

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

NINETEENTH CONGRESS
First Regular Session

House Bill No. 6807



Introduced by: **REPRESENTATIVE EDWIN L. OLIVAREZ**

EXPLANATORY NOTE

Great physical and mental health, self-discipline, competitiveness, development of strong social bonds, and holistic character development are a few of the various benefits one may receive when engaging in sports. Aside from these benefits that individuals may attain, taking part in sports also has the ability to leave a lasting and advantageous impact on society. For instance, from an economic standpoint, the sports industry is capable of pooling funds around the local economy, as well as providing jobs for coaches, referees, gym employees, stadium vendors, and many more. Another way sports can affect the community is through the unity, patriotism, and nationalism that it can bring through its athletes. When Manny Pacquiao, one of the most successful Filipino athletes, made his professional debut as a boxer in 1995, the entire country would come together with their friends and families to watch his match and cheer for him. The same spirit was shown during the 2020 Olympics —the year of the most medals won by the Philippines— when the country garnered four (4) medals, one of them from Hidilyn Diaz, the country's first Olympic Gold medalist, who clinched a victory that would later go down in history. Numerous Filipinos, as well as public and private institutions, showed their support to the athletes by posting promotions as well as their congratulations. To say the least, the sense of pride one may feel to see someone from their home country participating in an international competition, let alone winning, is a feeling like no other. This feeling of victory not only uplifts people, but also inspires them to work hard and aim high - a kind of attitude that is important in society.

While joining an international competition is the ultimate goal of most athletes, it must be remembered that the benefits sports may bring to society can still be attained through lower divisions such as amateur, local, and national sports. The National Collegiate Athletic Association (NCAA) and The University Athletic Association of the Philippines (UAAP) have been grooming skillful athletes for decades, and every year, their sporting events are highly anticipated

by many fans around the country as it provides a sense of excitement and passion for the athletes that they support.

The Philippines Sports Commission (PSC) which was established in 1990 was made with the purpose of encouraging and promoting sports in all sectors. However, it seems that after about three (3) decades, the government agency became unsustainable and is no longer able to live up to its mandate. Given this, this Bill seeks to establish a Department of Sports in order to fully focus, implement, promote, and better execute all aspects related to the development of sports and athletes in the country. The cabinet-level agency aims to provide leadership in the advancement of sports in the country, as well as aspires to address the various challenges of the sports industry such as the lack of adequate facilities and equipment, the improvement of training programs, and the absence of a comprehensive nationwide sports program.

In view of the foregoing, the passage of this Bill is earnestly sought.



EDWIN L. OLIVAREZ

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**“AN ACT DECLARING A NATIONAL POLICY FOR SPORTS AS AN
ENGINE FOR NATION-BUILDING, SOCIAL PROGRESS, AND
PROMOTION OF TOTAL HUMAN DEVELOPMENT, AND
CREATING THE DEPARTMENT OF SPORTS, DEFINING ITS
POWER AND FUNCTIONS AND APPROPRIATING FUNDS
THEREFOR”**

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

SECTION 1. *Short Title.* - This Act shall be known as the “*Department of Sports Act of 2023.*”

SECTION 2. *Declaration of Policy.* - It is mandated by the 1987 Constitution under Article 11, Section 17 that the State shall prioritize sports in order to foster patriotism, nationalism, accelerate social progress, and promote total human liberation and development. In addition to this, under Section 19 of the same Article, the State is also mandated to promote and encourage sports programs, league competitions, amateur sports, and provide training for international competitions in order to nurture self-discipline, teamwork, and excellence for the development of a healthy and alert citizenry. Hence, the government shall exert all efforts to produce initiatives that would encourage citizens to participate in the different divisions of sports in order to build a motivated and harmonious society.

SECTION 3. *Objectives.*

- a) Establish a single, unified, and integrated national sports body to take the lead in developing Filipino athletes to their fullest potential and put Philippine sports into its utmost performance;

- b) Prepare, formulate, implement, and oversee an integrated and comprehensive nationwide sports promotion and development program in consultation with the stakeholders as well as other government agencies, non-governmental organizations, associations, and groups involved in sports;
- c) Promote a nationwide grassroots-based sports development program and strengthen the sports club system;
- d) Encourage the participation of Filipino athletes in regional and international sports competitions including, but not limited to, the South East Asian Games, the Olympics, the Paralympics, the Universiade or World University Games as well as international, regional, and world competitions staged by other reputable international sports associations, federations and organizations;
- e) Promote leadership in the development of sports in the country, formulate policies, and set the priorities and direction of all national amateur sports promotion and development;
- f) Encourage wider participation of all sectors, government and private, in amateur sports promotion and development;
- g) Improve the performance of Filipino athletes in regional and international sports competitions and develop athletes to become a source of national pride;
- h) Provide resources, services, and facilities to enable Filipinos to pursue and achieve excellence in sports;
- i) Ensure equal access to physical education and sports which are essential for the full development of a person's personality;
- j) To promote excellence in sports, and through sports, by providing for the welfare of national athletes, coaches, and trainers competing for their country.
- k) Foster peace and camaraderie within the country through competitive and recreational sports;
- l) Motivate educational institutions to offer athletic programs to their students as well as provide support for them;

- m) Provide guidelines and protection for athletes when it comes to wrongful treatment from their teammates, coaches, or other people of authority;
- n) Encourage parents of aspiring and current athletes to support their Children in their journey of engaging in sports.

