

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS

First Regular Session

House Bill No. 159

INTRODUCED BY REPRESENTATIVE ARTHUR C. YAP

EXPLANATORY NOTE

The Omnibus Election Code under Section 95 enumerates the persons, natural or juridical, directly or indirectly, who are prohibited from making contributions to any candidate for purposes of partisan political activity. The enumeration includes, among others, public or private financial institutions, public utilities, government contractors and franchise grantees.

By this prohibition, conflict of interest is being prevented. People who enjoy favors or who do business with government, are prevented from supporting or providing contributions to candidates who may eventually be the ones to dispense such favors or contracts to them.

It should be noted however, that there are businesses, which may not directly, or indirectly, deal with government, either by being a contractor or being a grantee of a franchise, but nevertheless, benefit from the policies or actions the government or a public official implements. These types of businesses are so many, they cannot be enumerated.

And these businessmen are not prohibited from providing campaign contributions to political candidates. Moreover, the law, the Omnibus Elections Code, does not impose a limit on how much such persons can contribute to a particular candidate.

In the recently concluded electoral exercise, it is noticeable that many national candidates for public office, in their published reports of electoral contributions, had individual donors who contributed amounts that staggered, not just in the tens of millions of pesos, but in the hundred million pesos mark. Also, there were candidates who bankrolled their own campaigns, spending hundreds of millions in the process.

One cannot help but wonder as to the reasons for such very generous campaign contributions or expensive campaign expenditures on the part of the candidates themselves. The amounts contributed or spent are so prohibitive that one may doubt if it was made out of sheer generosity or belief in the platform and principles of the candidate.

In his article "Dismal Lack of Campaign Finance Reform in the Philippines", Jun Bautista commented that:

The most pernicious effect of loose or unregulated campaign funds is the corrupting influence huge contributors exert on candidates once elected into office. Debt of gratitude becomes a factor in the grateful official's conduct in office, whether expected or not. More often than not, however, the generous donor expects a quid pro quo; a return on investment, if you will.

As to the candidates themselves who single handedly finance their own campaign, the Article furthers that:

Finally, even if it were to be assumed that a candidate spends his or her own money in the campaign, there is that danger of him or her recouping the expenses once elected into office by pursuing nefarious "under-the-table" transactions and other corrupt practices.

It is true that the law cannot and should not impute malice on the part of these election campaign contributors or candidates.

Indeed, there may be a few persons who have so much to give, and out of their kindness and sincere faith in the principles of their candidate, would give so much yet expect nothing in return. On the part of candidates, indeed, there are rich candidates who would be very willing use so much their own money for their campaign and not owe private individuals in the process. And these candidates would not later profit from the position they are elected into.

However, even for such persons, there should be a limit. The amount for campaign contribution and expenditure by a single person should be rationalized.

With the passage of this proposed measure, the campaign contribution of an individual shall be limited to a "reasonable" amount of Five Million Pesos. Even candidates themselves shall be allowed to spend only the same amount for their campaign.

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

A handwritten signature in dark ink, appearing to be 'A. Yap', with a large, sweeping flourish extending from the end of the signature.

ARTHUR C. YAP
Representative

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AN ACT
IMPOSING A LIMIT ON ELECTION CAMPAIGN
CONTRIBUTIONS, AMENDING FOR THE PURPOSE SECTION
95 OF BATAS PAMBANSA BLG. 881, AS AMENDED,
OTHERWISE KNOWN AS THE OMNIBUS ELECTION CODE,
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 “Election Campaign
2 Contribution Limit Act of 2010”.

3 **SECTION 2. *Declaration of Policy.*** – It hereby declared the policy of the State
4 to limit and rationalize the contributions a single individual can give to a partisan political
5 activity and the amount a candidate shall spend for his electoral campaign.

6 **SECTION 3. *Limit on Election Campaign Contribution.*** – Section 95 of Batas
7 Pambansa Blg. 881, as Amended, otherwise known as the Omnibus Election Code, is
8 hereby further amended, to read as follows:

9 **"SECTION 95. *Prohibited Contributions.*** — No contribution for
10 purposes of partisan political activity shall be made directly or indirectly
11 by any of the following:

12 xxx

1 (i) ANY PERSON, INCLUDING THE CANDIDATES
2 THEMSELVES, IN EXCESS OF THE AMOUNT OF FIVE MILLION
3 PESOS (P5,000,000.00).

4 It shall be unlawful for any person to solicit or receive any
5 contribution from any of the persons or entities enumerated herein, OR AS
6 TO PARAGRAPH (i), IN EXCESS OF THE LIMIT IMPOSED
7 THEREIN."

8 SECTION 4. *Separability Clause.* - If any provision of this Act, or any parts
9 thereof, is declared unconstitutional, the same shall not affect the validity and effectivity
10 of the other portions.

11 SECTION 5. *Repealing Clause.* - All laws, executive orders, presidential
12 decrees, proclamations, rules, regulations, issuances and enactments of parts thereof
13 inconsistent with this Act are hereby repealed or modified accordingly.

14 SECTION 6. *Effectivity.* - This Act shall take effect fifteen (15) days from its
15 complete publication in the Official Gazette or in a newspaper of general circulation in
16 the Philippines, whichever comes earlier.

APPROVED.

1 SECTION 5. *Separability Clause.* - If any provision of this Act, or any parts
2 thereof, is declared unconstitutional, the same shall not affect the validity and effectivity
3 of the other portions.

4 SECTION 6. *Repealing Clause.* - All laws, executive orders, presidential
5 decrees, proclamations, rules, regulations, issuances and enactments of parts thereof
6 inconsistent with this Act are hereby repealed or modified accordingly.

7 SECTION 7. *Effectivity.* - This Act shall take effect fifteen (15) days from its
8 complete publication in the Official Gazette or in a newspaper of general circulation in
9 the Philippines, whichever comes earlier.

APPROVED.