

24 MAY -7 P12 :03

**SENATE**  
**Senate Bill No. 2659**

RECEIVED BY: 

---

Introduced by: **Senator Raffy T. Tulfo**

---

**AN ACT**  
**DEFINING THE SCOPE AND EXTENT OF THE FISCAL AUTONOMY OF THE**  
**JUDICIAL BRANCH OF GOVERNMENT AND FOR OTHER PURPOSES**

**EXPLANATORY NOTE**

The Constitution guarantees fiscal autonomy to the Judiciary, ensuring that appropriations for the Judiciary may not be reduced below the previous year's amount and shall be automatically released. However, in practice, the full extent of this constitutional provision remains constrained by the existing system overseen by the Department of Budget and Management.

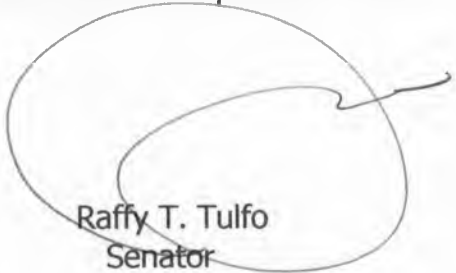
The symbol of the judiciary, the lady justice or Themis Blindfolded has three symbols: the blindfold, the sword, and the weighing scale. These symbols represent an ideal judiciary, one that dispenses justice and weighs the rights of the people without being influenced by the identity or personality before her. And that is the very purpose of the grant of fiscal autonomy to the Judiciary in our Constitution. A financially independent judiciary is one that the people can trust to decide cases according to the evidence presented and laws in force at that moment.

Under this proposed measure, the budget proposal made by the Judiciary will be included in the National budget without revisions, while allowing the Department of Budget Management to submit proposed revisions if deemed necessary. Additionally, the bill grants the Supreme Court, through the Chief Justice, the authority to realign their budget from one expense account to another. Furthermore, it provides



for the establishment of a Judiciary Trust Fund, which can be utilized to draw necessary funds for the operation of the Judiciary.

Granting the Judiciary full autonomy over its finances can significantly contribute to a more efficient and expedited administration of justice in the country. By ensuring that the Judiciary has control over its budgetary allocations and resources, this bill aims to facilitate the prompt delivery of judicial services and uphold the rule of law.



Raffy T. Tulfo  
Senator





24 MAY -7 P12 :04

**SENATE**  
**Senate Bill No. 2659**

---

Introduced by: **Senator Raffy T. Tulfo**

---

**AN ACT**  
**DEFINING THE SCOPE AND EXTENT OF THE FISCAL AUTONOMY OF THE**  
**JUDICIAL BRANCH OF GOVERNMENT 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 "The Fiscal Autonomy  
2 Act of the Judicial Branch of Government".

3  
4           Sec. 2. *Declaration of Policy.* - It is hereby declared the policy of the State to  
5 affirm and strengthen the constitutional mandate and powers of the Judiciary as a  
6 coequal branch of government. To this end, and with the goal of ensuring the  
7 Judiciary's continuing independence, the Judiciary's fiscal autonomy mandated under  
8 Sec. 3, Art. 8, Constitution, shall be guaranteed, as such:

9           a) In accordance with Sec. 3, Art. 8, of the Constitution, appropriations for  
10 the Judiciary may not be reduced below the amount appropriated for the  
11 previous year. After approval by Congress, the appropriations for the  
12 Judiciary shall be automatically and regularly released. The releases shall  
13 not be conditioned on the submission of any work and financial plans  
14 nor any financial report whatsoever.

15           b) As provided under Sec. 16, Art. 8, of the Constitution, the Supreme Court  
16 shall be required to submit its annual report to the President and



1 Congress within thirty days from the opening of each regular session of  
2 Congress.

3 Sec. 3. *Submission of Annual Budget Proposal.* - The Supreme Court shall  
4 submit a budget of expenditures and sources of financing, reflecting total revenues  
5 and expenditures for the budget year, to Congress for approval with copy furnished  
6 to the Department of Budget and Management (DBM).

7 Sec. 4. *Proposed Revisions of the DBM.* - The budget proposal prepared by the  
8 Supreme Court shall be incorporated in the draft national budget without any  
9 revisions. The DBM, however, may propose revisions thereon as it may deem  
10 appropriate; Provided, that it clearly indicates that the revisions are of its own and not  
11 of the Court's; Provided, further, that the DBM shall consult in writing the Supreme  
12 Court or the Chief Justice concerning its comments on, and suggested revisions to,  
13 the proposed budget for the Judiciary.

14 Upon written request of the DBM, the Supreme Court or the Chief Justice may,  
15 in their discretion, submit reports of operation and income, current personnel, work  
16 and financial plans and similar reports to the DBM only for recording purposes. The  
17 submission thereof concerning funds previously released shall not be a condition  
18 precedent for subsequent fund releases.

19 Sec. 5. *Power to Realign the Budget Appropriated for the Judiciary.* - Upon the  
20 approval of the total budget for the Judiciary:

21 a) The Supreme Court or the Chief Justice shall have the power and  
22 authority to realign the budget from one expense account to another, or  
23 from one functional unit or category to another, without approval of the  
24 DBM. The Supreme Court or the Chief Justice may also utilize any  
25 savings from the budget for whatever expense, as the Court or Chief  
26 Justice may deem necessary and reasonable for the fulfillment of the  
27 Judiciary's mandate.

28 b) The DBM shall automatically release to the Supreme Court, without need  
29 for any request, the monthly cash requirements of the Judiciary or one-  
30 twelfths (1/12) of the total National Government support. The releases  
31 shall not be conditioned on approved work and financial plans, nor any  
32 financial report whatsoever. The Supreme Court shall only submit





1 accomplishment and financial reports, within thirty days from the  
2 opening of each regular session of Congress, to the President and to  
3 Congress.

