

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 3633



Introduced by Honorable Cristina "Chiqui" Roa-Puno

EXPLANATORY NOTE

This bill seeks to declare a national policy for sports as an engine for nation building, social progress and promotion for total human development and to create a Department of Sports that will implement the essential programs pursuant to this policy.

Article XIV, Section 19 of the 1987 Constitution expressly provides that the State shall encourage sports to foster self-discipline, teamwork and excellence for the development of a healthy and alert citizenry. The UNESCO International Charter of Physical Education and Sports, of which the Philippines is a signatory, stresses that the practice of sport is a fundamental right for all, which is essential to every aspect of personality development. Participation in sports not only helps people lead healthier and happier lives, it also develops essential skill sets that help them contribute to nation building and social progress.

At present, several government agencies with varied functions handle the development of sports in the country. The Department of Education organizes the annual *Palarong Pambansa* while the Games and Amusement Board, among others, supervises professional sports and the licensing of professional athletes. The Philippine Sports Commission, in coordination with the Philippine Olympic Committee, dispenses public funds for various sports programs. The local government units have their own respective sports programs. Despite the plurality

of relevant laws and responsible agencies, the present state of Philippine sports leaves much to be desired.

With the creation of a Department of Sports, one body will provide and fully implement a integrated national sports promotion and development program, which will comprehensively address the issues in the industry and shall embody the Philippines' aspirations in sports. The Department of Sports shall likewise set the parameters to address the needs of promising athletes. Issues affecting the country's performance in international competitions such as the absence of a comprehensive nationwide sports program, obsolete training methods, inefficient competitive facilities and inadequate equipment will finally be addressed properly.

Further, the Department of Sports will serve as the voice in discussing the issues pertinent to the development of effective sports programs. It will also provide the necessary impetus, direction and policy guidance to improve the performance of our athletes in both domestic and international sporting events or competitions.

Now more than ever, sports has proven to be a galvanizing force for national unity and a source of national pride. Thus, in recognizing sports as an essential component in youth development and a necessary ingredient in nation-building, the time is ripe for the government to prioritize sports in the national agenda.

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


CRISTINA "CHIQUI" ROA-PUNO

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**AN ACT DECLARING A NATIONAL POLICY FOR SPORTS AS
AN ENGINE FOR NATION BUILDING, SOCIAL PROGRESS AND
PROMOTION OF TOTAL HUMAN DEVELOPMENT, AND CREATING
THE DEPARTMENT OF SPORTS, DEFINING ITS POWERS AND
FUNCTIONS AND APPROPRIATING 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 “*Department of
Sports Act of 2016.*”

SEC. 2. Declaration of Policy. – It is hereby declared the policy of the
State:

a) To recognize the vital role of sports to nation building, acceleration of
social progress and promotion of total human liberation and development;

b) To establish a single, unified and integrated national sports body to take the lead in developing Filipino athletes to their fullest potential and put Philippine sports into its utmost performance;

c) To sustain the development of sports in the country through a Integrated National Sports Promotion and Development Program to foster physical fitness, self-discipline, teamwork and excellence for the development of a healthy and alert citizenry;

d) To promote youth participation through the development and implementation of a physical education curriculum that encourages and promotes sports;

e) To ensure equal access to physical education and sports, which are essential for the full development of a person's personality;

f) To encourage sports programs, league competitions, and amateur sports, including training for international competition, to foster self-discipline, teamwork and excellence for the development of a healthy and alert citizenry;and

g) To promote excellence in sports, and through sports, by providing for the welfare of national athletes, coaches and trainers competing for the country.

