

How Far is It?: A Round Table Discussion on Philippine Political Party Law
Ateneo School of Government and Friedrich-Ebert-Stiftung (FES) in the Philippines

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The Blue Room, 2nd Flr. Ateneo Professional Schools Building
Rockwell Center, Makati City

**Comparative Description of the Bills on
Political Party Reform and Development¹**

Existing Bills

- Several bills on political party development have been filed in the House of Representatives. These bills are House Bill No. 124 (introduced by Cong. Juan Edgardo Angara), HB No. 1677 (introduced by Cong. Jose de Venecia, Jr.), HB No. 2054 (introduced by Cong. Del de Guzman), HB No. 2128 (introduced by Cong Rufus Rodriguez), and HB No. 2268 (introduced by Cong. Teodoro Locsin, Jr.).
- All these bills were later integrated into House Bill No. 3655 which was submitted to the Speaker of the House through Committee Report No. 308 on February 26, 2008.
- The said Bill has several versions in the Senate, namely: Senate Bill No. 67 (introduced by Sen. Edgardo Angara), SB No. 227 (introduced by Sen. Loren Legarda), and SB No. 587 (introduced by Sen. Jinggoy Ejercito Estrada).

Outline

All the bills have identical outlines and content, which are divided and into five (5) chapters which are then further subdivided into 40 sections. The only difference between the versions filed in the Senate and the House of Representatives (HoR) is that for the Senate versions, an appropriation amounting to Php 350 Million is specified; while the House version does not specify an amount but instead mandate the COMELEC to include in its program funding the implementation of the Act.

The outline of each of the bills is as follows:

CHAPTER 1: Declaration of Policy, Purpose and Coverage

- Section 1: Title
- Section 2: Declaration of Policy
- Section 3: Purposes
- Section 4: Coverage
- Section 5: Definition of Terms

CHAPTER 2: Institutionalization of Political Parties

- Section 6: Registration as a National Political Party

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- Section 7: Policy Agenda and Program of Governance
- Section 8: Selection of Candidates
- Section 9: Contents of Certificate of Nomination
- Section 10: Limits on Voluntary Contributions
- Section 11: Voluntary Contributions to Party, How Made
- Section 12: Changing Political Party Affiliation
- Section 13: Penalties for Turncoatism
- Section 14: Petition for Disqualification
- Section 15: Authorized Expenses of National Political Parties

CHAPTER 3: State Subsidy Fund

- Section 16: Establishment of a State Subsidy Fund
- Section 17: Allowable Party Development Activities
- Section 18: Allowable Campaign Expenditures
- Section 19: Accreditation
- Section 20: Criteria for Eligibility
- Section 21: Effects of Accreditation
- Section 22: Distribution of the Fund
- Section 23: Schedule of Releases from the Fund
- Section 24: Management of the Subsidy

CHAPTER 4: Disclosures and Performance Monitoring

- Section 25: Audit of the Fund
- Section 26: Party Ethics
- Section 27: Full Disclosure
- Section 28: Other Reports
- Section 29: Failure to Comply With Disclosure and Reporting Requirements
- Section 30: Performance Monitoring and Reporting System
- Section 31: Publication and Dissemination of the Political Party Development and Campaign Subsidy Performance Reports

CHAPTER 5: Miscellaneous Provisions

- Section 32: Punishable Acts
- Section 33: Penalties
- Section 34: Appropriations
- Section 35: Lead Agency
- Section 36: Applicability
- Section 37: Rules and Regulations
- Section 38: Repealing Clause
- Section 39: Separability Clause
- Section 40: Effectivity

Purposes

House Bill No. 3655 and all the bills filed in the Senate share the same aims. These are:

1. Institutionalize reforms in the financing of electoral campaigns, so as to promote accountability and transparency;
2. Provide financial subsidies to political parties, to augment their expenditures for campaign purposes and for party development;
3. Promote party loyalty and discipline; and
4. Encourage and support continuing voters' education and civic literacy programs through the political parties.

