



HOUSE OF REPRESENTATIVES

H. No. 5877

BY REPRESENTATIVES DE VENECIA, DADIVAS, LAPUS, AQUINO (A.), MARCOS,
DE GUZMAN, BARINAGA, AGARAO, FUENTEBELLA, LOCSIN, CODILLA,
LACSON, AMIN, ARROYO (I.), CHATTO, BADELLES, NICOLAS,
VILLANUEVA, ESPINOSA (E.T.), ROSALES, BATERINA, ENRILE,
ALFELOR, IMPERIAL, ESPINO, UMALI (A.V.), REYES (V.), UY (R.),
FIGUEROA, TULAGAN AND CUA (G.), PER COMMITTEE REPORT
NO. 2024

AN ACT STRENGTHENING THE POLITICAL PARTY SYSTEM AND PROVIDING FUNDS THEREFOR

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

CHAPTER I

GENERAL PROVISIONS

SECTION 1. *Title.* – This Act shall be known as the “Political Party Act
of 2007”.

SEC. 2. *Declaration of Policy.* – It is hereby declared that the State
shall:

(a) Promote the institutionalization of national parties, and the
adherence to and development of party platforms;

(b) Ensure political accountability and transparency in the party
system;

1 (c) Guarantee equal access to opportunities for public service;

2 (d) Maintain honesty and integrity in the public service as well as take
3 positive and effective measures against graft and corruption;

4 (e) Institutionalize reforms in the financing of electoral campaigns and
5 management of operations of national parties, as well as in the pursuit of other
6 party development activities; and

7 (f) Instill party loyalty and discipline.

8 SEC. 3. *Coverage.* – This Act shall apply to national parties as
9 registered with and certified to by the Commission on Elections.

10 SEC. 4. *Definition of Terms.* – As used in this Act, the following terms
11 shall mean:

12 (a) “Candidate” refers to any person aspiring for or seeking an elective
13 public office, who has filed a certificate of candidacy and duly nominated by
14 an accredited national party, aggrupation or coalition of parties.

15 (b) “Commission” refers to the Commission on Elections.

16 (c) “Political party” refers to an organized group of citizens advocating
17 an ideology or platform, principles and policies for the general conduct of
18 government and which, as the most immediate means of securing their
19 adoption, regularly nominates and supports certain of its leaders and members
20 as candidates for public office.

21 (d) “National party” refers to a political party, sectoral party or sectoral
22 organization registered with the Commission, whose constituency is effectively
23 spread over the geographical territory of at least a majority of the regions.

24 (e) “Political turncoatism” refers to the change of political party
25 affiliation by any elective public official under which he was elected from the
26 time of the election up to the last six months before the succeeding election. It
27 shall also refer to the change of political party of any candidate not holding any

1 elective position six months before an election: *Provided*, That political
2 turncoatism shall not apply in any of the following instances:

3 (1) Merger or coalition of political parties where a candidate is a
4 registered member thereof;

5 (2) Abolition of political parties where a candidate is a registered
6 member thereof;

7 (3) Expulsion, in writing, of the registered member from his political
8 party; and

9 (4) Resignation or indefinite leave of any candidate from a political
10 party: *Provided*, That the elective public official remains independent during
11 his term of office up to six months before the succeeding election: *Provided*,
12 *further*, That the basis of determining his party membership is the party of his
13 choice, appearing in the certificate of candidacy and the certificate of
14 nomination from his party filed with the Commission.

15 (f) "Disclosure requirements" refers to the duty of all candidates,
16 national parties, organizations or coalitions to reveal the amount, source and
17 possible expenditure destination of campaign money flowing into them during
18 the time provided for them under this Act.

19 (g) "State Fund" refers to the fund for party development and campaign
20 activities of national parties from the annual General Appropriations Act.

21 (h) "Voluntary contributions" refers to the contributions from private
22 individual taxpayers and corporations allowed under existing laws.

23 CHAPTER 2

24 INSTITUTIONALIZATION OF NATIONAL PARTIES

25 SEC. 5. *Registration of National Parties.* – For purposes of this Act,
26 any organized group of persons seeking registration as a national party may file
27 with the Commission a verified petition attaching thereto its constitution and
28 bylaws, platform or program of government and such other relevant

1 information as may be required by the Commission. The Commission shall,
2 after due notice and hearing, resolve the petition within ten (10) days from the
3 date it is submitted for decision.

4 Those who are already registered as national party may not register
5 anew. However, they should manifest their desire to be entitled to the rights
6 and privileges under this Act.

7 *SEC. 6. Effects of Registration.* – A duly registered national party
8 referred to in the immediately preceding section shall be entitled to the rights
9 and privileges under this Act.

10 National parties are likewise mandated to craft a clear policy agenda and
11 program of governance consistent with their party philosophy and ideals. The
12 members of the national party shall act in accordance with the defined party
13 platform and pursue programs to fulfill party commitments.

14 *SEC. 7. Selection of Candidates.* – The selection process for candidates
15 shall be democratized through the adoption of a process that is fair, open and
16 transparent, and would promote participation of choice from the members of
17 the party. Towards this end, each national party is mandated to formulate a
18 merit system on nomination and selection of candidates.

19 The national party shall submit to the Commission its rules on merit
20 system on nomination and selection of candidates not later than two hundred
21 ten (210) days before the election day.

22 Any aggrieved member of the national party may file a verified
23 complaint not later than ten (10) days after the party convention for the
24 violation of the rules on merit system on nomination and selection of
25 candidates.

26 *SEC. 8. Changing Political Party Affiliation.* – Any candidate who
27 changes his party affiliation under Section 4(e) of this Act shall be deemed to
28 have committed political turncoatism.

