Failure of the Accredited National Political
29 Party to comply with the with the provisions of this Act will result in its
30 disqualification from receiving its share in the State Subsidy Fund,
31 which shall revert to the general funds of the Government, and forfeiture
32 of all the rights and privileges to which it would have been entitled under
33 this Act.

34
35 **SECTION 30. Performance Monitoring and Reporting System.**
36 - The Commission and the COA shall jointly design and implement, in
37 consultation with political parties, aggrupations or coalitions thereof,

1 accredited citizens' arms, the private sector and non-governmental
2 organizations, and government agencies, an integrated political party
3 development and campaign subsidy performance monitoring and
4 reporting system. The performance and monitoring system shall identify,
5 define and operationalize a system of performance indicators and
6 measures for party development and campaign subsidy deployment.

7 The Commission and the COA shall, based on the results of the
8 system, publish and disseminate annual reports on the development of
9 political parties that have received subsidies and on the distribution, use
10 and results of the campaign subsidies provided to political parties.

11
12 **SECTION 31. *Publication and Dissemination of the Political***
13 ***Party Development and Campaign Subsidy Performance Reports.*** -

14 The political party development and campaign subsidy performance
15 reports shall be submitted to both houses of the Congress of the
16 Philippines not later than June 30 of every year, and shall be made
17 available to the public via the internet and mass media as a guide for the
18 citizenry in evaluating political parties for the purpose of participating in
19 their program of activities, and in supporting, affiliating with, or joining
20 them.

21
22 **Chapter 5**

23 **Miscellaneous Provisions**

24
25 **SECTION 32. *Punishable Acts.*** - The following acts shall be
26 punishable:

- 27 (a) Misuse of funds received by National Political Parties both
28 from the State Subsidy Fund and from voluntary
29 contributions;
- 30 (b) The giving of voluntary contributions which go beyond the
31 allowable limits set under this Act and other existing laws;
- 32 (c) Inability to account for all incoming contributions from
33 whatever source;
- 34 (d) Failure to submit pre-election as well as post-election
35 disclosure statements to the Commission; and
- 36 (e) False reporting or any misrepresentation in the financial
37 statement reports.

1 **SECTION 33. Penalties.** – (a) Any candidate or official of any
2 National Political Party who violates any provision of this Act shall be
3 punished with imprisonment of not less than six (6) years but not more
4 than twelve (12) years, or a fine ranging from fifty thousand pesos (P50,
5 000) to five hundred thousand pesos (P500,000), or both. He shall,
6 likewise, be disqualified to hold public office. Any National Political Party
7 that violates any provision of this Act shall pay a fine of not less than one
8 hundred thousand pesos (P100, 000) but not more than one million
9 pesos (P1 ,000,000); (b) Any National Political Party that fails to comply
10 with any of the documentary requirements set forth in this Act shall be
11 subject to administrative sanctions by the Commission, which shall
12 include temporary or permanent cancellation of the party's registration,
13 as well as payment of fines consistent with existing laws and regulations.
14

15 **SECTION 34. Appropriations.** - The amount of Three Hundred
16 Fifty Million Pesos (P350, 000,000.00) is hereby appropriated out of the
17 funds of the National Treasury not otherwise appropriated, effective
18 immediately upon the approval of this Act. Every year thereafter, and not
19 later than January 15 of every year; there shall be appropriated the
20 amount Three Hundred Fifty Million Pesos (P350, 000,000.00). All such
21 amounts appropriated pursuant to this Act shall go to the State Subsidy
22 Fund, which shall be administered by the Commission.

23 The Commission and the Department of Budget and Management
24 (DBM) shall promulgate guidelines to facilitate the release of the funds to
25 every accredited national political party.
26

27 **SECTION 35. Lead Agency.** - The Commission is hereby
28 mandated as the independent regulatory agency charged with
29 administering and enforcing the provisions of the Act.
30

31 **SECTION 36. Applicability.** -The provisions of *Batas Pambansa*
32 *Blg. 881*, as amended, otherwise known as the “Omnibus Election Code
33 of the Philippines,” and other election laws not inconsistent with this Act
34 shall apply suppletorily.
35

]

1 **SECTION 37. Rules and Regulations.** - The Commission shall
2 promulgate the necessary rules and regulations to effectively implement
3 the provisions of this Act.

4
5 **SECTION 38. Repealing Clause.** - All laws, orders, issuances,
6 rules and regulations or parts thereof inconsistent with the provisions of
7 this Act are hereby repealed, modified or amended accordingly

8
9 **SECTION 39. Separability Clause.** - If any part of this Act is held
10 invalid or unconstitutional, the other parts or provisions thereof not
11 affected thereby shall remain valid and effective.

12
13 **SECTION 40. Effectivity.** - This Act shall take effect fifteen (15)
14 days from its publication in least two (2) national newspapers of general
15 circulation.

16
17 *Approved,*