

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
Second Regular Session

House Bill **4690**



Introduced by Representative Rodolfo C. Fariñas

EXPLANATORY NOTE

The Judiciary Development Fund (JDF) was created under Presidential Decree No. 1949 for the benefit of the members and personnel of the Judiciary to help ensure and guarantee the independence of the Judiciary. The Judiciary was, thus, given the authority to generate its own funds and resources to help augment its budgetary requirements and ensure the uplift of its members and personnel.

However, through the years, and as particularly highlighted during the impeachment of former Chief Justice Renato C. Corona, the issue of transparency and accountability in the administration of the JDF has been consistently raised and emphasized, only for the Supreme Court to invoke its fiscal autonomy on the matter.

This proposed legislation, therefore, intends to emphasize that the constitutional grant of fiscal autonomy cannot and should not be used to frustrate the overriding constitutional principles of transparency, accountability and good governance.

This proposed legislation emphasizes that Section 1, Article XI of the Constitution provides that public office is a public trust and that public officers and employees that they are at all times accountable to the people with their duty to serve with the highest degree of responsibility, integrity, loyalty and efficiency. In the same manner, this proposed legislation emphasizes that, 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, pursuant to Section 28, Article II of the Constitution.

The proposed legislation include the following salient provisions:

1. All fees and collections constituting the JDF shall be immediately and regularly remitted by the Supreme Court, through the Chief Justice, to the National Treasury;
2. No allocation, disbursement or expenditure of the JDF shall be paid out except pursuant to an appropriation by the Congress as part of the budget of the Judiciary as provided for in the General Appropriations Act;
3. The amount of the JDF shall not be included in the computation of the annual appropriation of the Judiciary; and
4. The JDF shall be treated as a special fund in the National Treasury and shall be administered by the Bureau of the Treasury.

The proposed transfer of the administration of the JDF from the Supreme Court to the Bureau of the Treasury is neither a diminution of the grant of fiscal autonomy nor is an attack on the independence of the Supreme Court and the Judiciary but is done pursuant to the constitutional system of checks and balances and the overriding principles of transparency, accountability and good governance.

Appropriate audit and reportorial requirements are likewise proposed in order to enhance transparency and accountability in the administration of the JDF and prevent any abuse therein.

In view of the foregoing, the approval of this bill at the earliest opportunity is urgently requested.



RODOLFO C. FARIÑAS
Representative
First District, Ilocos Norte

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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:

Section 1. Short Title. – This Act shall be known as the “*Judiciary Development Fund Reform Act of 2014*.”

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

In the same manner, it is hereby declared to be the policy of the State to give live and meaning to Section 28, Article II of the Constitution, which provides that the State adopts and implements a policy of full public

disclosure of all its transactions involving public interest, subject to reasonable conditions prescribed by law.

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

“Section 2. All fees and collections constituting the Fund shall be immediately and regularly remitted by the Supreme Court, through the Chief Justice, to the National Treasury. No allocation, disbursement or expenditure of the Fund shall be paid out except in pursuance of an appropriation by the Congress as part of the budget of the Judiciary as provided for in the General Appropriations Act: *Provided*, That the amount of the Fund shall not be included in the computation of the annual appropriation of the Judiciary: *Provided, further*, That the Fund shall be treated as a special fund in the National Treasury and shall be administered by the Bureau of the Treasury: *Provided, finally*, That any allocation, disbursement and expenditure of the Fund as provided for in the General Appropriations Act shall made exclusively for the purposes indicated in the immediately preceding Section, in accordance with the guidelines set in this Decree and its implementing rules and regulations.”

Section 4. Section 3 of the same Decree is hereby amended to read as follows:

“Section 3. The Commission on Audit through the Auditor of the Supreme Court or his duly authorized representative shall quarterly audit the receipts, revenues, uses, disbursements and expenditures of the Fund, and shall submit the appropriate report in writing within thirty (30) days from the completion of said audit to the Chief Justice of the Supreme Court, the Senate President, the Speaker of the House of Representatives and the Chairperson of the Commission on Audit.”

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

“Section 4. Nothing herein shall be construed to affect or diminish the duty of local government units to provide office spaces, equipment and facilities to the courts within their respective territorial jurisdiction as required under existing laws: *Provided*, That the Chief Justice of the Supreme Court shall submit the appropriate report in writing, detailing the funding and support received by the Judiciary from external sources and beyond the allocation received from the

General Appropriations Act, during the deliberations by the Congress on the budget of the Judiciary. Moreover, there shall be no reduction of the compensation, allowances, benefits and privileges enjoyed by the members and personnel of the Judiciary on the date of the effectivity of this Decree.”

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

“**Section 5.** The Supreme Court, Department of Budget and Management, Bureau of the Treasury and the Commission on Audit shall promulgate the necessary rules and regulations for the effective implementation of this Decree within ninety (90) days from the approval hereof.”

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

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

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

Approved,