



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS

First Regular Session

HOUSE BILL NO. 4738

Introduced by Representative Niel C. Tupas, Jr.

Presidential Decree No. 1949, which established the Judiciary Development Fund (JDF), was promulgated at a time when democratic institutions were not in place and when both executive and legislative powers were vested in the Executive. In line with the current administration's reforms in the area of public financial management, there is an urgent need to put in place a more transparent accounting and reporting of revenues collected by the judiciary to strengthen public accountability as provided by the Constitution.

The JDF has been in existence for thirty (30) years, and there have been allegations of lack of transparency in the accounting and reporting of the funds as well as irregularities and abuse of discretion in the allocation and disbursement of the same.

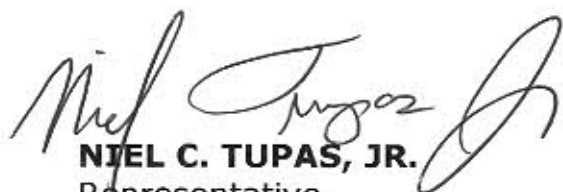
Under PD 1949, the exclusive power and duty to approve and authorize disbursements and expenditures of the JDF is vested in the Chief Justice of the Supreme Court. In that sense alone, the JDF is considered discretionary funds as the same is administered by a particular public official and disbursed for a public purpose.

Article VI, Section 25(6) of the Constitution imposes a limitation that "(d)iscretionary funds appropriated for public officials shall be disbursed only for public purposes to be supported by appropriate vouchers and subject to such guidelines as may be prescribed by law".

Pursuant to this constitutional mandate, this bill seeks to address the question of lack of transparency and public accountability of the JDF. Thus, to ensure transparency in the custody, disbursement, accounting and reporting of this fund, this bill seeks to repeal PD 1949 and to create a JUDICIARY SUPPORT FUND (JSF), in lieu of the existing JDF under the said decree. The JSF shall be deposited with the National Treasury as Special Account in the General Fund. This shall be without prejudice to the existing benefits being received by members of the Judiciary and its personnel under PD 1949. In the same vein, the itemization of the amounts necessary to fund the additional allowances of the members and personnel as well the

acquisition, repair and maintenance of office equipment and facilities of the Judiciary, as may be identified by the Supreme Court, will allow our people to see how these funds are allocated and disbursed.

Ultimately, this bill will promote public accountability in the allocation and disbursement of public funds in the Judiciary.

A handwritten signature in black ink, appearing to read 'Niel C. Tupas, Jr.', is positioned above the printed name.

NIEL C. TUPAS, JR.

Representative
5th District, Iloilo

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AN ACT
CREATING THE JUDICIAL SUPPORT FUND (JSF) UNDER THE
NATIONAL TREASURY, REPEALING 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:

1 SECTION 1. **Short Title.** – This Act shall be known as the Judiciary
2 Support Fund (JSF) Act.

3 SEC. 2. **Declaration of Policy.** – It is hereby declared the policy of
4 the State to maintain honesty and integrity in the public service and take
5 positive and effective measures against graft and corruption by promoting
6 transparency and accountability in the allocation and disbursements of public
7 funds.

8 SEC. 3. **Creation of the Judiciary Support Fund.** – There is hereby
9 created a Judiciary Support Fund (JSF) to help improve the technical
10 capabilities of the Judiciary, upgrade the existing facilities and increase the
11 benefits of the members and personnel of the Judiciary. The JSF shall be
12 derived from the following sources:

- 13 a. Increase in the legal fees prescribed in the amendments to Rule
14 141 of the Rules of Court to be promulgated by the Supreme Court
15 of the Philippines.

