

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

SIXTEENTH CONGRESS
First Regular Session

House Bill No. **1525**



INTRODUCED BY HON. MARCELINO "MARCY" R. TEODORO

EXPLANATORY NOTE

Lobbying activities are being carried out today in the Philippines and greatly influence the making of government's policies and decisions, and even the creation of laws.

The Constitution, Article 2, Section 28 states:

"Article 2. Subject to reasonable conditions prescribed by law, the State adopts and implements a policy of full public disclosure of all its transactions involving public interest."

This proposal upholds the above quoted provision by making lobbying activities more public, as well as, ensuring openness, honesty and integrity in dealings of and between Members of Congress and lobbyist or lobbying group. Specifically, the measure makes it possible for citizens to communicate their views on controversial issues.

The recurring and numerous Senate and House inquiries investigating alleged anomalous deals of the government are proof of public distrust in the way government transactions and contracts are being done. It must be remembered that while records of deliberations of the Senate and the House of Representatives are open to the public, the "behind the scenes" negotiations are not.

Thus, it is important that lobbying activities be legislated for it will greatly help in restoring the people's trust and confidence in the government, and ultimately instill responsibility to those people influencing the nation's policy makers.

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

A handwritten signature in black ink, appearing to read "Marcelino Teodoro".

MARCELINO "MARCY" R. TEODORO
Representative
1st District, City of Marikina

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HOUSE BILL NO. **1525**

INTRODUCED BY REP. MARCELINO "MARCY" R. TEODORO

**AN ACT PROVIDING FOR THE DISCLOSURE OF LOBBYING ACTIVITIES
IN THE PHILIPPINES, AND PROVIDING PENALTIES THEREFOR**

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

SECTION 1. *Short Title.* – This Act shall be known as the "Lobbying Disclosure Act."

SEC. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to enhance public confidence in the integrity of public office and the decision-making process in the government by implementing a policy of full public disclosure of all lobbying activities and transactions.

SEC. 3. *Definition of Terms.* – For purposes of this Act, the following terms are hereby defined:

- (a) *Lobbying activity* refers to the practice of influencing the introduction, shepherding, or passage of legislation before either House of the Congress of the Philippines, as well as intervening in the official decisions of public officials and the implementation of government programs and projects;
- (b) *Lobbyist* refers to any person or juridical entity, including a corporation, a partnership, or an association, who engages in the practice of lobbying for a regular salary, a retainer, or other compensation, or a non-monetary benefit;
- (c) *Disclosure* refers to the act of revealing all information related to lobbying activities and transactions;
- (d) *Public officials* refer to elective and appointive officials and employees, permanent or temporary, whether in the career or non-career service, including military and police personnel, as defined under Republic Act No. 6713, otherwise known as the Code of Conduct and Ethical Standards for Public Officials and Employees; and
- (e) *Government Registering Agencies* refer to agencies that issue certificates of registration such as, but not limited to: (1) the Securities and Exchange Commission (SEC) for private organization and corporations; (2) the Department of Labor and Employment - Bureau of Labor Relations for unions and workers' associations; (3) the Housing and Land Use Regulatory Board for homeowners' associations; (4) the Cooperative Development Authority for cooperatives; and (5) the Insurance Commission for mutual benefit associations.

SEC. 4. *Coverage of Lobbying Activities.* – Lobbying activities shall include any action or communication intended to influence:

- a) The crafting of any legislative proposal by the government or by a member of either House of Congress;
- b) The introduction, shepherding, and passage of any legislative proposal or amendment thereto in either House of Congress;
- c) The drafting of implementing rules and regulations pursuant to a law;
- d) The introduction of or change in any government policy or program;
- e) The exercise of any authority or power conferred by law; or
- f) The expenditure of public money.

SEC. 5. *Limitations on Lobbying Activities.* – Lobbying activities shall not include actions or communications that are:

- a) Made by a public official, an agency, or any other person holding public office in their official capacity;
- b) Made in response to a written request from a public official acting in official capacity;
- c) Made by an employee of a media organization for the purpose of gathering and disseminating information to the public;
- d) Made for the purpose of distribution and making available to the public, or through radio, television, and other media of mass communication;
- e) Incidental to arranging or attending a meeting with a public official that is open to the public, or is attended by an employee of a media organization for the purpose of gathering and disseminating information to the public;
- f) Made in the course of any judicial proceeding; or
- g) Made on behalf of the government of a foreign country.

SEC. 6. *Registration Requirements.* – Any person who shall engage in lobbying activities shall register with the appropriate government registering agencies, and with the appropriate Secretariat, as referred to under Section 9 hereof. The registration must be notarized and shall contain the following information:

- a) The name and business address of the lobbyist;
- b) The name and business address of the employer or the principal in whose behalf the lobbying activity is carried out: *Provided*, That if the employer is a corporation, the name and business address of the corporation must be stated;
- c) A description of the employer's or principal's business activities and such other related information;
- d) A description of the subject matter of the lobbying activity;
- e) Identification of the proposal, policy, program, authority, power, or expenditure related to the lobbying activity; and

- f) Identification of public officials to whom lobbying activities are directed.

