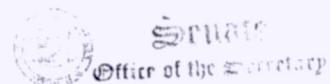


EIGHTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )



SENATE

19 JUL 15 A9:00

Senate Bill No. 421

RECEIVED BY [Signature]

Introduced by Senator FRANCIS N. PANGILINAN

AN ACT  
STRENGTHENING THE POLITICAL PARTY SYSTEM OF THE PHILIPPINES,  
CREATING A STATE SUBSIDY FUND, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

Citizen participation is the critical foundation upon which democracy is built. In order to cultivate citizen participation, Philippine election laws have created a political party system which seeks to enable citizens to engage and reconnect with the institutions and processes of democracy. People who have the same ideologies, advocacies, and positions on issues may use political parties in order to elect candidates who share their ideologies, advocacies, and positions on issues.

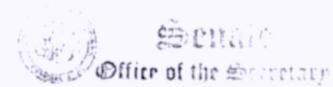
However, despite a century of party politics, political parties still continue to be personality-based, anchored on clientelistic, parochial, and personal inducements rather than on issues, ideologies, and party platforms. Politicians join political parties more for convenience than shared beliefs, which are necessary to unify various leaders in the pursuit of certain political objectives. No clear ideological lines separate our political parties from one another. In this connection, the Philippine political party system is perceived to be weak and ineffectual.

This bill seeks to strengthen the political party system in the Philippines by: (a) making campaign finance more transparent; (b) providing state subsidy to political parties; (c) prohibiting political turncoatism; and (d) strengthening citizen-parties linkages. The establishment of strong political party system will promote democratic accountability, contribute to the formation of government, and forge legislative majorities. To this end, the proposed measure also seeks to build meaningful political identities, policy-based platforms, and agenda; internal democratic structures; a reliable core of supporters and leaders; and the ability to raise funds to support party activities.

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

  
FRANCIS N. PANGILINAN

EIGHTEENTH CONGRESS OF THE )  
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AN ACT  
STRENGTHENING THE POLITICAL PARTY SYSTEM OF THE PHILIPPINES,  
CREATING A STATE SUBSIDY FUND, AND FOR OTHER PURPOSES

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

1        **SECTION 1. Short Title.** - This Act shall be known as "The Political Party System  
2        Act."

3        **SEC. 2. Declaration of Policy.** - It is hereby declared a policy of the State to  
4        institutionalize and strengthen political parties as pillars of the country's democratic  
5        system. Towards this end, the State shall:

6              (a) institute reforms in campaign finance to promote accountability and  
7        transparency and reduce opportunities for graft and corruption;

8              (b) foster the development of strong political parties through financial subsidies  
9        for party development and campaign expenditures;

10          (c) promote party loyalty, discipline and adherence to ideological principles,  
11        platforms, and programs;

12          (d) institute measures to make political parties viable instruments of development  
13        and good governance; and

14          (e) encourage and support continuing voters' education through the political  
15        parties.

16        **SEC. 3. Definition of Terms.** - As used in this Act, the following terms shall  
17        mean:

1       (a) "*Accredited National Political Party*" refers to a national political party qualified  
2 to receive subsidy for party development and campaign purposes, accredited for this  
3 purpose by the Commission on Elections (COMELEC) based on the criteria provided  
4 under this Act;

5       (b) "*Candidate*" refers to any person aspiring for or seeking an elective public  
6 office, by himself or duly nominated by an accredited political party, aggroupment or  
7 coalition of parties, and who has filed a certificate of candidacy with the COMELEC;

8       (c) "*Campaign Contribution*" refers to any form of donation to any candidate,  
9 political party, aggroupment or coalition thereof. It includes any gift, donation,  
10 subscription, loan, advance or deposit of money or anything of value, or those arising  
11 from a contract, pledge, or agreement to contribute, made for the purpose of influencing  
12 the results of the elections, but shall not include services rendered without  
13 compensation by individuals volunteering a portion or all of their time in behalf of a  
14 candidate or political party. It also includes the use of office space, facilities,  
15 equipment, office supplies, and other materials and fixtures voluntarily donated by  
16 other persons, or allowed their use for free, the monetary value of which shall be  
17 assessed based on market rates prevailing in a particular area.