SEC. 3. **Objectives.** – Pursuant to the above declaration, the State shall adopt the following objectives:

- 1 a) Prepare, formulate, implement and oversee an integrated and
2 comprehensive nationwide sports promotion and development program in
3 consultation with the stakeholders as well as other government agencies, non-
4 governmental organizations, associations and groups involved in sports;
- 5 b) Promote a nationwide grassroots-based sports development program
6 and strengthen the sports club system;
- 7 c) Encourage the participation of Filipino athletes in regional and
8 international sports competitions including, but not limited to, the South East Asian
9 Games, the Asian Games, the Olympics, the Paralympics, the *Universiade* or
10 World University Games as well as international, regional and world competitions
11 staged by other reputable international sports associations, federations and
12 organizations;
- 13 d) Promote leadership in the development of sports in the country,
14 formulate the policies, and set the priorities and direction of all national amateur
15 sports promotion and development;
- 16 e) Encourage wider participation of all sectors, government and private, in
17 amateur sports promotion and development;
- 18 f) Improve the performance of Filipino athletes in regional and
19 international sports competitions and develop athletes to become a source of
20 national pride;

- 1 the Armed Forces of the Philippines, and other sports organizations and private
2 corporations;
- 3 b) Establish and maintain linkages with international sports associations,
4 national sports organizations of other countries and international non-governmental
5 organizations whose common main objective is sports;
- 6 c) Establish, develop and maintain fully-equipped sports facilities and
7 centers in strategic places in the country and, as far as practicable, include modern
8 sports complexes adequate for major international competitions;
- 9 d) Rationalize and regulate the establishment of publicly funded sports
10 complexes and supervise the management and maintenance thereof, excluding
11 school or college-owned sports complexes;
- 12 e) Plan and formulate programs from time to time, and review or
13 evaluate the organizational set-up, projects and programs of the Department;
- 14 f) Delineate and define areas of responsibilities of all sectors involved in
15 sports promotion and development, respecting the individual set-up, priorities,
16 structure and competence of the different government and private institutions;
- 17 g) Assist the proper government agency in the formulation of an industry
18 incentives program for the manufacture in the Philippines of sports equipment and
19 supplies of international standard in quality;

h) Provide such incentives, recognitions and awards to deserving associations, athletes, game officials, coaches, trainers and other persons or entities involved in or supporting sports development;

i) Recommend and propose to the Department of Education (DepEd), Department of the Interior and Local Government (DILG) and other government agencies and instrumentalities, which conduct sports programs, to incorporate in their respective annual budget a separate and specific budget for sports promotion and development;

j) Encourage, promote and sustain the creation and establishment of regional, provincial, municipal and barangay or school district sports promotion and development councils, composed of officials of the DepEd, DILG, local government units (LGUs) and representatives of the private sector, which shall initiate, conduct and coordinate sports activities in their respective jurisdictions; and

k) Exercise such other acts as are incident to or are appropriate and necessary in connection with the creation of the Department.

SEC. 6. *Powers of the Department.* – The Department shall exercise the following powers to do all acts and things necessary to be done in connection with the performance of its functions:

- 1 a) Appoint the officers and other personnel of the Department and fix their
2 compensation subject to existing laws, rules and regulations;
- 3 b) Delegate authority for the performance of any function to officers and
4 employees under its direction;
- 5 c) Enter into contracts;
- 6 d) Acquire, use and control any land, building, facilities, equipment,
7 instruments, tools and rights required or otherwise necessary for the
8 accomplishment of the purposes of the Department;
- 9 e) Acquire, own, possess and dispose of any real or personal property;
- 10 f) Regulate the acquisition, procurement, distribution and use of
11 sportswear, equipment, instruments, tools and other sports essentials necessary and
12 required for training of a national pool of athletes;
- 13 g) Confer, extend and grant awards, benefits and privileges to athletes and
14 officials for outstanding performances in national and international competitions;
- 15 h) Confer, extend and grant support or assistance to sports associations
16 which are in good standing with the Department;
- 17 i) Exercise supervisory and visitorial powers over the national sports
18 associations in connection with their sports promotion and development programs
19 with respect to which financial assistance is extended by the Department;

j) Accept donations, gifts, bequest and grants for the purposes of the Department;

k) Ensure the implementation by various government departments and agencies of their sports promotion and development programs as indicated in their respective annual budgets;

l) Impose sanctions upon any national sports association, institution, organization, body, entity, team, athletes and sports official for violation of its policies, rules and regulations; and

m) Perform any and all other acts incidental to or required by virtue of its creation.

SEC. 7. *Secretary*. – The authority and responsibility for the discharge of its power and functions shall be vested in the Secretary who shall have supervision and control of the Department. The Secretary shall be appointed by the President of the Philippines subject to the confirmation by the Commission on Appointments.

