

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Constitution Hills  
Quezon City



**EIGHTEENTH CONGRESS**  
First Regular Session

House Bill No. 4341

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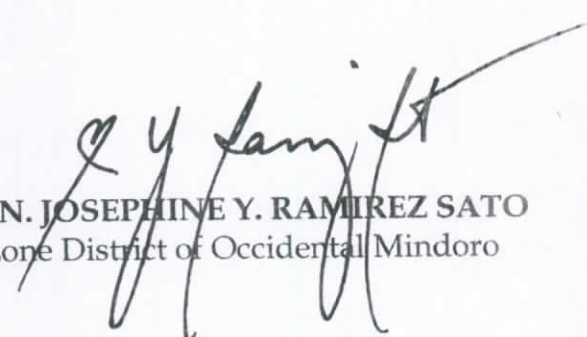
**Introduced by: Rep. Josephine Y. Ramirez Sato**

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**EXPLANATORY NOTE**

This bill aims to protect the general public from the unscrupulous solicitation, thus, establishing the standards and guidelines for organizations, agencies, groups and individuals undertaking such activities. Furthermore, it aims to strengthen the system of granting permits and/ or authorization to solicit funds and/ or donations from the public for charitable, social, and public welfare purposes. It is also the intention of this bill to ensure that solicited funds are properly utilized according to its intended purposes and given to its rightful beneficiaries.

In view of the foregoing, the immediate passage of this bill is earnestly sought.

  
**HON. JOSEPHINE Y. RAMIREZ SATO**  
Lone District of Occidental Mindoro

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**AN ACT REGULATING PUBLIC SOLICITATIONS AND PROVIDING PENALTIES FOR VIOLATION THEREOF, REPEALING FOR THE PURPOSE ACT NO. 4075, AS AMENDED BY PRESIDENTIAL DECREE NO. 1564, OTHERWISE KNOWN AS THE SOLICITATION PERMIT LAW**

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

SECTION 1. *Short Title.* - This Act shall be known as the "Public Solicitation Act".

SEC. 2. *Declaration of Policy.* - It is hereby declared a policy of the State to regulate public solicitation undertaken by organizations, agencies, groups and individuals in order to protect the general public from unscrupulous solicitation and to ensure that funds are properly utilized for the intended purpose and beneficiaries. Towards this end, standards and guidelines are hereby established to strengthen the system of granting permits or authorization primarily to solicit funds or donations from the public.

SEC. 3. *Definitions of Terms.* - As used in this Act:

- (a) Administrative cost refers to the cost incurred in the management and operation of the conduct of the solicitation activity which include the application fee for a solicitation permit, cost of mailing, printing of letters of appeal and other paraphernalia;
- (b) Beneficiaries refer to Filipino citizens who are poor, vulnerable,

marginalized and disadvantaged sectors or entities who will benefit from the proceeds of public solicitation conducted. These include:

- (1) Children who are abandoned, neglected, orphaned, voluntarily committed, abused and exploited, street children, children with disabilities, children in conflict with the law, children in need of special protection, children in cultural communities, and children victims of natural disasters;
  - (2) Out-of-school youth and other youth with special needs;
  - (3) Women in especially difficult circumstances;
  - (4) Persons with disabilities;
  - (5) Senior citizens;
  - (6) Individuals, families, and communities who are in crisis situation, including those who are internally displaced due to armed conflict and other developmental projects, and victims of natural and human-induced calamities or disasters;
  - (7) Individuals suffering from serious, terminal or chronic diseases and illnesses such as cancer and kidney failure;
  - (8) Rebel returnees and families who are victims of armed conflict situation; and
  - (9) Poor or dysfunctional families in depressed communities among others.
- (c) Blacklisting refers to the list or registry of a person, organization, and agency which are being prohibited from conducting any solicitation activity due to violations committee as provided in this Act;
- (d) Charitable purpose refers to the intent to provide services or conduct of activities for the improvement of the quality of life of beneficiaries as defined in this section, or to promote the welfare of the general public which include the conduct of educational, arts and cultural activities;
- (e) Donor refers to an individual, organization or agency that donates something for charitable or public welfare purposes;
- (f) Individual refers to a person who is a parent, guardian, or immediate relative within the third (3<sup>rd</sup>) degree of consanguinity or affinity of a patient suffering from a chronic disease that requires long-term expensive medication desiring to solicit or receive charitable contributions from the public;
- (g) Organization or agency refers to all national government agencies (NGAs), government-owned and -controlled corporations (GOCCs), state universities and colleges (SUCs), local government units (LGUs) and other government agencies; nongovernment organizations (NGOs)



including faith-based organizations, civil society organizations, people's organizations; associations and similar organizations, chapters and affiliates of similar international organizations operating in the Philippines desiring to solicit or receive contributions from the public for charitable or public welfare purposes;