18       (d) "*Campaign Expenditure*" refers to any type of expense incurred, regardless of  
19 source, amount, and purpose, that relates, directly or indirectly, to the conduct of an  
20 electoral campaign. It includes all payments of money or anything of value, or a  
21 contract, promise or agreement to spend, for the purpose of influencing the results of  
22 the election. It also includes the use of office space and facilities personally owned by  
23 the candidate, the monetary value of the use of which shall be assessed based on market  
24 rates prevailing in a particular area.

25       (e) "*Disclosure Requirement*" refers to the duty of all candidates and political  
26 parties, aggroupment, or coalitions thereof to reveal the details of campaign  
27 contributions received by them, and the expenditures made on account thereof. For

1 accredited national political parties, it includes expenditures and destinations of party  
2 development and campaign monies given to them as their share in the State Subsidy  
3 Fund established under this Act.

4 (f) "*Donor*" refers to any person, not prohibited by law, who contributes money,  
5 property or any other form of material contribution to a candidate, political party,  
6 aggroupment, or coalition thereof.

7 (g) "*Donee*" refers to any candidate or political party duly accredited with  
8 COMELEC, to whom money, property, or any other form of contribution is made.

9 (h) "*National Political Party*" refers to a political party duly registered with the  
10 COMELEC, whose constituency is effectively spread across the geographical territory of  
11 all or a majority of the administrative regions of the Philippines, pursuing or advocating  
12 a particular ideology, platform of government, values, principles and policies for the  
13 general conduct of government and which, as the most immediate means of securing  
14 their adoption and implementation, regularly nominates and supports its members as  
15 candidates for public office.

16 (i) "*Political Opportunism*" refers to any act of a party member constituting  
17 disloyalty to a party, or regular non-adherence to the party's ideological principles,  
18 platforms, and programs, as determined by the party in accordance with its constitution  
19 and by-laws.

20 (j) "*Political Turncoatism*" refers to the change of political party affiliation by any  
21 candidate, whether or not elected, one (1) year prior to the next election and one (1) year  
22 after the immediately preceding election. Political turncoatism shall not apply in any of  
23 the following instances:

24 (1) change in party affiliation before the effectivity of this Act;  
25 (2) abolition, merger, or coalition of political parties where a candidate is a  
26 registered member thereof;

(3) expulsion in writing of a registered member from his/her political party:

*Provided*, That the cause for such does not constitute political opportunism.

(k) "State Subsidy Fund" refers to the fund established under this Act for party

development and campaign activities of accredited national political parties.

## NATIONAL POLITICAL PARTY/CANDIDATES

**SEC. 4. Registration as a National Political Party.** - Any organized group of

persons seeking registration as a national political party may file with the COMELEC a

verified petition attaching thereto its constitution and by-laws, platform, principles,

policies and general program of government, a verified list of its national officials,

members of the executive board, or its equivalent, and the heads of its regional,

provincial, and city chapters, annual statement of accounts, and such other relevant

information as may be required by the COMELEC.

The COMELEC shall, after due notice and hearing, resolve the petition within ten

(10) days from the date it is submitted for decision. National Political Parties already

registered as such with the COMELEC prior to the effectivity of this Act are not

required to register anew.

**SEC. 5. Policy Agenda and Program of Governance.** - National Political Parties are

mandated to craft a clear policy agenda and program of governance consistent with

their party philosophy and ideals. The members of the National Political Party shall

endeavor to act in accordance with the defined party platform and pursue programs to

fulfil party commitments.

**SEC. 6. *Party Ethics.*** - Accredited National Political Parties, as provided for in

Section 21 of this Act, shall institute internal control mechanisms to promote

accountability and transparency within the party. Accredited National Political Parties

shall likewise develop and enforce an internal code of conduct and ethical standards

that will guide party members in upholding the values and standards of public life, and

towards this end shall formulate and implement disciplinary procedures for party

1 members: *Provided*, That said program for internal controls, ethical standards, and  
2 disciplinary procedures shall be duly submitted to the COMELEC and made available  
3 to the public.

