

FIFTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
*First Regular Session* )

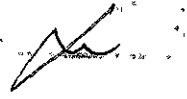
SENATE  
OFFICE OF THE SECRETARY

10 JUL -1 AM '08

SENATE

S.B. No. 51

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**Introduced by Senator Edgardo J. Angara**

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### 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.

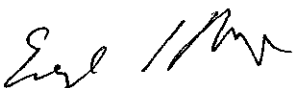
The bill also encourages the political parties to raise its funds through Party Foundation to finance their activities so that they will develop their self-sufficiency and lessen their dependence on contributions from illegal sources.

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.

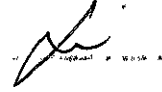
In view of the urgent need to address the irregularities in the political party system, the passage of this bill is urgently sought.

  
**EDGARDO J. ANGARA**  
Senator

FIFTEENTH CONGRESS OF THE )  
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SENATE

S.B. No. 51

Introduced by Senator Edgardo J. Angara

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

*Be it enacted in the Senate and House of Representatives of the Philippines in the 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 2010.*"

SEC. 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.

SEC. 3. *Purposes.* - This Act aims to:

- (a) Institutionalize reforms in the financing of electoral campaigns, so as to promote accountability and transparency;
- (b) Provide financial subsidies to political parties, to augment their expenditures for campaign purposes and for party development;

- 1 (c) Promote party loyalty and discipline; and  
2 (d) Encourage and support continuing voters' education and civic literacy programs  
3 through the political parties.  
4

5 **SEC. 4. Coverage.** - This Act shall apply to National Political Parties duly  
6 registered with and certified to as such by the Commission on Elections.  
7

8 **SEC. 5. Definition of Terms.** - The following terms as used in s Act shall mean –

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

- 1 (g) **“Disclosure Requirement”** refers to the duty of all candidates and political  
2 parties, aggrupations or coalitions thereof to reveal the details of campaign  
3 contributions received by them, and the expenditures made on account thereof.  
4 For accredited national political parties, it includes expenditures and  
5 destinations of party development and campaign monies given to them as their  
6 share in the State Subsidy Fund established under this act.
- 7 (h) **“Donor”** refers to any person, natural or juridical, who contributes money,  
8 property or any other form of material contribution to a candidate, political  
9 party, aggrupation or coalition thereof.
- 10 (i) **“Donee”** refers to any candidate, political party, aggrupation or coalition  
11 thereof, or any representative acting in their behalf or interest, to whom money,  
12 property, or any other form of contribution k made.
- 13 (j) **“Fund”** refers to the State Subsidy Fund established under this Act.
- 14 (k) **“National Political Party”** refers to a political party or an organized group of  
15 persons duly registered with the Commission, whose constituency is effectively  
16 spread across the geographical territory of all or a majority of the administrative  
17 regions of the Philippines, pursuing or advocating platform, principles and  
18 policies for the general conduct of government and which, as the most  
19 immediate means of securing their adoption and implementation, regularly  
20 nominates and supports its members as candidates for public office.
- 21 (l) **“Political Turncoatism”** refers to the change of political party affiliation by  
22 any candidate whether or not elected, from the time he was first nominated;  
23 Provided that, the term shall not include any such change in party affiliation  
24 before the effectivity of this Act; Provided further that, political turncoatism  
25 shall not apply in any of the following instances:
- 26 i. Abolition, merger or coalition of political parties where a candidate  
27 is a registered member thereof;
- 28 ii. Expulsion in writing, of the registered member from his/ her  
29 political party; Provided, that the cause for such does not constitute  
30 Political Opportunism. It includes political opportunism or any act  
31 of a party member constituting disloyalty to the party, or regular  
32 non-adherence to the party’s ideological principles, platforms, and  
33 programs, as determined by the party in accordance with its  
34 constitution and by-laws.

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

3 (n) *“Voluntary Contributions”* refers to the contributions to candidates and/or  
4 political parties, aggrupations or coalitions thereof, from persons, natural or  
5 juridical, allowed under existing laws.  
6

7 **Chapter II**  
8 **Institutionalization of Political Parties**  
9

10 **SEC. 6. *Registration as a National Political Party.*** - Any organized group  
11 of persons seeking registration as a national political party may file with the  
12 Commission a verified petition attaching thereto its constitution and by-laws,  
13 platform, principles, policies and general 37 program of government, a verified list  
14 of its national officials, members of the executive board, or its equivalent, and the  
15 heads of its regional, provincial, and city chapters, and such other relevant  
16 information as may be required by the Commission.

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

19 National Political Parties already registered as such with the Commission  
20 prior to the effectivity of this Act are not required to register anew.  
21

22 **SEC. 7. *Policy Agenda and Program of Governance.*** - National Political  
23 Parties are mandated to craft a clear policy agenda and program of governance  
24 consistent with their party philosophy and ideals. The members of the National  
25 Political Party shall endeavor to act in accordance with the defined party platform  
26 and pursue programs to fulfill party commitments.  
27

28 **SEC. 8. *Selection of Candidates.*** - The selection process for candidates of  
29 National Political Parties shall be democratized through the adoption of a process  
30 that is fair, open and transparent, and which promotes participation of choice from  
31 the members of the party.