SEC. 8. *Duties of the Secretary*. – The Secretary shall perform the following duties:

a) Exercise over-all supervision and direction over the entire operations of the Department and its attached agencies;

b) Establish policies and standards for the effective, efficient and economical operation of the Department in accordance with the programs of the government;

c) Review and approve requests for financial and manpower resources of all operating offices of the Department;

d) Designate and appoint officers and employees of the Department in accordance with the civil service laws, rules and regulations;

e) Advise the President on the promulgation of executive and administrative orders, regulatory and legislative proposals on matters pertaining to the promotion and development of sports and physical fitness in the country;

f) Implement and enforce policies, decisions, orders, rules and regulations issued by the Department;

g) Execute contracts, incur obligations, acquire and dispose of assets and deliver documents on behalf of the Department;

h) Approve the organizational structure, staffing pattern, operating and capital expenditures of the Department; and

i) Exercise such other powers and functions and perform such other duties as may be authorized, delegated, or assigned.

SEC. 9. *Undersecretaries and Assistant Secretaries.* – The Secretary shall be assisted by three (3) Undersecretaries and three (3) Assistant Secretaries all of

whom shall be appointed by the President from a list of nominees submitted by duly recognized sports associations and organizations in the Philippines.

SEC. 10. **Qualification.** – The Secretary, Undersecretaries and Assistant Secretaries of the Department must be citizens of the Philippines, publicly recognized personalities in the field of sports, at least thirty (30) years of age and of good moral character.

SEC. 11. **Compensation.** – The Secretary, Undersecretaries and Assistant Secretaries shall be entitled to compensation and to other benefits and privileges provided under existing laws.

SEC. 12. **Regional Offices.** – The Department shall establish, operate and maintain a regional office in each administrative region of the country. The regional office shall be headed by a regional director and assisted by an assistant regional director.

The regional offices shall, within their respective administrative regions, exercise the following functions:

- a) Implement laws, policies, plans, programs, projects, rules and regulations of the Department;
- b) Provide efficient and effective service to the people;
- c) Coordinate with regional offices of other departments, offices, and agencies;

1 d) Coordinate with the local government units; and

2 e) Perform such other functions as may be provided by law.

3 SEC. 13. *Structure and Staffing Pattern.* – The Secretary shall determine
4 the organizational structure and create new divisions or units as may be deemed
5 necessary and shall appoint officers and employees of the Department in
6 accordance with the civil service rules and regulations.

7 SEC. 14. *Secretariat.* – The Department shall create a secretariat which
8 shall be primarily responsible for the financial management, personnel records,
9 supplies and equipment, public information and production, transportation,
10 communication, legal, policy research and planning, and such other functions and
11 responsibilities as may be necessary and required by the Department.

12 SEC. 15. *Special Bureaus.* – To ensure the proper and efficient
13 implementation of this Act, the following special bureaus under the Department
14 are hereby created:

15 a) Amateur Sports Development Bureau; and

16 b) International Sports Development Bureau.

17 SEC. 16. *Amateur Sports Development Bureau (ASDB).* – The Amateur
18 Sports Development Bureau shall be headed by an executive director and shall be
19 primarily responsible for the promotion and development of amateur sports in the
20 Philippines.

1 The ASDB shall exercise the following functions:

2 a) Plan, implement and oversee an integrated nationwide amateur sports
3 promotion and development program for the country in coordination with various
4 sports sectors, which among others include the public and private schools,
5 government corporations and entities, the LGUs, the Armed Forces of the
6 Philippines and such other sectors in the sports industry;

7 b) Encourage and promote the creation and establishment of regional,
8 provincial, municipal and barangay sports promotion and development councils,
9 which shall initiate, conduct and coordinate sports activities in their respective
10 jurisdiction;

11 c) Provide the leadership and set the priorities and direction of all national
12 amateur sports promotion and development, giving emphasis on grassroots
13 participation;

14 d) Encourage wide participation of all sectors, government and private, in
15 amateur sports promotion and development;

16 e) Promote social and cultural integration through the revival of
17 indigenous games and sports;

18 f) Identify and nurture sports talents for further development and
19 promote excellence in sports, traditional games and other physical activities;

g) Recommend the formulation of policies and programs that will foster the development of amateur sports specially in the grassroots level;

h) Impose sanction upon any national sports association, institution, organization, body, entity, team, athlete and sports officials engaged in amateur sports for violation of its policies, rules and regulations;

i) Ensure the implementation by various government departments and agencies of their sports promotion and development programs as indicated in their respective annual budgets; and

j) Perform acts which are necessary or incidental to the proper exercise of its functions.