4       **SEC. 7. Selection of Candidates.** – The selection process for candidates of National  
5 Political Parties shall be democratized through the adoption of a process that is fair,  
6 open, and transparent, and which promotes participation of choice from the members  
7 of the party. Towards this end, every National Political Party is mandated to formulate  
8 a merit system on nomination and selection of candidates who must be members of the  
9 party. Every National Political Party shall submit to the COMELEC its rules governing  
10 the merit system on nomination and selection of candidates not later than one hundred  
11 eighty (180) days before the Election Day following the effectivity of this Act.

12       Any aggrieved member of an Accredited National Party may file a verified  
13 complaint to its Grievance and Arbitration Committee not later than ten (10) days after  
14 the party convention, for violation of the rules governing the merit system on the  
15 nomination and selection of candidates. Every National Political Party may hold  
16 conventions or meetings to nominate their official candidates not earlier than fifteen  
17 (15) days before the start of the election period and shall submit to the COMELEC not  
18 later than the start of the election period the names of the officials of the party  
19 authorized to nominate their official candidates.

20       No political party shall nominate more candidates than the number of persons  
21 required to be voted for in an elective position nor shall any candidate be allowed to  
22 accept nominations from more than one registered political party, except in cases of  
23 aggroupment or coalitions thereof. Nominations made in violation hereof shall be  
24 denied due course by the COMELEC and the candidates concerned shall be considered  
25 independent candidates. The nominations of candidates of political parties shall be  
26 filed not later than the last day for filing of the certificates of candidacy as determined  
27 by the COMELEC.

1        SEC. 8. *Certificate of Nomination and Acceptance.* - The certificate of nomination  
2 and acceptance shall state that the person issuing the nomination is the duly authorized  
3 representative of the political party, as provided for in its constitution and by-laws, that  
4 the person named therein is the official candidate of the party for the elective position  
5 stated, and that he has accepted said nomination. The certificate of nomination and  
6 acceptance shall be subscribed under oath by the duly authorized representative of the  
7 political party.

## POLITICAL TURNCOATISM

9           **SEC. 9. *Changing Political Party Affiliation.*** - Any member of a National Political  
10      Party who changes party affiliation after being nominated by the party shall be deemed  
11      to have committed political turncoatism.

**SEC. 10. Penalties for Political Turncoatism.** - Political Turncoats shall be:

13 (a) disqualified from running under any political party, aggroupment or coalition  
14 thereof, for any elective position in the next succeeding election immediately following  
15 the act of changing political party affiliation:

16 (b) prohibited from assuming any executive or administrative position in his/her  
17 new political party; and

(c) directed to refund any and all amounts he/she received from his/her political party, plus a fifty percent (50%) surcharge thereon.

20           **SEC. 11. Petition for Disqualification.** - Any citizen of voting age, or any  
21 candidate, political party, aggroupment or coalition thereof, may file with the  
22 COMELEC, upon the filing of the certificate of candidacy and before proclamation, a  
23 petition to disqualify a candidate on the ground of political turncoatism, as defined in  
24 this Act.

**SEC. 12. Disqualification of a National Political Party.** - Any National Political Party that accommodates a political turncoat in its fold shall result in its immediate disqualification from availing of the benefits of the State Subsidy Fund. Such

1 disqualification shall continue until such time that the political turncoat shall be  
2 removed from the party or after showing to COMELEC facts to the contrary.

3                   **CAMPAIGN CONTRIBUTIONS AND AUTHORIZED EXPENSES**

4                   **SEC. 13. Campaign Contributions; Who May Contribute.** – Persons not prohibited  
5 by law may contribute to any National Political Party.

6                   **SEC. 14. Limits on Campaign Contributions.** – Contributions to any candidate or  
7 political party shall be limited to the following maximum amounts:

8                   (a) Up to Five Million Pesos (P5,000,000.00) from a natural person allowed to make  
9 contributions under existing laws.

10                  (b) Up to Five Hundred Million Pesos (P500,000,000.00) from a juridical person  
11 allowed to make contributions under existing laws.