32 Towards this end, every National Political Party is mandated to formulate a  
33 merit system on nomination and selection of candidates who must be members of  
34 the party. Every National Political Party shall submit to the Commission its rules  
35 governing the merit system on nomination and selection of candidates not later than

1 one hundred and eighty (180) days before the Election Day following the  
2 effectivity of this Act.

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

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

19  
20 **SEC. 9. Contents of Certificate of Nomination.** - The certificate of  
21 nomination shall state that the person issuing the nomination is the duly authorized  
22 representative of the political party as provided for in its constitution and by-laws,  
23 that the person named therein is the official candidate of the party for the elective  
24 position stated, and that he has accepted said nomination. The certificate of  
25 nomination shall be subscribed under oath by the duly authorized representative of  
26 the political party.

27  
28 **SEC. 10. Limits on Voluntary Contributions.** - Voluntary contributions to  
29 any National Political Party shall be limited to the following maximum amounts:

- 30 (a) Up to One Hundred Thousand Pesos (P100,00.00) from a natural person;  
31 and Up to One Million Pesos (P1,000,000.00) from a juridical person is  
32 allowed to make a voluntary contribution under existing laws.  
33 (b) Any contribution in cash or in kind to any candidate or political party  
34 for campaign purposes, duly reported to the Commission, shall be  
35 exempt from donor's tax.

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**SEC. 11. *Voluntary Contributions to Party; How Made.*** - Voluntary contribution to a political party shall be deposited by the contributor to the account of the party with any reputable bank accredited by the Commission, within six (6) months prior to the campaign period but not later than fifteen (15) days before the day of election. The accredited banks shall issue a corresponding receipt to the contributor on the amount deposited, and shall submit to the Commission a statement of account of every political party with deposits. The Commission shall cause the publication of the account of all political parties in any newspaper of general circulation within a reasonable time as determined by the Commission.

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

**SEC. 13. *Penalties for Political Turncoatism.*** - Political Turncoats shall be:

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

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





- 1 (a) Operating expenses of the party, which may include hiring of  
2 personnel, professional secretariat, setting up of headquarters, and other  
3 relevant electoral expenditures;
- 4 (b) Traveling expenses of the candidates and support personnel in the  
5 course of the campaign, and for personal expenses incident thereto;
- 6 (c) Information dissemination and advocacy campaigns of the political  
7 party;
- 8 (d) Production and distribution of electoral paraphernalia and other  
9 propaganda materials; and
- 10 (e) Other expenditures under Section 102 of the Omnibus Election Code.
- 11

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

17

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

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

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

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

- (a) Five percent (So/) of the fund shall accrue to the Commission, to be used exclusively for monitoring purposes and the conduct of information dissemination campaigns and voters' education;
- (b) Forty five percent (45%) of the fund shall be proportionately and ratably distributed to accredited national political parties represented in the Senate based on the number of seats obtained in the most recent general elections;
- (c) Fifty percent (50%) of the fund shall be proportionately and ratably distributed to accredited national political parties represented in the House of Representatives based on the number of seats obtained in the most recent general elections.

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

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



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

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

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

**SEC. 30. *Performance Monitoring and Reporting System.*** - The Commission and the COA shall jointly design and implement, in consultation with political parties, aggrupations or coalitions thereof, accredited citizens' arms, the private sector and non-governmental organizations, and government agencies, an integrated political party development and campaign subsidy performance monitoring and reporting system. The performance and monitoring system shall identify, define and operationalize a system of performance indicators and measures for party development and campaign subsidy deployment.



1 documentary requirements set forth in this Act shall be subject to administrative  
2 sanctions by the Commission, which shall include temporary or permanent  
3 cancellation of the party's registration, as well as payment of fines consistent with  
4 existing laws and regulations.

5  
6 **SEC. 34. Appropriations.** - The amount of Three Hundred Fifty Million  
7 Pesos (P350,000,000.00) is hereby appropriated out of the funds of the National  
8 Treasury not otherwise appropriated, effective immediately upon the approval of  
9 this Act. Every year thereafter, and not later than January 15 of every year; there  
10 shall be appropriated the amount Three Hundred Fifty Million Pesos  
11 (P350,000,000.00). All such amounts appropriated pursuant to this Act shall go to  
12 the State Subsidy Fund, which shall be administered by the Commission.

13 The Commission and the Department of Budget and Management (DBM)  
14 shall promulgate guidelines to facilitate the release of the funds to every accredited  
15 national political party.

16  
17 **SEC. 35. Lead Agency.** - The Commission is hereby mandated as the  
18 independent regulatory agency charged with administering and enforcing the  
19 provisions of the Act.

20  
21 **SEC. 36. Applicability.** -The provisions of Batas Pambansa Blg. 881, as  
22 amended, otherwise known as the "Omnibus Election Code of the Philippines," and  
23 other election laws not inconsistent with this Act shall apply suppletorily.

24  
25 **SEC. 37. Rules and Regulations.** - The Commission shall promulgate the  
26 necessary rules and regulations to effectively implement the provisions of this Act.

27  
28 **SEC. 38. Repealing Clause.** - All laws, orders, issuances, rules and  
29 regulations or parts thereof inconsistent with the provisions of this Act are hereby  
30 repealed, modified or amended accordingly

31  
32 **SEC. 39. Separability Clause.** - If any part of this Act is held invalid or  
33 unconstitutional, the other parts or provisions thereof not affected thereby shall  
34 remain valid and effective.

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

3  
4                    *Approved,*