SEC. 17. *Offices under the ASDB.* – To ensure efficiency and specialization, there shall be two offices established under the ASDB, as follows:

a) Grassroots Sports Development Division; and

b) National and Local Sports Competition Division.

SEC. 18. *Grassroots Sports Development Division.* – The Grassroots Sports Development Division shall have the following functions:

a) Formulate and implement a physical fitness testing and evaluation program to determine, monitor and establish a fitness profile of the different sectors of society, and a grassroots development program in order to encourage,

1 improve and enhance the physical fitness and participation in sports of the citizens
2 at the city, municipality and barangay level;

3 b) Develop and implement, in coordination with the Department of
4 Education, a physical fitness education curriculum in the basic education system
5 that will foster and promote participation in sports;

6 c) Support the formation of sports club in schools, workplaces, cities,
7 municipalities and barangays and the conduct of activities aimed at encouraging
8 the citizens to participate and successfully compete in sports and various physical
9 activities;

10 d) Provide technical assistance to grassroots sports stakeholders;

11 e) Assist public and private educational institution in the implementation
12 of the intramural sports program and encourage competitive activities between and
13 among grassroots sports clubs; and

14 f) Develop the criteria for and implement an awards and incentives
15 scheme to encourage mass grassroots sports participation, sustained involvement
16 and excellent performance in grassroots sports activities.

17 SEC. 19. *National and Local Sports Competition Division.* – The National
18 and Local Sports Competition Division shall have the following functions:

19 a) Plan and conduct regular formal and informal sports competitions at
20 the national and local levels;

b) Establish and implement a system for identifying and developing athletic talents for inclusion in the developmental athletes pool; and

c) Plan, implement and administer all aspects of the training program and the preparation and participation for international competition of the developmental athletes pool.

SEC. 20. *International Sports Development Bureau.* – The International Sports Development Bureau to be headed by an executive director shall have the following functions:

a) Formulate and recommend the adoption of a national training and development program for athletes participating in international competitions in all relevant sports, in coordination and cooperation with the concerned national sports association;

b) Plan, implement and administer all aspects to ensure successful participation of the country in regional and international sporting events, games and competition;and

c) Ensure the availability of adequate budget and resources for said purposes.

SEC. 21. *Division under the International Sports Development Bureau.* – There shall be established two divisions under the International Sports Development Bureau, as follows:

1 a) National Sports Association Affairs Divisions; and

2 b) International Sports Competition Divisions.

3 SEC. 22. *National Sports Association Affairs Division.* – The National
4 Sports Association Affairs Division shall have the following functions:

5 a) Process, facilitate and oversee agreements and transactions conducted
6 between and among the Department, national sports associations and other local
7 and international sports institutions, federations, associations and organizations to
8 ensure their compliance with the policies and programs of the Department;

9 b) Facilitate all necessary arrangements for the participation of national
10 athletes in international competitions;

11 c) Develop, prescribe and ensure the observance of criteria and standards
12 for athletes and sports teams representing the country in international competitions;

13 d) Prescribe the criteria for selecting individuals, associations or clubs
14 entitled to financial and other forms of support to enable their participation in
15 international conferences, seminars, clinics, competitions and similar programs;
16 and

17 e) Establish appropriate linkages with international sports bodies.

18 SEC. 23. *International Sports Competition Division.* – The International
19 Sports Competition Division shall have the following functions:

- 1 a) Coordinate with the national sports associations and the Philippine
2 Olympic Committee for the preparation and training of the members of the
3 national athlete's pool;
- 4 b) Develop, prescribe and monitor the implementation of criteria for the
5 selection and retention of members of the national athletes' pool supported by the
6 Department;
- 7 c) Coordinate with the national sports association in monitoring and
8 conducting periodic evaluation of members of the national athletes' pool;
- 9 d) Assist the national sports association in the selection of national team
10 members for international competition; and
- 11 e) Identify and recommend athletes, coaches and international sports
12 participants who may qualify for awards and incentives.