- (h) Program cost refers to all direct and indirect expenses incurred in the provision of services or goods to the beneficiaries of the public solicitation including expenses of the donee person, organization or agency in its operation and the implementation of relevant programs and services;
- (i) Public refers to the populace, society, masses or people in general within the Philippine territory where the public solicitation is to be undertaken;
- (j) Public solicitation refers to any activity or project intended to generate funds, goods, or other assistance from the public for charitable or public welfare purposes;
- (k) Public welfare purpose refers to any activity or project relative to the promotion of health, education, peace, social welfare and protection, environmental safety, rights, security and safety of citizens and similar circumstances or conditions including disaster relief operations and climate change management; preservation and promotion of culture and arts;
- (l) Revocation refers to the cancellation of the issued solicitation permit due to the commission of any violations as provided in this Act;
- (m) Solicitation permit refers to a certificate of authority issued by the Department of Social Welfare and Development (DSWD), the Provincial Social Welfare and Development Office (PSWDO), the City Social Welfare and Development Office (CSWDO), or the Municipal Social Welfare and Development Office (MSWDO) to an individual, organization or agency applying for an authorization to solicit donations or voluntary contributions for charitable or public welfare purposes.

SEC. 4. *Coverage.* - This Act shall apply to all NGAs, GOCCs, SUCs, public schools, LGUs and other government agencies, individuals, CSOs including faith-based organizations, people's organizations, NGOs, academe, associations and similar organizations, chapters and affiliates of similar international organizations operating in the Philippines which are partly or fully financed with funds solicited from or contributed by the public or private sector for charitable or public welfare purposes.

Notwithstanding the foregoing, this Act shall not be used as a defense against a violation committed by a government official or employee against Section 7(d) of Republic Act No. 6713, otherwise known as the "Code of Conduct and Ethical Standards for Public Officials and Employees", on soliciting gift or anything monetary value from any person in the course of their official duties or in connection with any operation being regulated, or any transaction which may be affected by the function of their office.

SEC. 5. *Exemption from Coverage.* - The following shall be exempt from application of solicitation permit:

- (a) Organizations and agencies created by laws that specifically confer authority on these organizations and agencies to solicit or conduct fund campaign for charitable or public welfare purposes shall continue to be covered by their charters and shall not be required to acquire a solicitation permit. *Provided*, That the DSWD and concerned Local Social Welfare and Development Office (LSWDO) shall be informed in writing before the conduct of the solicitation campaign and shall have the authority to monitor their activities and to require these organizations and agencies to submit reports pertaining to the conduct of the public solicitation and the utilization of funds solicited: *Provided, further*, That the DSWD shall maintain and periodically update the list of organizations and agencies that are exempted from application of solicitation permit;
- (b) Caroling during holiday season, regardless of purpose; and
- (c) Solicitations for religious purposes that are made within religious sanctuaries, such as churches, mosques, and such other building structure regularly used for religious service or worship.

SEC. 6. *Solicitation Permit; Requirements.* - No solicitation permit shall be issued to an individual, organization or agency without first complying with the documentary requirements:

- (a) Duly accomplished application form signed by the individual, organization or agency head or an authorized representative;
- (b) Project proposal approved by the head of the applicant or in the case of an organization, a proposal approved by the head of the applicant organization or agency on the intended public solicitation activity including the work and financial plan on the activity to be undertaken, and information and details relative to the intended beneficiaries;
- (c) Personal profile of individual applicant showing information attesting to the applicant's identity and capability and integrity to launch a



solicitation drive or in the case of an organization, certified true copy of Certificate of Registration and Articles of Incorporation and Bylaws with the Securities and Exchange Commission (SEC) or other regulatory government agency which has jurisdiction to regulate the organization or agency;

- (d) Updated certification of good standing from the SEC or other regulatory government agency which has jurisdiction to regulate the organization or agency;
- (e) Notarized written agreement or any similar document signifying the concurrence of the intended beneficiaries as recipient of the solicitation activity; and
- (f) Notarized board resolution or other written authorization for the organization or agency's planned solicitation activity which shall ensure strict compliance to the standard ratio on fund utilization.

For the purpose of this Act, the documentary requirements shall be waived for institutions or organizations seeking funding support during disaster response activities.