12                  *Provided*, That the COMELEC, in consultation with the appropriate government  
13 agencies, shall adjust these maximum amounts based on the Consumer Price Index  
14 every three (3) years following the effectivity of this Act.

15                  Any contribution, whether in cash or in kind, to any candidate or political party  
16 for campaign purposes, duly reported to the COMELEC, shall be exempt from donor's  
17 tax.

18                  **SEC. 15. Campaign Contributions to Party; How Made; Reportorial Requirement.**

19                  – Contributions to political parties shall be deposited by the contributor to the account  
20 of the party with any reputable bank accredited by COMELEC. The accredited banks  
21 shall issue a corresponding receipt to the contributor on the amount deposited, and  
22 shall submit to the COMELEC, annually and within six (6) months prior to the  
23 campaign period but not later than fifteen (15) days before the day of the election, a  
24 statement of account of every political party with deposits. The COMELEC shall cause  
25 the publication of the account of all political parties in any newspaper of general  
26 circulation within a reasonable time as determined by COMELEC.

Failure of any bank to comply with the reportorial requirement in this section shall be a ground for penalty under existing banking laws.

3           **SEC. 16. Authorized Expenses of National Political Parties.** – The amount that a  
4       National Political Party may spend for every election campaign shall be Twenty Pesos  
5       (P20.00) for every voter currently registered in the constituency or constituencies where  
6       it has official candidates. COMELEC shall adjust the authorized amount based of the  
7       Consumer Price Index every three (3) years following the effectivity of this Act.

## STATE SUBSIDY FUND

9           ***SEC. 17. Establishment of State Subsidy Fund.*** - There is hereby established a  
10      State Subsidy Fund, which shall be used to augment the operating funds of the  
11      Accredited National Political Parties. The State Subsidy Fund shall be used directly and  
12      exclusively for party development activities and campaign expenditures.

13           **SEC. 18. Allowable Party Development Activities.** - Due to the vital role played  
14        by the National Political Parties in the country's political development, and in order to  
15        promote professionalism and accountability among members of the parties, the  
16        following party development activities shall be allowed to be funded out of the State  
17        Subsidy Fund:

- 18           (a) Party administration, recruitment, and civic education;

19           (b) Research and policy development;

20           (c) Education and training of members;

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

22           (e) Other reasonable logistical and operational expenses that are essential in

23 strengthening the party.

24           **SEC. 19. Allowable Campaign Expenditures.** – The Accredited National Political  
25       Parties are authorized to use the subsidy given to them only for the following campaign  
26       activities:

1                   (a) Operating expenses of the party, which may include hiring of personnel,  
2 professional secretariat, setting up of headquarters, and other relevant electoral  
3 expenditures;

4                   (b) Travelling expenses of the candidates and support personnel in the course of  
5 the campaign, and for personal expenses incident thereto;

6                   (c) Information dissemination and advocacy campaigns of the political party;

7                   (d) Production and distribution of electoral paraphernalia and other propaganda  
8 materials; and

9                   (e) Other expenditures under Section 102 of the Omnibus Election Code.

10                 **SEC. 20. Exemption.** – National Political Parties shall be exempt from the coverage  
11 of Republic Act No. 9184 or the Government Procurement Act in their use of monies  
12 from the State Subsidy Fund. In lieu thereof, the Commission on Audit (COA) and the  
13 Department of Budget and Management (DBM), in consultation with COMELEC and  
14 the Accredited National Political Parties, are hereby mandated to draw an alternative  
15 mechanism that shall govern the use of the State Subsidy Fund by the National Political  
16 Parties.

17                 **SEC. 21. Accreditation.** – A National Political Party eligible in accordance with  
18 Section 22 hereof, and which desires to be entitled to the rights and privileges as  
19 recipient of the subsidy provided under this Act, may apply for accreditation by the  
20 COMELEC, under such rules and regulations as the COMELEC shall prescribe  
21 consistent with the provisions of this Act.