Coverage

- All the bills, if approved, would apply “to National Political Parties duly registered with and certified to as such by the Commission on Elections.”
- The above-mentioned bills define *National Political Party* as “a political party or an organized group of persons duly registered with the Commission (on Elections) whose constituency is effectively spread across the geographical territory of all or a majority of the administrative regions of the Philippines, pursuing or advocating platform, principles and policies for the general conduct of government and which, as the most immediate means of securing their adoption and implementation, regularly nominates and supports its members as candidates for public office.”
- An *Accredited National Party*, on the other hand, refers to “a National Political Party qualified to receive subsidy for party development and campaign purposes, accredited for this purpose by the Commission based on a set of criteria provided under this Act.”

Party Registration and Selection of Candidates

- The bills maintain that in order to be registered as a National Political Party, a verified petition must be filed before the COMELEC.
- Attached to the said petition are the Party's constitution and by-laws, platform, principles, policies and program of government, verified list of its national officials, members of the executive board, or its equivalent, and the heads of its regional, provincial, and city chapters, and such other relevant information as may be required by the COMELEC.
- The COMELEC is then mandated to resolve the petition within 10 days from the date of its submission.
- The bills also state that every National Political Party must formulate a merit system on nomination and selection of candidates who must be members of the party.
- The said parties are also mandated to submit their rules governing their merit system to the COMELEC not later than 180 days before the day of the election.
- Parties may also hold their conventions or meetings to nominate their official candidates 15 days before the start of the election period.
- The bills also contain a clause which state that, “No political party shall nominate more candidates than the number of persons required to be voted for in an elective position nor shall any candidate be allowed to accept nominations from more than one registered political party, except in cases of aggrupations or coalitions thereof.”

On Voluntary Contributions

- HB No. 3655, as well as the Senate bills, limit the amount of voluntary contributions that can be given to any National Political Party to up to Php100,000.00 from natural persons and Php1 million from juridical persons.

- Any contribution in cash or kind to any candidate or political party for campaign purposes, that has been duly reported to the COMELEC, shall be exempt from donor's tax.
- The four (4) bills state that voluntary contributions to a political party can be deposited by a contributor to any bank accredited by the COMELEC within six (6) months prior to the campaign period but not later than 15 days before the day of the election.
- The banks are mandated to issue a corresponding receipt to the contributor and shall submit to the COMELEC a statement of account of every political party with contributions.
- The COMELEC shall then publish the account of all political parties in any newspaper of general circulation within a reasonable time to be determined by the Commission.

On Turncoatism

- All the bills agree that, "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."
- Political Turncoatism shall be penalized through:
 1. forfeiture of office if an elected official changes his/her political party affiliation during his/her term of office;
 2. disqualification from running for any elective position in the next succeeding election immediately following the act of changing political party affiliation;
 3. prohibition 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;
 4. prohibition from assuming any executive or administrative position in his/her new political party; and
 5. refund of any and all amounts he/she received from his/her political party, plus surcharge of 25%.
- The above-mentioned bills also allow any citizen of voting age, or any candidate, political party, aggregation or coalition to file a disqualification petition before the COMELEC against any candidate on the ground of Political Turncoatism upon the filing of the certificate of candidacy and before proclamation.

Authorized Expenses

In all the bills, a National Political Party is only allowed to spend Php11.00 in every election campaign for every voter currently registered in the constituency or constituencies where it has official candidate/s.

State Subsidy

- Another common feature among the bills is the establishment of a State Subsidy Fund which shall be used to augment the operating funds of Accredited National Political Parties.
- The amount of State Subsidy Funds that shall be released annually shall be distributed as follows:
 1. Five percent (5%) shall accrue to COMELEC to be used exclusively for monitoring purposes, information dissemination and voters' education.
 2. 45% 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.