SEC. 7. Authority to Issue Permit. – The following officials are authorized to grant a solicitation permit to an eligible individual, organization or agency that will conduct solicitation activities for charitable and public welfare purposes:

- (a) Secretary of the DSWD or a duly authorized Undersecretary of the DSWD for national public solicitations;
- (b) DSWD Regional Director or any duly authorized representative for regional public solicitations;
- (c) Provincial Governor through the PSWDO Chief or any duly authorized representative for provincial public solicitations; and
- (d) City or Municipal Mayor through the CSWDO Chief or the MSWDO Chief or any duly authorized representative for local public solicitations.

SEC. 8. *Validity of Permit.* – All solicitation permits issued by the DSWD, the PSWDO, the CSWDO, or the MSWDO shall be valid only on the approved date of coverage which in no case shall exceed one (1) year within the specified city, municipality, region or areas in the Philippines. Its validity shall not extend outside of the Philippines even if the target beneficiaries and donors are Filipinos.

An organization or agency with a good track record in conducting public solicitation, as determined by the DSWD, the PSWDO, the CSWDO, or the MSWDO may be granted a solicitation permit with a longer validity period which shall not exceed two (2) years.

SEC. 9. *Types of Public Solicitation.* – Public solicitation shall be categorized as follows:

- (a) Local public solicitation refers to a solicitation activity conducted within a city or municipality;
- (b) Provincial public solicitation refers to a solicitation activity conducted within two (2) or more cities or municipalities in the same province;
- (c) Regional public solicitation refers to a solicitation activity conducted within two (2) or more provinces in a region; and
- (d) National public solicitation refers to a solicitation activity conducted in two (2) or more regions.

SEC. 10. *Solicitation During Calamities or Disasters.* – In times of natural or human-induced calamities or disasters, and the intended beneficiaries of the public solicitation are disaster-stricken areas or communities where a state of calamity has been declared by the President of the Philippines or by the local sanggunian, a temporary solicitation permit may be issued to the applicant individual, organization or agency upon submission of a duly accomplished application form, as provided for in Section 6(a) of this Act, signed by the applicant individual, or head of the organization or agency or an authorized representative.

The validity of the temporary solicitation permit shall be determined by the concerned DSWD office, PSWDO, CSWDO, or MSWDO in coordination with the Disaster Risk Reduction and Management Council office or equivalent office depending on their assessment of the impact of the calamity or disaster to the affected areas. The applicant individual, organization or agency shall comply with the requirements provided under Section 6 of this Act within the period set forth by the concerned DSWD office, PSWDO, CSWDO, or MSWDO.

SEC. 11. *Fees and Charges.* – For national and regional public solicitations, the DSWD may charge reasonable fees corresponding to the cost only of preparing the solicitation permit. The fees shall be remitted to the National Treasury, recorded as a Special Account in the General Fund and shall be available to the DSWD through a Special Budget pursuant to Section 35 of Executive Order No. 292, otherwise known as the "Administrative Code of 1987". For provincial and local public solicitations, the governor, city or municipal mayor may impose reasonable fees corresponding to the



cost only of preparing the solicitation permit, subject to the provisions of Republic Act No. 7160, otherwise known as the "Local Government Code of 1991" and other existing laws.

SEC. 12. Methods of Public Solicitation. - Public solicitation may be done through any of the following:

- (a) Written request such as letters of appeal, envelopes, cards and other similar forms;
- (b) Mass media campaign through television, cinema, radio, magazines, newspapers, billboards, social media and other similar forms;
- (c) Distribution, circulation, publication or posting of written advertisement or other similar forms;
- (d) Rummage sales and sale of goods including souvenir items;
- (e) Benefit shows including concerts, fashion shows and other forms of entertainment;
- (f) Fun runs, marathon, cycling, and other forms of sports activities;
- (g) Popularity contests;
- (h) Donation boxes, coin banks and other similar forms; and
- (i) Other methodologies that may be allowed by the DSWD, the PSWDO, the CSWDO, or the MSWDO.

*Provided,* That requests for financial assistance from the Philippine Charity Sweepstakes Office (PCSO) and similar agencies shall not be covered under this Act.

SEC. 13. *Allocation of Proceeds.* - Not more than thirty percent (30%) of the total proceeds from the fund-raising activity of any individual, organization or agency shall be expended for administrative cost. The remaining fund shall be utilized entirely for projects or programs for the targeted beneficiaries. *Provided,* That in cases where solicitation campaigns are conducted to fund programs or projects to help disaster or calamity-stricken areas or resolve national or local crises, a more flexible term in the allocation of the proceeds is allowed. Unless compliance with this section is satisfactorily established on the basis of the report in Section 15 of this Act, no individual, organization or agency shall be issued any subsequent solicitation permit.