22                 **SEC. 22. Criteria for Eligibility.** – The COMELEC shall accredit National Political  
23 Parties eligible to receive subsidy from the State Subsidy Fund, based on the following  
24 general criteria:

25                   (a) Constitution and by-laws as a national political party seeking registration;  
26 Platform or program of government; List of all its officers and members (national,  
27 regional, provincial, city/municipal); Articles of Incorporation, by-laws, and Certificate

1 of Registration issued by the Securities and Exchange Commission, if registered  
2 therewith;

3 (b) Political representation, consisting of the incumbent president, vice president,  
4 members of congress, governors, vice-governors, members of the sangguniang  
5 panlalawigan, city mayors, vice mayors, members of the sangguniang bayan, municipal  
6 mayors, vice mayors, and members of the sangguniang bayan;

7 (c) Organizational strength and mobilization capability, which may include the  
8 identifiable political organizations and strengths as evidenced by their organized  
9 chapters; the number of political chapters and organizations nationwide; the number of  
10 active and permanent members of the party; the number of incumbent elective officials  
11 belonging to them ninety (90) days before the date of the elections; and sworn proof of  
12 existence in areas where the organization is claiming representation;

13 (d) Performance and track record of the party, which may include the established  
14 record of the parties that now composed them, taking into account, among other things,  
15 the number of years of existence of the party, their showing in the past elections as well  
16 as the ability of the party to field a slate of candidates from the municipal level to the  
17 position of senator in the immediately preceding national elections;

18 (e) Coalition agreement, if any, and the detailed list of affiliates comprising the  
19 coalition, including the signed coalition agreement;

20 (f) Membership and participation of women in the national political party; and

21 (g) Other information required by COMELEC.

22 **SEC. 23. Effects of Accreditation.** - A duly accredited National Political Party shall  
23 be entitled to the rights and privileges accorded under this Act. Likewise, the  
24 accredited national political party shall be subject to the regulations set forth in this Act  
25 and its implementing rules and regulations as prescribed by COMELEC.

26 **SEC. 24. Distribution of the Fund.** - The total amount of State Subsidy Fund  
27 released annually shall be distributed as follows:

1               (a) Ten percent (10%) of the fund shall accrue to the COMELEC, to be used  
2 exclusively for monitoring purposes and the conduct of information dissemination  
3 campaigns and voters' education;

4               (b) Thirty percent (30%) of the fund shall be proportionately and ratably  
5 distributed to accredited national political parties represented in the Senate based on  
6 the number of number of seats obtained in the most recent general elections;

7               (c) Thirty percent (30%) of the fund shall be proportionately and ratably  
8 distributed to accredited national political parties represented in the House of  
9 Representatives based on the number of seats obtained in the most recent general  
10 elections; and

11               (d) Thirty percent (30%) of the fund shall be proportionately and ratably  
12 distributed to accredited national political parties based on the number of seats  
13 obtained in local elective positions for governor, members of the sangguniang  
14 panlalawigan, city mayor, city vice mayor, members of the sangguniang panglungsod,  
15 municipal mayor, municipal vice-mayor, and members of the sangguniang bayan in the  
16 most recent general elections.

17               *Provided*, That notwithstanding the above percentages, all National Political Parties  
18 shall, upon accreditation by COMELEC, be automatically entitled to subsidy from the  
19 State Subsidy Fund, the uniform amount for all the accredited parties of which shall be  
20 determined by COMELEC: *Provided further*, That COMELEC shall determine whether  
21 Accredited National Political Parties shall continue to be entitled to subsidy based on  
22 their performance in the general elections next following their accreditation by  
23 COMELEC: *Provided, finally*, That the Accredited National Political Parties shall submit  
24 to COMELEC the requirements of eligibility under Section 22 of this Act immediately  
25 after each general election to assist COMELEC in determining their qualifications as  
26 recipients of the State Subsidy Fund.

1        **SEC. 25. *Schedule of Releases from the Fund.*** - For purposes of this Act, all  
2    releases from the State Subsidy Fund during a non-election year shall be used  
3    exclusively for party development activities. Funds released during an election year  
4    shall be divided as follows: seventy five percent (75%) shall be used for campaign  
5    expenditures and twenty five percent (25%) for party development activities. The  
6    COMELEC shall inform the Accredited National Political Parties of the schedule of  
7    releases as well as the amount of the subsidy allocated at the start of every fiscal year.

