

Republic of the Philippines  
HOUSE OF REPRESENTATIVES

SEVENTEENTH CONGRESS  
*First Regular Session*

House Bill No. 697



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Introduced by Representative Gloria Macapagal-Arroyo

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**AN ACT  
STRENGTHENING THE POLITICAL PARTY SYSTEM AND APPROPRIATING FUNDS  
THEREFOR**

**EXPLANATORY NOTE**

Political parties play a vital role in the country's quest for political and economic development. The political party system in the country is basically confined personalities rather than issues and political platform. There have been many attempts to reform the orientation of our political parties in the past so as to veer away from the concept of traditional politics, but unfortunately they have not been successful because of lack of legal institutional framework to govern the system of political parties.

Our history tells us that political parties in the Philippines are normally used only as political vehicles to win an election. Hence, most political aspirants change political parties for convenience, rather than because of conviction. This only shows the lack of ideological commitment to the members of a party because they choose parties based on the rise and fall of the tide of opportunity. "Turncoatism" should never be encouraged nor tolerated since it only distorts the concept of word of honor and dignity of a leader.

It is in this light that the Political Party Act should be enacted. It is imperative that political party system should be strengthened if we want to develop, achieve political development and democratization. We have to enact laws to prevent the system of ward politics and political chameleons that we have today.

A Party Development Fund shall be created to provide subsidy to political parties of national character for their operational expenses and party building activities not only for electoral campaign but also for their development programs. These funds shall be appropriated in the national budget.

A political party may qualify to receive a portion from the Party Development Fund if its national candidates garnered at east fifteen percent (15%) of the popular vote in the most recent general elections.

For their part, political parties should institute internal control mechanisms with political parties to promote accountability and transparency.


The bill also encourages the political parties to raise the funds through Party Foundation to finance their activities so that they will develop their self-sufficiency and lessen their dependence on contributions from illegal sources.

The bill envisions changing the norm of having political butterflies during and after the election period. It aims to give importance to party ideals and policy agenda rather than the political pragmatism and survival. The bill proposes that any member of the party wanting to change the party affiliation after being elected on that party's ticket, should first resign from his elective position and must seek a fresh mandate from the electorate. Likewise, defecting persons cannot be appointed nor hold any position in any

public office, until after the expiration of the term within which they were elected.

In general, the proposed bill hopes to transform the Philippine political parties from personality-oriented to issue-oriented political organizations. Thus, we can provide our constituents with better brand of party politics.

In view of the urgent need to address the irregularities in the political party system, the passage of this bill is earnestly sought.



REP. GLORIA MACAPAGAL ARROYO  
Second District, Pampanga

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

**CHAPTER 1**  
**DECLARATION OF POLICY, PURPOSES AND COVERAGE**

**SECTION 1. Title** – This Act shall be known as “*The Political Party Development Act of 2014*”.

**SEC. 2. Declaration of Policy** – It is hereby declared a policy of the State to institutionalize and strengthen political parties as vital pillars of the country’s democratic system. Towards this end, the State shall institute reforms in campaign financing through effective and transparent mechanisms designed to level the playing field among all candidates and political parties during elections and reduce opportunities for graft and corruption. As part of the State’s thrust to strengthen the political party system, it shall uphold party loyalty and adherence to the party’s ideological principles, platform and programs. The State shall also institute measures to professionalize political parties and make them viable instruments of development and good governance.

**SEC. 3. Purposes.** – This Act aims to:

- (a) Institutionalize reforms in the financing of electoral campaigns, so as to promote accountability and transparency;
- (b) Provide financial subsidies to political parties, to augment their expenditures for campaign purposes and for party development;
- (c) Promote party loyalty and discipline; and
- (d) Encourage and support continuing voter’s education and civic literacy programs through the political parties.

**SEC. 4. Coverage.** – This Act shall apply to political parties duly registered with and certified to as such by the Commission on Elections.

**SEC. 5. Definition of Terms.** – As used in this Act:

- (a) **Accredited political party** refers to a political party qualified to receive subsidy for party development and campaign purposes, accredited for this purpose by the Commission on Elections based on a set of criteria provided for under this Act;
- (b) **Candidate** refers to any person aspiring for or seeking an elective public office, duly nominated by a political party, aggregation or coalition thereof, and who has filed a certificate of candidacy with the Commission on Elections;
- (c) **Commission** refers to the Commission on Elections;

(d) **Campaign contribution** refers to any form of donation to any candidate, political party, aggrupation or coalition thereof given before, during or after the holding of elections. It includes any gift, donation, subscription, loan, advance or deposit of money or anything of value, or those arising from a contract, pledge or agreement to contribute, made for the purpose of influencing the results of the elections, but shall not include services rendered without compensation by individuals volunteering a portion or all of their time in behalf of a candidate or political party. It also includes the use of office space, facilities, equipment, office supplies and other materials and fixtures voluntarily donated by other persons or who allowed their use for free, the monetary value of which shall be assessed based on market rates prevailing in a particular area;

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

(f) **COA** refers to the Commission on Audit;

(g) **Disclosure requirement** refers to the duty of all candidates and political parties, aggrupation or coalitions thereof to reveal the details of campaign contributions received by them and the expenditures made on account thereof. For accredited political parties, it includes expenditures and destinations of party development and campaign monies given to them as their share in the State Subsidy Fund established under this Act;

(h) **Donor** refers to any person, natural or juridical, who contributes money, property or any other form of material contribution to a candidate, political party, aggrupation or coalition thereof;

(i) **Donee** refers to any candidate, political party, aggrupation or coalition thereof or any representative acting on their behalf or interest, to whom money, property or any other form of contributions were made;

(j) **Fund** refers to the State Subsidy Fund established under this Act;

(k) **Member of a party** refers to a natural person of good standing in a political party who complies with the requirements of party membership, including the payment of membership dues;

(l) **National political party** refers to a political party or an organized group of persons duly registered with the Commission, whose constituency is effectively spread across the geographical territory of all or a majority of the administrative regions of the Philippines, pursuing or advocating platform, principles and policies for the general conduct of government and which, as the most immediate means of securing their adoption and implementation, regularly nominates and supports its members as candidates for public office;

(m) **Political opportunism** refers to any act of a party member constituting disloyalty to the party or regular non-adherence to the party's ideological principles, platform and programs, as determined by the party in accordance with its constitution and by-laws;

(n) **Political party** refers to a political party, party-list or an organized group of persons duly registered with the Commission, pursuing or advocating platform, principles and policies for the general conduct of government and which nominates and supports its members as candidates for public office;

(o) **Political turncoatism** refers to the change of political party affiliation by a party member a period of one year before or after any national elections. Any party member may legitimately change party affiliation only on the second year of a three-year term. *Provided*, that political turncoatism shall not apply in any of the following instances:

(1) Abolition, merger or coalition of political parties where a candidate is a registered member thereof; and