It shall be mandatory for funds collected during public solicitations to be deposited in a banking institution regulated by the Bangko Sentral ng Pilipinas (BSP) in the name of the individual, organization or agency to which the permit was issued. A book of accounts shall also be required in the monitoring and validation of the report.

The date, duration and place where the consolidation and accounting of proceeds shall be undertaken and the date of the awarding or turnover of the proceeds to the beneficiaries shall be witnessed by the authorized representatives from the DSWD, the PSWDO, the CSWDO, or the MSWDO for national and regional, provincial, city, or municipal public solicitation, respectively.

SEC. 14. *Monitoring of Public Solicitation.* - The individual, organization or agency to which the solicitation permit was issued shall submit to the concerned DSWD office and LSWDO the following documents:

- (a) Not later than sixty (60) days after the issuance of the permit, duly notarized report signed and sworn to by the individual or by at least two (2) authorized officers of the organization or agency, indicating whether the solicitation permit was used or not.
  - (1) If the issued solicitation permit is not used, the individual, organization or agency shall submit to the appropriate DSWD office, PSWDO, CSWDO, or MSWDO the justification for not conducting or continuing the solicitation activity within the validity period, and surrender the issued permit;
  - (2) If the solicitation permit was used, an initial report on the status of utilization of the issued permit shall be submitted;
- (b) Not later than sixty (60) days after the expiration of the issued solicitation permit, the following documents shall be submitted:
  - (1) Notarized fund utilization report of its income and expenditures sworn to by the individual, or in the case of an organization or agency, the president and treasurer of the organization or agency;
  - (2) List of donors with their corresponding addresses and contact numbers, and the amount of donations;
  - (3) List of beneficiaries with their corresponding signatures, addresses and contact numbers and amount or types of assistance extended;
  - (4) List of projects undertaken and completed with an indication of their location and cost; and

(5) Expired original solicitation permit.

*Provided,* That the DSWD shall keep and maintain a record of the organizations with solicitation permits including information of their validity.

To assist in the monitoring of public solicitation activities, the public may inquire from the DSWD or concerned LSWDO whether a public solicitation activity is legitimate or not.

SEC. 15. *Reportorial Requirements for Exempt Organizations.* - Those organizations or agencies that are exempt from securing a solicitation permits as specified in Section 5 of this Act should inform the DSWD and concerned LSWDO in writing prior to conducting solicitation activity and submit reportorial requirements at the end of the fiscal year when public solicitation has been conducted. Reports shall consist of the following documents

- (a) Notarized fund utilization report of its collections, income and expenditures sworn to by the president and treasurer of the organization or agency;
- (b) List of donors and their corresponding addresses and contact numbers;
- (c) List of beneficiaries with their corresponding signatures, addresses and contact numbers and amount or types of assistance extended;
- (d) List of projects completed, location and cost with complete documentation on the project including pictures, videos and testimonies of beneficiaries; and

SEC. 16. *Regulatory Powers.* - The DSWD, the PSWDO, the CSWDO, or the MSWDO may, in the exercise of their regulatory powers, verify the authenticity of the report submitted by conducting spot monitoring or reviewing of the book of accounts of the concerned individual, organization or agency. Likewise, the DSWD is granted visitorial powers to ensure that the soliciting individuals and organizations are legitimate and the funds solicited are properly utilized.

Further, the individual, organization or agency shall, for each solicitation activity, maintain and preserve an accurate and detailed book of accounts for not less than three (3) years after the completion of such public solicitation activity, which shall be available for inspection, at all times, upon demand by the DSWD, the PSWDO, the CSWDO, or the MSWDO. Likewise, the DSWD, the PSWDO, the CSWDO, or the MSWDO shall keep a record of the reports and supporting documents submitted by individuals, organizations or agencies previously granted a solicitation permit.



SEC. 17. *Filing of Complaints.* - The DSWD, the PSWDO, the CSWDO, or the MSWDO shall, on its own initiative or upon a verified complaint of any person, refer to the appropriate law enforcement agency or the prosecutor's office for investigation and the filing of complaint in the appropriate court any violation of the provisions of this Act.

Any individual or law enforcement agency may file a complaint before the appropriate court against any individual, organization or agency, which shall commit or is engaged in any of the acts punishable under Section 19 of this Act.

SEC. 18. *Role of Law Enforcement Agencies.* - All law enforcement agencies shall assist the DSWD, the PSWDO, the CSWDO, or the MSWDO in the efficient and effective enforcement of this Act.