- 4 c) All expenditures and revenues of the Judiciary shall be subject to post-  
5 audit by the Commission on Audit, under pertinent laws, rules and  
6 regulations.

7 *Sec. 6. Judiciary Trust Fund.* - There is hereby created a trust fund, to be known  
8 as the Judiciary Trust Fund, which shall be dedicated for the use of the judiciary. All  
9 the funds collected for, or accruing to the Judiciary may be deposited and kept in the  
10 said trust fund, and from which, funds needed for its operation shall be drawn. The  
11 Judiciary Trust Fund shall include, but not be limited to the following:

- 12 a) Such funds that may be appropriated by Congress for the Judiciary;  
13 b) Increases in legal fees that are collected by the Judiciary pursuant to PD  
14 1949;  
15 c) Contributions of the local government units, under Sec. 3.c. of this Act:  
16 and  
17 d) All interest income and trust fund.

18 *Sec. 7. Power to Collect Fees and Raise Revenues.* - The Judiciary shall continue  
19 to enjoy its authority under PD 1949 to collect legal fees, pursuant to the pertinent  
20 provisions of the Rules of Court. However, the fund utilization ratio of Eighty Percent  
21 (80%) for cost of living allowances, and Twenty Percent (20%) for office equipment  
22 and facilities shall no longer apply, considering that all legal fees prescribed In Rule  
23 141 of the Rules of Court, as amended, shall now constitute a part of the Judiciary  
24 Trust Fund, pursuant to Sec. 6 of this Act.

- 25 (a) The Supreme Court shall determine the appropriate level of fees and  
26 charges pursuant to Sec. 3 of Rule 141 of the Rules of Court, in  
27 accordance with the following policy objectives:

- 28 (1) Access to justice specially the disadvantaged and poor sectors of  
29 society;  
30 (2) Internal revenue generation for the judiciary, to support its  
31 operations; and



1 (3) Charging the users of the judicial system in accordance with their  
2 ability to pay.

3 (b) Local government units are strictly prohibited from providing allowances,  
4 supplies, materials, vehicles and other resources for the use of judges  
5 within their respective areas of jurisdiction, except for the use of the  
6 courtroom located within the municipal or city hall, or other buildings or  
7 facilities owned or leased by the local government unit, and the  
8 maintenance thereof.

9 *Sec. 8. Power to Create Offices and Reorganize the Administrative Structure. -*

10 The Supreme Court shall have the authority to create such offices and to reorganize  
11 its administrative structure, both at the national and regional levels, for purposes of  
12 oversight or operations, in order to carry out the purposes of this Act, and to enable  
13 it to take on the additional functions and responsibilities stated in this Act, within the  
14 limit of its available resources.

15 The Supreme Court shall likewise have the authority to create such positions,  
16 and allocate the necessary budgetary support for the smooth operations of such  
17 offices. The creation of offices at the regional level shall be guided by the principle of  
18 decentralization of administrative, financial, and personnel matters, and to bring court  
19 management closer to the litigants, and other users of the judicial system.

20 *Sec. 9. Salary and Personnel Administration. -* The Supreme Court shall have  
21 the authority to determine the number and positions of court personnel necessary for  
22 the smooth functioning of the judiciary, within the limits of the approved appropriation  
23 guided by constitutional and legislative policies on hiring and compensation. A copy of  
24 the annual approved staffing pattern of personnel shall be furnished the COA and the  
25 DBM.

26 The Supreme Court shall institute measures to provide sufficient, attractive and  
27 competitive compensation for judicial and non-judicial personnel to ensure continuity  
28 and sustainability of service, and support career development. Such measures may  
29 include but not be limited to the broadbanding of salaries, and the provision of total  
30 cash compensation packages.

31 *Sec. 10. Transfer of Physical Assets. -* All real and personal properties not  
32 presently titled to the Supreme Court, which have been acquired for the Judiciary



1 shall, as far as practicable, be transferred to the Supreme Court, by other national or  
2 local government units, or government owned or controlled corporations, through an  
3 appropriate instrument, within six months from the effectivity of this Act. Thereafter,  
4 the Supreme Court shall exercise the fiduciary ownership, management, control, as  
5 well as the security, maintenance and disposition, of such properties.

6       Sec. 11. *Delegation of Authority.* - The Supreme Court en banc, through an  
7 appropriate instrument may also delegate to the Chief Justice, the Court Administrator,  
8 or other offices or heads of offices, which currently exist or may be created in the  
9 future, any and all powers, functions and responsibilities which are granted under this  
10 Act, under such conditions and under such periods as the Supreme Court en banc may  
11 allow.

12       Sec. 12 *Implementing Rules and Regulations.* - The Supreme Court, In 45  
13 consultation with the DBM and the COA, shall promulgate the rules and regulations  
14 necessary to carry out the intent of this Act, save for those provisions where particular  
15 agencies of government are mandated to promulgate the implementing rules. The  
16 necessary rules and regulations shall be promulgated within six (6) months from the  
17 effectivity of this Act.

18       Sec. 13. *Separability Clause.* - If any provision of this Act shall be held  
19 unconstitutional or invalid, the other provisions not otherwise affected shall remain in  
20 full force and effect.

21       Sec. 14. *Repealing Clause.* - All laws, executive orders, rules, and regulations  
22 inconsistent with or contrary to this Act, are hereby deemed repealed or modified  
23 accordingly.

24       Sec. 15. *Effectivity Clause.* - This Act shall take effect after fifteen (15) days  
25 following its publication in the Official Gazette or in at least two (2) newspapers of  
26 national circulation.

Approved,