8        **SEC. 26. *Management of the Subsidy.*** - The Accredited National Political Parties  
9    availing of the subsidy shall maintain separate financial accounts for the funds used to  
10   finance campaign activities and party development, respectively.

11       Every Accredited National Political Party shall submit to the COMELEC a detailed  
12   program of activities as well as a breakdown of expenditures drawn from the State  
13   Subsidy Fund by the end of December of every fiscal year. No Accredited National  
14   Political Party shall be allowed to use the subsidy for purposes other than those  
15   indicated in this Act.

16       **SEC. 27. *Audit of the Fund.*** - COA shall examine the financial reports of the  
17   Accredited National Political Parties on their use of the State Subsidy Fund. Campaign  
18   contributions to any Accredited National Political Party shall be accounted for  
19   separately under a different set of books of account, which shall be open to inspection  
20   by COA.

21       **SEC. 28. *Full Disclosure.*** - The officials of every Accredited National Political  
22   Party shall submit a sworn statement of their assets and liabilities to COMELEC which  
23   shall be made available to the public. All Accredited National Political Parties and their  
24   candidates shall also be required to make a public disclosure of all contributions as well  
25   as expenditures incurred for the use of the State Subsidy Fund.

26       Disclosures shall be made through the official website of the COMELEC and in a  
27   newspaper of general circulation.

1        **SEC. 29. *Other Reports.*** - The following shall be reported by the Accredited

2        National Political Parties and their candidates:

3                (a) The amount of contribution, the date of receipt by the bank, and the full name

4        and exact address of the person from whom the contribution was received;

5                (b) A full report of expenditures and receipts incurred during the campaign,

6        including those which were drawn from the State Subsidy Fund, if any;

7                (c) Post-election disclosure statements, as required under existing laws, which

8        must be submitted to the COMELEC within thirty (30) days after Election Day.

9        Submissions made thirty (30) days after the deadline provided by law will be

10      considered late and subject to a fine in such amounts as may be determined by the

11      COMELEC; and

12                (d) Detailed breakdown of expenditures for party development activities charged

13        against the State Subsidy Fund. The financial report covering the party development

14        activities shall be submitted annually, at the end of every fiscal year. The subsidy for

15        the succeeding year will not be released without the submission of the said report

16        covering the preceding year.

17        These reports are required of every Accredited National Political Party and its

18        candidates, regardless of the results of the elections.

19        **SEC. 30. *Failure to Comply with Disclosure and Reporting Requirements.*** -

20        Failure of the Accredited National Political Party to comply with the provisions of this

21        Act will result in the disqualification from receiving its share in the State Subsidy Fund,

22        which shall revert to the general funds of the Government, and forfeiture of all the

23        rights and privileges to which it would have been entitled under this Act.

24        **SEC. 31. *Performance Monitoring and Reporting System.*** - The COMELEC and

25        the COA shall jointly design and implement, in consultation with political parties,

26        aggroupment or coalitions thereof, accredited citizens' arms, the private sector and non-

27        governmental organizations, and government agencies, an integrated political party

1 development and campaign subsidy performance monitoring and reporting system.  
2 The performance monitoring and reporting system shall identify, define and  
3 operationalize a system of performance indicators and measures for party development  
4 and campaign subsidy deployment.

5 COMELEC and COA shall, based on the results of the system, publish and  
6 disseminate annual reports on the development of political parties that have received  
7 subsidies and on the distribution, use, and results of the campaign subsidies provided  
8 to political parties.

9 **SEC. 32. Publication and Dissemination of the Political Party Development and**  
10 **Campaign Subsidy Performance Reports.** - The political party development and  
11 campaign subsidy performance reports shall be submitted to both houses of Congress  
12 not later than June 30 of every year, and shall be made available to the public via the  
13 internet and mass media as a guide for the citizenry in evaluating political parties for  
14 the purpose of participating in their program of activities, and in supporting, affiliating  
15 with, or joining them.