13 **CHAPTER III**

14 **NATIONAL OLYMPIC COMMITTEE**

15 SEC. 24. *Philippine Olympic Committee.* – The Philippine Olympic
16 Committee which is affiliated with the International Olympic Committee shall
17 continue to be recognized as the National Olympic Committee for the Philippines.
18 It is autonomous in character.

19 The Philippine Olympic Committee shall maintain its primary
20 responsibilities for activities pertaining to the country's participation in the

Olympic Games, Asian Games, Southeast Asian Games and other international athletic competitions in accordance respectively with the rules and regulations of the International Olympic Committee, the Olympic Council of Asia, the Southeast Asian Games Federation and other international sports bodies.

SEC. 25. **Functions.** – The Philippine Olympic Committee shall have the following powers and functions:

a) Be responsible for the representation of the Philippines in all international sports competition and undertake the organization of these games when held in the Philippines;

b) Arrange the transportation and housing of the national delegation in the Olympic Games, Asian Games, Southeast Asian Games and other events held under the patronage of the International Olympic Committee and Olympic Council of Asia;

c) Be responsible for the behavior of the members of the Philippine delegation in all games and events;

d) Prescribe and determine, in consultation with the respective national sports association, the clothing and uniforms to be worn by the members of the Philippine delegation in all international sports competition in accordance with what is prescribed by their respective sports;

e) Strive against deviation from sporting principles particularly against all forms of doping under the World Anti-doping Code;

f) Exercise the exclusive right to use the olympic symbol, flag, motto and anthem within the framework of its non-profit activities: *Provided*, That such use contributes to the development of the olympic movement and does not detract from its dignity;

g) Coordinate closely with relevant international organizations recognized by the International Olympic Committee, particularly the Olympic Council of Asia and the Southeast Asian Games Federation;

h) Participate in the activities of the International Olympic Committee's olympic solidarity;

i) Act as final arbitrator of all intra-national sport associations conflicts and disputes, as well as, cases arising from or in connection with the Olympic Games or any form of doping offences in case the same disputes cannot be settled or resolved with the national sports associations' processes and procedures; and

j) Perform such other acts as may be deemed necessary for the proper accomplishment of their purposes.

CHAPTER IV

NATIONAL SPORTS ASSOCIATIONS

1 SEC. 26. *National Sports Associations.* – The national sports associations,
2 organized for their respective sports in the Philippines and affiliated with their
3 respective international federations which are recognized by the International
4 Olympic Committee, shall be recognized as such by the Department. The
5 Department shall also recognize special national sports associations to represent
6 the differently-abled and school-based sports associations which shall, for all intent
7 and purposes, have the same status, privileges and obligations as regular national
8 sports associations.

9 The national sports associations recognized by the Department shall be
10 autonomous and shall have exclusive technical control over the promotion and
11 development of the particular sport for which they are organized, subject however
12 to the supervisory powers of the Department.

13 Each national sports association shall, by its constitution and by-laws,
14 determine its organization and membership: *Provided*, That no team, school, club,
15 organization or entity shall be admitted as a voting member of a national sports
16 association unless sixty percent (60%) of the athletes composing said team, school,
17 club, organization or entity are Filipino citizens.

18 The Department recognizes the following functions, powers, duties and
19 responsibilities of the various national sports associations:

- 20 a) Adopt a constitution and by-laws not inconsistent with this Act;