1 SEC. 12. *Limits on Voluntary Contributions.* – Voluntary contributions
2 to any national party shall be exclusively used for campaign expenditures and
3 be limited to the following:

4 (a) Individual taxpayer's contribution shall not exceed the amount of
5 One hundred thousand pesos (P100,000.00); and

6 (b) A corporation can contribute up to a maximum amount of Five
7 hundred thousand pesos (P500,000.00).

8 SEC. 13. *Period of Voluntary Contributions to a National Party.* – Any
9 voluntary contribution to a national party shall be deposited with any
10 accredited bank by the Commission within six months prior to the campaign
11 period but not later than fifteen (15) days before the election day. For this
12 purpose, each national party shall open an account with any accredited bank
13 that shall issue a corresponding receipt to the contributor on the amount
14 contributed. Said accredited banks shall submit a statement of account of each
15 national party to the Commission.

16 The Commission shall cause the publication of the account of any
17 national party in any newspaper of general circulation within a reasonable time
18 as may be specified under the implementing rules and regulations of this Act.

19 SEC. 14. *Allowable Party Development Activities.* – Due to the vital
20 role played by national parties in the country's political development and in
21 order to promote professionalism and accountability among members of the
22 party, only the following party development activities shall be allowed:

23 (a) Branch administration, membership, recruitment and civic
24 education;

25 (b) Research and policy development;

26 (c) Education and training of members;

27 (d) Institution building and constituent outreach program; and

28 (e) Other reasonable expenses that will help in strengthening the party.

1 fund. The auditing of all the financial accounts of parties shall be based on a
2 reasonable time to be specified by the COA.

3 Voluntary contributions to any national party shall be accounted for
4 separately under a different set of books of accounts, which shall be open to
5 inspection by the COA as may be requested by the Commission.

6 SEC. 20. *Party Ethics.* – In exchange for State subsidy, registered
7 national parties that qualify to avail of the fund shall institute internal control
8 mechanisms to promote accountability and transparency. Said national parties
9 shall likewise develop and enforce an internal code of conduct and ethical
10 standards for its party members to uphold the values and standards of public
11 life, and to formulate and implement disciplinary procedures for party
12 members: *Provided*, That said program for internal controls, ethical standards
13 and disciplinary procedures shall all be duly submitted and filed with the
14 Commission and made available to the public.

15 In addition, no national party shall sponsor and select a candidate who
16 has been convicted by any court for any criminal offense.

17 SEC. 21. *Full Disclosure of Funds Sources and Expenditures.* – The
18 officials of the registered national party shall submit a sworn statement of their
19 assets and liabilities to the Commission regardless of whether or not they hold
20 public office. Said documents shall form part of public record.

21 All national parties and candidates shall be required to make a public
22 disclosure of all the contributions as well as the expenditures incurred for the
23 utilization of the fund through the official website of the Commission and/or in
24 a publication of general circulation.

25 Specifically, the following shall be reported:

26 (a) The amount of contribution, the date of bank receipt and the full
27 name and exact address of the person from whom the contribution was
28 received shall be included in the pre-election disclosures to the Commission.

1 Aside from these contributions, they must furnish the Commission of its full
2 report of expenditures and receipts incurred during the campaign.

3 (b) Post-election disclosure statements must be submitted to the
4 Commission within thirty (30) days after the day of the election. Late
5 statements shall be subject to fine, but the Commission will only consider
6 waiver of fines based upon good and valid causes for late filing.

7 *SEC. 22. Prohibited Acts.* – The following shall be punishable:

8 (a) Misuse of funds received by national parties, both from the State
9 and the voluntary contributions, which go beyond the allowable expenditures
10 set under this Act and other existing laws;

11 (b) Inability to account for all incoming contributions from whatever
12 source and/or failure to submit pre-election as well as post-election disclosure
13 statements to the Commission; and

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

16 *SEC. 23. Penalties.* – (a) Any candidate or officer of any national party
17 who violates Section 22 of this Act shall constitute an election offense without
18 prejudice to the imposition of other penalties under existing laws.

19 (b) Failure of any national party to comply with any of the
20 documentary requirements as identified in Sections 5, 6, 7, 20 and 21 shall be
21 subject to administrative sanctions which the Commission may impose,
22 including temporary or permanent cancellation of the party's registration, as
23 well as payment of fines consistent with existing laws and regulations.

24 *SEC. 24. Appropriations.* – The amount of Three hundred million pesos
25 (P300,000,000.00) shall be initially appropriated in the annual General
26 Appropriations Act for the implementation of this Act. The succeeding amount
27 shall be based on the authorized expense of national parties for the total
28 registered voters referred to under Section 15 of this Act.

1 SEC. 25. *Applicability.* – The provisions of Batas Pambansa Blg. 881,
2 as amended, otherwise known as the “Omnibus Election Code of the
3 Philippines”, and other election laws not inconsistent with this Act shall apply.

4 SEC. 26. *Rules and Regulations.* – The Commission shall promulgate
5 the necessary rules and regulations to effectively implement the provisions of
6 this Act.

7 SEC. 27. *Repealing Clause.* – The inclusion of Section 99 in Section
8 262 of the Omnibus Election Code (Batas Pambansa Blg. 881) as among
9 election offenses is hereby repealed.

10 All laws, orders, issuances, rules and regulations or parts thereof
11 inconsistent with the provisions of this Act are hereby repealed, modified or
12 amended accordingly.

13 SEC. 28. *Separability Clause.* – If any part of this Act is held invalid or
14 unconstitutional, the other parts or provisions hereof shall remain valid and
15 effective.

16 SEC. 29. *Effectivity.* – This Act shall take effect fifteen (15) days from
17 its publication in the *Official Gazette* or in at least two national newspapers of
18 general circulation, whichever comes first.

Approved,

O