16 **SEC. 33. Punishable Acts.** - The following acts shall be punishable:

17 (a) Misuse of funds received by the National Political Parties both from the State  
18 Subsidy Fund and from campaign contributions;

19 (b) The giving of campaign contributions which go beyond the allowable limits set  
20 under this Act and other existing laws;

21 (c) Inability to account for all incoming contributions from whatever source;

22 (d) Failure to submit pre-election as well as post-election disclosure statements to  
23 the COMELEC. Any submission past the late submission period set in Section 29(c) will  
24 be deemed as a failure to submit, hence, punishable under this Act; and

25 (e) False reporting or any misrepresentation in the financial statement reports.

26 **SEC. 34. Penalties.** -

1               (a) Any candidate or official of any National Political Party who violates Section  
2     33(a), (c), and (e) of this Act shall be punished with imprisonment of not less than six (6)  
3     years but not more than twelve (12) years, or a fine ranging from Fifty Thousand Pesos  
4     (P50,000.00) to Five Hundred Thousand Pesos (P500,000.00) or both. He shall, likewise,  
5     be disqualified to hold public office. Any National Political Party that violates Section  
6     33(a), (c), and (e) of this Act shall pay a fine of not less than One Hundred Thousand  
7     Pesos (P100,000.00) but not more than One Million Pesos (P1,000,000.00);

8               (b) Any donor and donee who violate Section 33(b) of this Act shall both be  
9     punished with imprisonment of not less than six (6) years but not more than twelve (12)  
10    years, or a fine ranging from Five Hundred Thousand Pesos (P500,000.00) to Five  
11    Million Pesos (P5,000,000.00), or both;

12               (c) Any National Political Party that fails to comply with any of the documentary  
13    requirements set forth in this Act shall be subject to the administrative sanctions by the  
14    COMELEC, which shall include disqualification from receiving state subsidy,  
15    temporary or permanent cancellation of the party's registration, as well as payment of  
16    fines consistent with existing laws and regulations.

17               **SEC. 35. *Appropriations.*** - The amount of Three Hundred Fifty Million Pesos  
18     (P350,000,000.00) is hereby appropriated out of the funds of the National Treasury,  
19     effectively immediately upon the approval of this Act. Every year thereafter, there shall  
20     be appropriated the amount of Three Hundred Fifty Million Pesos (P350,000,000.00).  
21     All such amounts appropriated pursuant to this Act shall go to the State Subsidy Fund,  
22     which shall be administered by COMELEC.

23               COMELEC and the DBM shall promulgate guidelines to facilitate the release of the  
24     funds to every Accredited National Political Party.

25               **SEC. 36. *Lead Agency.*** - The COMELEC shall administer and enforce the  
26     provisions of this Act and for this purpose, a Political Party Affairs and Campaign  
27     Finance Department is hereby created in the COMELEC, subject to civil service rules

1 and regulations, which shall monitor and regulate political affairs and campaign  
2 finance, including but not limited to the accreditation of national political parties for  
3 purposes of availment of the State Subsidy Fund.

4       **SEC. 37. *Applicability*.** – The provisions of Batas Pambansa Blg. 881, otherwise  
5 known as the “Omnibus Election Code of the Philippines”, as amended, and other  
6 election laws not inconsistent with this Act shall apply suppletorily.

7       **SEC. 38. *Rules and Regulations*.** – The COMELEC shall promulgate the necessary  
8 rules and regulations to effectively implement the provisions of this Act.

9       **SEC. 39. *Separability Clause*.** – If any provision of this Act is declared invalid or  
10 unconstitutional, the other provisions not affected by such declaration shall remain in  
11 full force and effect.

12       **SEC. 40. *Repealing Clause*.** – All laws, executive orders, administrative orders, and  
13 rules and regulations inconsistent with this Act are hereby repealed or amended  
14 accordingly.

15       **SEC. 41. *Effectivity Clause*.** – This Act shall take effect fifteen (15) days after its  
16 complete publication in the *Official Gazette* or in two (2) newspapers of general  
17 circulation.

*Approved,*