- 1 b) Raise funds by donations, benefits and other means for their purposes;
- 2 c) Purchase, sell, lease or otherwise encumber property, real or personal,
- 3 for the accomplishment of their respective purposes;
- 4 d) Affiliate with international or regional sports associations;
- 5 e) Conduct competitions for the promotion of their respective sports;
- 6 f) Appoint their representative to the Philippine Olympic Committee;
- 7 g) Decide all questions on the amateur status and discipline of the athletes
- 8 and officials connected with the associations as well as the members thereof and all
- 9 disputes between members;
- 10 h) Adopt, in coordination with the Philippine Olympic Committee, a
- 11 training program for the development of the athletes and their preparation for
- 12 international competitions;
- 13 i) Select the athletes, coaches and other officials for their national teams
- 14 taking into consideration not only their athletic abilities but also their discipline,
- 15 moral character, aptitude and attitude;
- 16 j) Keep accurate records of all official marks, scores and results attained
- 17 by the athletes in all competitions, as well as all results of sports competitions,
- 18 recognize and confirm the same and furnish copies to the Department;
- 19 k) Qualify and license referees, umpires and other game officials who shall
- 20 officiate in competitions in their respective sports; and

1) Perform such other acts as may be deemed necessary for the proper accomplishment of their purposes.

SEC. 27. *Incentives and Other Non-monetary Benefits.* – The Department shall grant incentives, cash and other non-monetary benefits to all national athletes, coaches and trainers who bring honor and recognition to the country by winning in international competitions pursuant to Republic Act No. 9064, otherwise known as “*Sports Benefits and Incentives Act of 2001.*”

CHAPTER V

MISCELLANEOUS

SEC. 28. *Tax Exemption.* – To encourage popular participation in amateur sports, no tax of any kind shall be levied on the use of sports facilities, whether the tax be on the user, owner or operator of the sports facility.

SEC. 29. *Donations and Contributions.* – All donations and contributions to the Department in connection with its fund-raising projects and its continuing sports development programs shall be exempt from the donor’s taxes, and shall be deductible in full in the computation of the taxable net income of the donor. Donations and contributions to the various national sports certified by the Department pursuant to the development of sports in the country shall likewise be exempt from the payment of the donor’s and estate taxes and shall be deductible in full in computing the taxable net income of the donor.

1 SEC. 30. *Exemption from Travel Taxes.* – The Department and its
2 delegation or representatives to any international sports competitions, conventions,
3 conferences, meetings and events, and athletes, coaches and other officials to any
4 international competition shall be exempt from the payment of travel tax, airport
5 tax and any other travel related taxes or fees now or hereafter imposed by law or
6 regulation.

7 SEC. 31. *Presidential Land Grant.* – The provisions of any existing law to
8 the contrary notwithstanding, the President may, upon the recommendation of the
9 Secretary of Environment and Natural Resources, grant by donation, sale, lease or
10 otherwise, to the Department portions of the land of the public domain as may be
11 necessary for the establishment of regional training centers in all the regions of the
12 country and for the accomplishment of any of its purposes.

13 SEC. 32. *Sports Facilities.* – The administration and full control of all
14 existing sports facilities, including land, buildings and equipment, owned by the
15 national government as well as those owned by government-funded foundations,
16 associations and entities shall be transferred to the Department. The sports
17 facilities owned by the local government units, state colleges and universities, or
18 public schools shall remain with the said institution or entities.

1 The management and full control of all the land, buildings, equipment and
2 other improvement of the government-owned sports complex and velodrome shall
3 be transferred to the Department upon the effectivity of this Act.

4 SEC. 33. *Assistance by Government Entities.* – The Department may call
5 upon any government entity for assistance in the performance of its functions and
6 duties. All heads of departments, agencies, corporations and offices of the
7 government are hereby enjoined to render full assistance and cooperation to the
8 Department to ensure the attainment of its objectives and the success of the
9 national sports development program.

10 CHAPTER VI

11 TRANSITORY PROVISIONS

12 SEC. 34. *Abolition of the Philippine Sports Commission.* - The Philippine
13 Sports Commission created under Republic Act No. 6847 is hereby abolished. The
14 powers and functions, applicable funds and appropriations, records, equipment,
15 property and personnel shall be transferred to the Department.

16 The Philippine Sports Commission shall conduct an inventory of its assets
17 and liabilities, and shall turn over all properties, together with the inventory, to the
18 Department and wind up their respective affairs within six (6) months after
19 effectivity of this Act.

