



HOUSE OF REPRESENTATIVES

H. No. 5779

BY REPRESENTATIVES CHIPECO, COLLANTES, CORTUNA, UNGAB, CUA,
ALMARIO, ANGPING, BATAOIL, ALMONTE, DEL MAR, SUANSING,
NOGRALES, ACOP, BATOCABE, RODRIGUEZ (M.), YAP (S.) AND GUIAO,
PER COMMITTEE REPORT NO. 727

AN ACT GRANTING THE SECURITIES AND EXCHANGE
COMMISSION THE AUTHORITY TO MONITOR AND
INVESTIGATE NONGOVERNMENTAL ORGANIZATIONS,
FOUNDATIONS, AND SIMILAR INSTITUTIONS

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

1 SECTION 1. *Authority to Monitor and Investigate Nongovernmental*
2 *Organizations, Foundations, and Similar Institutions.* – The Securities and
3 Exchange Commission (SEC) may, either upon its own initiative or upon the
4 sworn application of any person or organization, investigate the acts and
5 practices of any nongovernmental organization (NGO), foundation, and similar
6 institutions when there exists probable cause to believe that such organizations
7 are committing, or attempting or conspiring to commit, or participating in or
8 facilitating an act in violation of existing laws, rules and regulations. For this
9 purpose, the SEC is empowered to summon witnesses, issue subpoena

1 *duces tecum*, administer oaths, and take testimony or evidence relevant to the
2 investigation.

3 The SEC may enlist the assistance of any branch, department, bureau,
4 office, agency or instrumentality of the government, including
5 government-owned or -controlled corporations, in undertaking its monitoring
6 and investigate functions which may include the use of its personnel, facilities
7 and resources.

8 The SEC shall furnish the appropriate law enforcement agencies with
9 the official results of its investigations.

10 In the exercise of its investigatory powers, the SEC shall ensure that its
11 monitoring activities shall cover all or substantially all active NGOs,
12 foundations, and similar institutions.

13 SEC. 2. *Mandate to Upgrade Personnel and Equipment.* – The SEC
14 shall conduct a periodic review of its budgetary requirements, with the end in
15 view of upgrading its personal services and institutionalizing computer-assisted
16 monitoring and review of activities of all active NGOs, foundations, and
17 similar institutions. The Commission shall submit a budget proposal for
18 immediate consideration in the next budget cycle.

19 SEC. 3. *Appropriations.* – The amount necessary for the
20 implementation of this Act shall be included in the annual General
21 *Appropriations Act*.

22 SEC. 4. *Effectivity.* – This Act shall take effect fifteen (15) days after
23 its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,

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