SEC. 19. *Prohibited Acts.* - The following acts are punishable under this Act:

- (a) Soliciting without securing a solicitation permit from the DSWD, the PSWDO, the CSWDO, or the MSWDO;
- (b) Soliciting beyond the allowed area of coverage as indicated in the approved solicitation permit;
- (c) Violating the mode of solicitation as indicated in the approved solicitation permit;
- (d) Using a falsified or tampered solicitation permit;
- (e) Soliciting with an expired solicitation permit;
- (f) Using the solicited funds for purposes other than those indicated in the application form;
- (g) Including the beneficiaries as part of the strategy or mechanism in conducting the solicitation activity which tends to exploit the beneficiaries;
- (h) Use of lottery and other games of chance; and
- (i) Using solicitation paraphernalia which portray a dehumanizing picture, information or situation of the intended beneficiaries; and
- (j) Disbursement of solicited funds are not in accordance with the standard fund utilization ration.

SEC. 20. *Penalties.* - Any individual, organization or agency who violates the provisions of Section 19 of this Act shall be punished with imprisonment of not less than one (1) year but not more than three (3) years or a fine of not less than one hundred thousand pesos (P100,000.00) but not more than five hundred thousand pesos (P500,000.00), or both, at the discretion of the court.

Additionally, for the first offense, the solicitation permit of the individual, organization or agency shall be revoked and no permit shall be issued to them for a period of two (2) years from the date of violation. For the second offense, the individual, organization or agency shall be permanently banned from conducting any solicitation activity.

A final and executory judgment finding an organization or agency liable for violating any of the prohibited acts under Section 19 of this Act for a second time shall be a ground for the cancellation and revocation of the organization or agency's registration or license to operate and shall be endorsed to the concerned government regulatory agency for its appropriate action.

If the offender is an organization or agency, the incumbent officers of the organization or agency at the time of the commission of the offense who have knowingly participated or who shall have knowingly permitted or failed to prevent its commission shall be held liable.

If the offender is a foreigner, the offender shall, after serving sentence, be immediately deported and barred permanently from entering the country.

SEC. 21. *Failure to Report.* - Failure to comply with the reportorial requirements as provided under Sections 14 and 15 of this Act shall be punished with a fine of not less than one hundred thousand pesos (P100,000.00) but not more than five hundred thousand pesos (P500,000.00).

Additionally, for the first offense, the solicitation permit of the individual, organization or agency shall be revoked and no permit shall be issued to the offending party for a period of one (1) year from the date of violation.

For the second offense, the solicitation permit of the individual, organization or agency shall be revoked and no permit shall be issued to the offending party for a period of two (2) years from the date of violation.

For the third offense, the individual, organization or agency shall be permanently banned from conducting any solicitation activity.

SEC. 22. *Forfeiture of Proceeds.* - All solicited funds from an unauthorized public solicitation shall be forfeited in favor of the government.



SEC. 23. *Information Dissemination.* - The DSWD, the PSWDO, the CSWDO, or the MSWDO shall periodically publish a list of all individuals, organizations or agencies with public solicitation permits. The list shall include the permit number, duration period, methodology to be used and the areas covered. They shall also publish a list of individuals, organizations or agencies whose solicitation permits have been cancelled or revoked.

SEC. 24. *Implementing Rules and Regulations.* - Within ninety (90) days from the approval of this Act, the Secretary of the DSWD, in consultation with the Secretary of the Department of the Interior and Local Government, the Secretary of the Department of Transportation (DOTr), the Secretary of Department of Information and Communications Technology (DICT), the Director General of the Philippine National Police (PNP), the Commissioner of the SEC, the Association of PSWDO, the Association of CSWDO, the Association of MSWDO, and three (3) representatives selected by the DSWD from among the academe, NGOs and media organizations, shall promulgate the necessary rules and regulations for the effective implementation of this Act.

SEC. 25. *Repealing Clause.* - Act No. 4075, as amended by Presidential Decree No. 1564, otherwise known as the Solicitation Permit Law, is hereby repealed. Section 444(b)(3)(v) and Section 455(b)(3)(v) of the Local Government Code of 1991 and all other laws, decrees, executive orders and proclamations, rules and regulations or parts thereof inconsistent with this Act are hereby amended or modified accordingly.

SEC. 26. *Separability Clause.* - If any provision or part of this Act is held invalid or unconstitutional, the remaining parts or provisions not affected shall remain in full force and effect.

SEC. 27. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,