3. 50% 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.
- Funds released during a non-election year shall be used exclusively for party development activities, while funds released during an election year shall be divided as follows: 75% for campaign expenditures; and 25% for party development activities.
 - Every Accredited National Political Party shall submit to the COMELEC a detailed program of activities as well as the breakdown of expenditures drawn from the Fund by the end of December of every fiscal year.
 - The subsidy for the succeeding year shall not be released without the submission of the said report covering the preceding year.
 - Failure of an Accredited National Party to comply with this requirement will result in its disqualification from receiving its share in the State Subsidy Fund, which shall then revert to the general funds of the Government.

Party Ethics

All the bills have a common clause (the last sentence in Section 26) which states that, “No political party shall select and nominate a candidate who has been convicted for any criminal offense.”

Penalties

- The bills have all identified the following acts as punishable:
 1. Misuse of funds received by National Political Parties both from the State Subsidy Fund and from voluntary contributions;
 2. The giving of voluntary contributions which go beyond the allowable limits that have been set;
 3. Inability to account for all incoming contributions from whatever source;
 4. Failure to submit pre-election as well as post-election disclosure statements to COMELEC; and
 5. False reporting or any misrepresentation in the financial statement reports.
- Any candidate or official of any National Political Party who violates any of the provisions shall be punished with imprisonment of not less than six (6) years but not more than 12 years, or a fine ranging from Php50,000.00 to Php500,000.00, or both; and shall likewise be disqualified from holding public office.
- Any National Political Party that violates any of the provisions shall pay a fine of not less than Php100,000.00 but not more than Php1 million.
- Any National Political Party that fails to comply with any of the documentary requirements shall be subject to administrative sanctions by the COMELEC, which shall include temporary or permanent cancellation of the party’s registration, as well as payment of fines.

Appropriations

- HB No. 3655 (if approved) shall mandate the COMELEC to include in its program funding for the implementation of the Political Party Development Act.
- The Senate versions, on the other hand, allocate Php350 million out of the funds of the National Treasury that are not otherwise appropriated, immediately upon their enactment into law. And every year thereafter, and not later than January 15 of every year, Php350 million

shall be appropriated which shall all go to the State Subsidy Fund to be administered by the COMELEC.

Rapid Assessment and Preliminary Questions

The Senate and House versions limit those eligible to get State subsidy to Accredited National Political Parties. However, there are accredited local and/or ethnic-based political parties that have long been in existence, have presence at the local area, and have strong organizational discipline (e.g. Bicol Saro Party, Balane in Nueva Ecija and Magdalo in Cavite). Should they be excluded from getting State subsidy simply because they are not national in scope?

All the bills disallow any political party from selecting and/or nominating a candidate who has been convicted for any criminal offense. On the other hand, the situation in the country is so unstable that there are political actors who have been convicted for political offenses. Yet, one of the tacit aims of political party development is to open up the system so as to allow insurgents and military rebels to set aside their arms and join in open electoral contests. But how can they effectively compete if their leaders have been convicted and are automatically barred from running for public office?

The Senate versions allocate Php350 million for political party development. But the party-list experience proves that the President—through the DBM—can withhold the release of the Priority Development Assistance Funds (PDAF) intended for party-list groups that voted for the impeachment. How can we guarantee that the State Subsidy Funds will be released to National Political Parties that belong to the opposition?

Section 30 of the proposed bills mandates the COMELEC and the Commission on Audit (COA) to “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 system.” This provision is laudable for to reasons:

- first, it expands the notion of democracy through citizens participation; and
- the presence of NGOs and civil society can augment the monitoring capacity of COMELEC which has been put into doubt because of their previous performance.

However, this brings to question the capacity of COMELEC to monitor and, in general, to successfully implement the law. Given that the success of the law is largely based on the effective implementation of COMELEC, it is necessary to look at the viability of the proposed legislation within the context of the need to reform and strengthen COMELEC.