SEC. 7. Issuance of a License to Lobby. – Upon approval of registration, the lobbyist shall be issued a license to lobby, which shall expire on the last day of December of the year it was issued.

No license to lobby shall be issued to applicants in Congress without the approval of the Secretaries of both Houses. Likewise, no license to lobby shall be issued to applicants in Executive departments without the approval of the concerned Secretaries.

SEC. 8. Establishment of Register of Lobbyists. – The government registering agencies, the House Secretary-General, the Senate Secretary, and the Secretaries of Executive Departments, shall submit a Register of Lobbyists and a report of lobbying activities to the Secretariats, as provided under Section 9 of this Act, which shall be made available to the public upon request.

The Register shall be comprised of all the information set out in reports lodged under this Act.

The Register may be compiled in such manner and form as the aforementioned offices of the Legislative and Executive branches may consider convenient: *Provided*, That the Register must be readily available and regularly updated.

The Register must be open to the public and must be posted in the websites of the Legislative and Executive branches.

SEC. 9. Secretariats. – The House of Representatives and the Senate shall create a Joint Secretariat for both Houses of Congress while each Executive Department shall form a Secretariat to attend to the registration of lobbyists and the compilation and maintenance of the Register of Lobbyists and the publication of the annual report on lobbying activities.

SEC. 10. Reportorial Requirement. – A duly licensed lobbyist shall be required to submit an annual report on the lobbying activities undertaken to the Joint Secretariat for both Houses of Congress and the Secretariat for the concerned Executive Department. The report shall include a statement of expenses incurred in the course of lobbying which must be taken under oath and must be duly notarized.

SEC. 11. Notice Requirement. – The concerned Secretariat shall, in writing, serve notice to the lobbyists to provide additional information in relation to the report lodged pursuant to Section 6 of this Act. The notice shall specify:

- a) The nature of the additional information required;
- b) The period of compliance within which the additional information must be provided; and
- c) The person receiving the notice is required to comply with the notice.

A person who, without reasonable excuse, fails to comply with a duly served notice, shall be cited for contempt by the concerned Secretariat, and shall be suspended from performing or conducting lobbying activities until the requirement stated in the notice has been complied.

SEC. 12. Penal Provisions. –

- a) Any person who shall act as a lobbyist without a license shall be fined with not less than Thirty Thousand Pesos (Php 30,000.00) nor more than Fifty Thousand Pesos (Php 50,000.00) and shall be prohibited from acting as a lobbyist for a period of three (3) years from the date conviction.
- b) Any lobbyist who fails to file an annual report required under Section 10 of this Act shall be punished with a fine of not less than Ten Thousand Pesos (Php 10,000.00) but not more than Thirty Thousand Pesos (Php 30,000.00) or by imprisonment not to exceed six (6) months or both at the discretion of the court.
- c) Any lobbyist who shall file a false or incomplete report or registration shall be punished by a fine of not less than Thirty Thousand Pesos (Php 30,000.00) but not more than Fifty Thousand Pesos (Php 50,000.00), or by imprisonment of not less than six (6) months nor more than two (2) years, or both fine and imprisonment at the discretion of the court.
- d) Any person who shall willfully interfere with, restrain, coerce or commit any violation of any provision of this Act shall, upon conviction, be punished by a fine of not less than Thirty Thousand Pesos (Php 30,000.00) but not more than Fifty Thousand Pesos (Php 50,000.00), or imprisonment of one (1) year to six (6) years, or both fine and imprisonment at the discretion of the court.
- e) If the offender is a public official, the court may impose the additional penalty of disqualification from public service in addition to the penalties provided in the preceding paragraph.

SEC. 13. Appropriations. – The amount necessary to carry out the implementation of this Act shall be charged against the current year's appropriations of the implementing agencies under the General Appropriations Act. Thereafter, such sums as may be necessary for the continued implementation of this Act shall be included in the annual General Appropriations Act.

SEC. 14. Implementing Rules and Regulations. – The Secretariats created under Section 9 of this Act shall promulgate the implementing rules and regulations as may be necessary to carry out the provisions of this Act within ninety (90) days from the effectivity thereof.

SEC. 15. Separability Clause. – If any provisions or part hereof, is declared invalid or unconstitutional, the remainder of the law not otherwise affected shall remain valid and subsisting.

SEC. 16. Repealing Clause. – Any law, Presidential Decree or issuance, Executive Order, Letter of Instruction, Administrative Order, rule or regulation contrary to or inconsistent with the provisions of this Act are hereby modified, repealed, or amended accordingly.

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

Approved,