- 1 b. Docket fees on *estafa* cases where the offended party fails to
2 manifest within fifteen (15) days following the filing of the
3 information that the civil liability arising from the crime has been, or
4 would be, separately prosecuted; motions for postponement after
5 completion of the pre-trial stage; applications for notarial
6 commissions; applications for and entries of certificates of sale and
7 final deeds of sale in extrajudicial foreclosures of mortgages; and
8 applications for and certificates of sale in notarial foreclosures.
- 9 c. Incomes from sales of reports (of decisions of the Supreme Court,
10 Court of Appeals, Sandiganbayan), books, periodicals, pamphlets or
11 the like, printed by the Supreme Court printing press or any other
12 printing firm at the instance of or for the Supreme Court, Court of
13 Appeals, or Sandiganbayan or as the case may be;
- 14 d. Fees collected from bar candidates, or participants of
15 seminars/workshops or conferences offered or conducted by the
16 court
- 17 e. Fees now authorized to be paid or collected by sheriffs, such as
18 sheriff's commissions;
- 19 f. Interests on deposits of its incomes;
- 20 g. Confiscated cash bonds, satisfaction of judgments against bonds,
21 and proceeds from the public sale of confiscated property bonds, in
22 both civil and criminal cases where such bonds were posted.

23 SEC. 4. ***Allocation and Utilization of the JSF.*** The JSF shall be
24 utilized to augment the allowances of the members and personnel of the
25 Judiciary and to finance the acquisition, maintenance and repair of office
26 equipment and facilities. The JSF shall also be used for the maintenance and
27 repair of Hall of Justice buildings: *Provided, That* seventy percent (70%) of

1 the JSF shall be used for payment of allowances of the members and
2 personnel of the Judiciary; fifteen percent (15%) for the acquisition,
3 maintenance and repair of office equipment and facilities; and fifteen
4 percent (15%) for the maintenance and repair of Hall of Justice buildings:
5 *Provided, further,* That said allowances of the members and personnel of the
6 Judiciary shall be distributed in proportion to their basic salaries: *Provided,*
7 *furthermore,* That bigger allowances may be granted to those receiving a
8 basic salary pertaining to the positions with Salary Grades 11 and below:
9 *Provided, finally,* That the aggregate amount to be received by a member or
10 personnel of the judiciary shall not exceed the aggregate amount to be
11 received by the one holding the next higher position.

12 SEC. 5. ***Collection and Remittance of JSF to the National***
13 ***Treasury.*** - All amounts constituting the JSF collected by the courts in
14 accordance with the existing guidelines issued by the Supreme Court shall
15 be regularly remitted and deposited to the National Treasury as Special
16 Account in the General Fund.

17 SEC. 6. ***Release of the JSF.*** - The JSF shall be released only upon
18 submission by the Supreme Court of an itemized special budget for the
19 purpose, pursuant to Section 35, Chapter 5, Book VI of Executive Order No.
20 292, series of 1987.

21 SEC. 7. ***Quarterly Audit and Submission of Report.*** - The
22 Commission on Audit shall, through the auditor of the Supreme Court or his
23 duly authorized representatives, audit quarterly the receipts, revenues,
24 uses, disbursements and expenditures of the JSF, and shall submit the
25 appropriate report in writing to the Chairman of the Commission on Audit
26 and to the Chief Justice of the Supreme Court, as well as to the Congress of

1 the Philippines through the President of the Senate and the Speaker of the
2 House of Representatives.

3 SEC. 8. **Transitory Provision.** – All amounts collected and deposited
4 to the accounts of the judiciary pursuant to P.D. 1949 and prior to the
5 effectivity of this Act shall be transferred to and form part of the Special
6 Account of the General Fund of the National Treasury within thirty (30) days
7 from the effectivity of this Act.

8 SEC. 9. **Implementing Rules and Regulations.**– Within thirty (30)
9 days from the approval of this Act, the Chief Justice of the Supreme Court
10 shall, in coordination with the Secretary of Budget and Management and the
11 National Treasurer, shall formulate the necessary rules and regulations for
12 the effective implementation of this act.

13 SEC. 10. **Separability Clause.** – If any provision of this Act is
14 declared invalid or unconstitutional, the provisions not affected shall
15 continue to be in full force and effect.

16 SEC. 11. **Repealing Clause.** – Presidential Decree No. 1949 is
17 hereby repealed, and all other laws, orders, decrees, rules and regulations
18 inconsistent herewith are hereby amended or modified accordingly.

19 SEC. 12. **Effectivity Clause.** – This Act shall take effect fifteen (15)
20 days after its publication in the Official Gazette on in two (2) newspapers of
21 general circulation.

22 Approved,