1 All programs, contracts and projects of the Philippine Sports Commission,
2 which are inconsistent with the policies and provisions of this Act, shall be
3 terminated on or before six (6) months from the enactment of this Act. Contracts,
4 programs and projects, which cannot be unilaterally terminated shall remain in full
5 force and effect. The Department shall negotiate for the rescission of the contract
6 or termination of the project or program for a period earlier than what has been
7 previously agreed upon.

8 The transfer of functions, assets, funds, equipment, properties, transactions
9 and personnel and formulation of the internal organic structure, staffing pattern,
10 operating system and revised budget of the Department, shall be completed within
11 six (6) months from the effectivity of this Act, during which time, the existing
12 personnel shall continue to assume their posts in holdover capacities until new
13 appointments are issued; *Provided*, That after the abolition of the Philippine Sports
14 Commission as specified in this Section 29, the Department, in coordination with
15 the Department of Budget and Management, shall determine and create new
16 positions, the funding requirements of which shall not exceed the equivalent cost
17 of positions abolished.

18 SEC. 35. *Security of Tenure.* – In the implementation of this Act, there
19 shall be no undue separation of personnel. In the event that the lay-off of
20 personnel becomes unavoidable because of the abolition of their office or

positions, mitigation measures shall be adopted such as redeployment of separated employees to other appropriate departments, agencies or entities.

SEC. 36. *Separation from Service.* – Employees separated from the service as a result of this reorganization shall, within ninety (90) days therefrom, receive the separation or retirement benefits to which they are entitled under the law. The separation pay or retirement benefits shall have priority of payment out of the savings of the agency.

SEC. 37. *Appropriation.* – In order to provide the necessary funds required for the organization and initial calendar year of operational expenditures of the Department, the amount of Two hundred million pesos (P200,000.000.00) from the National Treasury is hereby appropriated. Thereafter, such amount necessary for the continued operation of the Department and the implementation of the country's integrated sports development program shall be included in the annual General Appropriations Act.

SEC. 38. *National Sports Development Fund.* – To finance the country's integrated sports development program, including the holding of the national games and all other sports competitions at all levels throughout the country as well as to carry out well-planned preparations to sustain the complete needs of national and development athletes during the country's preparation and participation at international sports competitions, such as, but not limited to the Olympics, Asian

1 Games, Southeast Asian Games, Paralympics, *Universiade* or World University
2 Games and other international competitions sanctioned by international sports
3 institutions, federations, organizations and associations, thirty percent (30%) of the
4 charity fund representing the proceeds of six (6) lottery draws per annum of the
5 Philippine Charity Sweepstakes Offices, taxes on horse races from ten (10) racing
6 days to be determined by the Philippine Racing Commission and the Department,
7 five percent (5%) of the gross income before taxes of the Philippine Amusement
8 and Gaming Corporation, the proceeds from the sale of stamps as hereinafter
9 provided shall be automatically remitted directly to the Department by the
10 concerned entity and are hereby constituted as the National Sports Development
11 Fund.

12 Further, the Philippine Postal Corporation is hereby authorized to print paper
13 and gold stamps which shall depict sporting events and such other motif as the
14 Philippine Postal Service Office and the Department may agree at the expense of
15 the Department.

16 SEC. 39. ***Implementing Rules and Regulations.*** – Within ninety (90) days
17 from the effectivity of this Act, the Secretary of Sports shall issue the necessary
18 rules and regulations for the effective implementation of this Act.

1 SEC. 40. *Annual Report.* – The Secretary of Sports shall submit to
2 Congress an annual report generally dealing with the activities and operations of
3 the Department, together with the audit report of the relevant accounts.

4 SEC. 41. *Separability Clause.* – If any provision or part of this Act is
5 declared invalid or unconstitutional, the remaining parts or provisions not affected
6 thereby shall remain in full force and effect.

7 SEC. 42. *Repealing Clause.* – Republic Act No. 6847, otherwise known as
8 the “*Philippine Sports Commission Act*” is hereby repealed. All other laws, rules,
9 regulations, orders, circulars, and other issuances or parts thereof, which are
10 inconsistent with the provisions of this Act are hereby repealed or amended
11 accordingly.

12 SEC. 43. *Effectivity Clause.* – This Act shall take effect fifteen (15) days
13 after its publication in the *Official Gazette* or in a newspaper of general circulation.

14

15 Approved