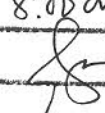


REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. 1503

HOUSE OF REPRESENTATIVES	
RECEIVED	
DATE:	13 JUL 2016
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Introduced by **MAGDALO Party-List Representative**
HON. GARY C. ALEJANO

Explanatory Note

The Judiciary Development Fund (JDF) was established in 1984 through Presidential Decree No. 1949. The JDF was created for the benefit of the members and personnel of the Judiciary to help ensure and guarantee its independence. The Judiciary was then given the authority to generate its own funds and resources in order to help augment its budgetary requirements and encourage the welfare of its members and personnel.

The JDF has been in existence for over 30 years now. Time and again, the issue of transparency and accountability in the accounting and reporting of funds, as well as allegations of irregularities and abuse of discretion in the allocation and disbursement of the same, has been consistently raised. The Supreme Court, on its end, has always invoked its fiscal autonomy on the matter. However, the constitutional grant of fiscal autonomy should not be used to override and compromise the constitutional principles of transparency, accountability and good governance.

Under PD 1449, the exclusive power to approve and authorize disbursements and expenditures if the JDF is vested to the Chief Justice of the Supreme. In that sense, the JDF could be considered discretionary funds. Such nature of the JDF is prone to abuse without mechanisms that would ensure checks and balances. As such, this bill mandates the transfer of the administration of the JDF from the Supreme Court to the Bureau of Treasury pursuant to the promotion of transparency and accountability, and good governance. Furthermore, appropriate audit and reportorial requirements to prevent any further abuse of the JDF.

In view of the foregoing, approval of this measure is earnestly sought.


HON. GARY C. ALEJANO

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House Bill No. 1503

Introduced by **MAGDALO Party-List Representative**
HON. GARY C. ALEJANO

AN ACT
REFORMING THE ADMINISTRATION OF THE JUDICIARY DEVELOPMENT
FUND, MANDATING TRANSPARENCY AND ACCOUNTABILITY IN THE
ADMINISTRATION THEREOF, TRANSFERRING THE ADMINISTRATION
THEREOF FROM THE SUPREME COURT TO THE BUREAU OF THE
TREASURY, ENACTING APPROPRIATE AUDIT AND REPORTORIAL
REQUIREMENTS THEREFOR, AMENDING FOR THE PURPOSE
PRESIDENTIAL DECREE NO. 1949, AND FOR OTHER PURPOSES

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

1 **SECTION 1. *Short Title.*** – This Act shall be known as the “*Judiciary*
2 *Development Fund Reform Act of 2016*”

3

4 **SECTION 2. *Declaration of Policy.***– Consistent with the principles of
5 transparency, accountability and good governance, it is hereby declared to be the
6 policy of the State to give life and meaning to the constitutional percept under
7 Section 1, Article XI of the Constitution that public office is a public trust and to
8 impress upon public officers and employees that they are at all times accountable
9 to the people with their duty to serve with the highest degree of responsibility,
10 integrity, loyalty and efficiency.

11 In the same manner, it is hereby declared to be the policy, of the State to
12 give live and meaning to Section 28, Article II of the Constitution, which provides
13 that the State adopts and implements a policy of full public disclosure of all its
14 transactions involving public interest, subject to reasonable conditions prescribed
15 by law.

16

1 **SECTION 3.** Section 2 of Presidential Decree No. 1606 is hereby
2 amended to read as follows:

3 **“SECTION 2. ALL FEES AND COLLECTIONS**
4 **CONSTITUTING THE FUND SHALL BE IMMEDIATELY AND**
5 **REGULARLY REMITTED BY THE SUPREME COURT,**
6 **THROUGH THE CHIEF JUSTICE, TO THE NATIONAL**
7 **TREASURY. NO ALLOCATION, DISBURSEMENT OR**
8 **EXPENDITURE OF THE FUND SHALL BE PAID OUT EXCEPT**
9 **IN PURSUANCE OF AN APPROPRIATION BY THE CONGRESS**
10 **AS PART OF THE BUDGET OF THE JUDICIARY AS PROVIDED**
11 **FOR IN THE GENERAL APPROPRIATIONS ACT: *PROVIDED,***
12 **THAT THE AMOUNT OF THE FUND SHALL NOT BE**
13 **INCLUDED IN THE COMPUTATION OF THE ANNUAL**
14 **APPROPRIATION OF THE JUDICIARY: *PROVIDED, FURTHER,***
15 **THAT THE FUND SHALL BE TREATED AS A SPECIAL FUND IN**
16 **THE NATIONAL TREASURY AND SHALL BE ADMINISTERED**
17 **BY THE BUREAU OF THE TREASURY: *PROVIDED, FINALLY,***
18 **THAT ANY ALLOCATION, DISBURSEMENT AND**
19 **EXPENDITURE OF THE FUND AS PROVIDED FOR IN THE**
20 **GENERAL APPROPRIATIONS ACT SHALL MADE**
21 **EXCLUSIVELY FOR THE PURPOSES INDICATED IN THE**
22 **IMMEDIATELY PRECEDING SECTION, IN ACCORDANCE**
23 **WITH THE GUIDELINES SET IN THIS DECREE AND ITS**
24 **IMPLEMENTING RULES AND REGULATIONS.”**

25
26 **SECTION 4.** Section 3 of the same Decree is hereby amended to read as
27 follows:

28 **“SECTION 3. THE COMMISSION ON AUDIT THROUGH**
29 **THE AUDITOR OF THE SUPREME COURT OR HIS DULY**
30 **AUTHORIZED REPRESENTATIVE SHALL QUARTERLY AUDIT**
31 **THE RECEIPTS, REVENUES, USES, DISBURSEMENTS AND**
32 **EXPENDITURES OF THE FUND, AND SHALL SUBMIT THE**
33 **APPROPRIATE REPORT IN WRITING THIRTY (30) DAYS**
34 **FROM THE COMPLETION OF SAID AUDIT TO THE CHIEF**

1 JUSTICE OF THE SUPREME COURT, THE SENATE
2 PRESIDENT, THE SPEAKER OF THE HOUSE OF
3 REPRESENTATIVES AND THE CHAIRPERSON OF THE
4 COMMISSION ON AUDIT.”

5
6 SECTION 5. Section 4 of the same Decree is hereby amended to read as
7 follows:

8 “Section 4. Nothing herein shall be construed to affect or diminish
9 the duty of local government units to provide office spaces, equipment and
10 facilities to the courts within their respective territorial jurisdiction as
11 required under existing laws: *PROVIDED, THAT THE CHIEF*
12 *JUSTICE OF THE SUPREME COURT SHALL SUBMIT THE*
13 *APPROPRIATE REPORT IN WRITING, DETAILING THE*
14 *FUNDING AND SUPPORT RECEIVED BY THE JUDICIARY*
15 *FROM EXTERNAL SOURCES AND BEYOND THE*
16 *ALLOCATION RECEIVED FROM THE GENERAL*
17 *APPROPRIATES ACT, DURING THE DELIBERATIONS BY THE*
18 *CONGRESS ON THE BUDGET OF THE JUDICIARY.* Moreover,
19 there shall be no reduction of the compensation, allowances, benefit and
20 privileges enjoyed by the members and personnel of the Judiciary on the
21 date of the effectivity of this Decree.”

22
23 SECTION 6. Section 5 of the same Decree is hereby amended to read as
24 follows:

25 “SECTION 5. THE SUPREME COURT, DEPARTMENT OF
26 BUDGET AND MANAGEMENT, BUREAU OF THE TREASURY
27 AND COMMISSION ON AUDIT SHALL PROMULGATE THE
28 NECESSARY RULES AND REGULATIONS FOR THE
29 EFFECTIVE IMPLEMENTATION OF THE DECREE WITHIN
30 NINETY (90) DAYS FROM THE APPROVAL HEREOF.”

1 **SECTION 7. *Separability Clause.***- If for any reason, any provision of
2 this Act is declared unconstitutional or invalid, or the application of such
3 provision to any circumstance is held invalid, the other parts or provisions hereof
4 which are not affected thereby shall continue to be in full force and effect.

5
6 **SECTION 8. *Repealing Clause.***- All laws, decrees, executive orders,
7 rules and regulations, and other issuances or parts thereof that are inconsistent
8 with this Act are hereby repealed, amended or modified accordingly.

9
10 **SECTION 9. *Effectivity.*** – This Act shall take effect after fifteen (15)
11 days following its publication in two (2) national newspapers of general
12 circulation.

Approved,