CHAPTER II

DEPARTMENT OF SPORTS

SECTION 4. *Mandate.* - The Department of Sports, hereinafter referred to as “the Department,” is hereby established to carry out the above-declared objectives. It shall be the primary policy, planning, programming, coordinating, implementing, and regulating agency in the promotion and development of sports and physical fitness in the country. Moreover, it shall instill in the Filipino the industry's fundamental importance in nation-building and social progress; and in fostering peace and camaraderie.

SECTION 5. *Duties and Functions.* - The Department shall exercise the following duties and functions:

- a) Prepare, fully implement and oversee an Integrated Sports Promotion and Development Program (ISPDP) consistent with the policies declared in Section 3 hereof, in coordination with various sectors involved in sports, such as the Philippine Olympic Committee, the national sports associations, the public and private schools, government corporations and entities, the local government units, the Armed Forces of the Philippines, and other sports organizations and private corporations;
- b) Establish and maintain linkages with international sports associations, national sports organizations of other countries and international non-governmental organizations whose common main objective is sports;
- c) Establish, develop, and maintain fully-equipped sports facilities and centers in strategic places around the country and, as far as practicable, include modern sports complexes adequate for hosting major international competitions;

- d) Rationalize and regulate the establishment of publicly funded sports complexes and supervise the management and maintenance thereof, excluding those owned by educational institutions;
- e) Plan and formulate programs, and review and evaluate the organizational set-up, projects, and programs of the Department;
- f) Delineate and define the areas of responsibilities of all sectors involved in the promotion and development of sports, respecting the individual set-up, priorities, structure, and competence of the different government and private institutions;
- g) Assist the proper government agency in the formulation of an industry incentives program for the manufacture of sports equipment and supplies of international standard quality in the Philippines;
- h) Provide such incentives, recognitions, and awards to deserving associations, athletes, game officials, coaches, trainers, and other persons or entities involved in or supporting sports development;
- i) Recommend and propose to the Department of Education (DepEd), Department of Interior and Local Government (DILG) and other government agencies and instrumentalities, which conduct sports programs, to incorporate in their respective annual budget a separate and specific budget for sports promotion and development;
- j) Encourage, promote and sustain the creation and establishment of regional, provincial, municipal and barangay or school district sports promotion and development councils, composed of officials of the DepEd, DILG, local government units (LGUs) and representatives of the private sector, which shall initiate, conduct and coordinate sports activities in their respective jurisdictions;
- k) Exercise such other acts as are incident to or are appropriate and necessary in connection with the creation of the Department.

SECTION 6. *Powers of the Department.* - The Department shall exercise the following powers to do all acts and things necessary to be done in connection with the performance of its functions:

- a) Appoint the officers and other personnel of the Department and fix their compensation subject to existing laws, rules, and regulations;

- b) Delegate authority for the performance of any function to officers and employees under its direction;
- c) Enter into contracts;
- d) Acquire, use and control any land, building, facilities, equipment, instruments, tools, and rights required or otherwise necessary for the accomplishment of the purposes of the Department;
- e) Acquire, own, possess, and dispose of any real or personal property;
- f) Regulate the acquisition, procurement, distribution, and use of sportswear, equipment, instruments, tools, and other sports essentials necessary and required for training of a national pool of athletes;
- g) Confer, extend, and grant awards, benefits, and privileges to athletes and officials for outstanding performances in national and international competitions;
- h) Confer, extend and grant support or assistance to sports associations that are in good standing with the Department;
- i) Exercise supervisory and visitorial powers over the national sports associations in connection with their sports promotion and development programs with respect to which financial assistance is extended by the Department;
- j) Accept donations, gifts, bequests, and grants for the purposes of the Department;
- k) Ensure the implementation by various government departments and agencies of their sports promotion and development programs as indicated in their respective annual budgets;
- l) Impose sanctions upon any national sports association, institution, organization, body, entity, team, athletes, and sports official for violation of its policies, rules, and regulations;
- m) Solve disputes that involve sports, competitions, people of authority, and athletes; and

- n) Perform any and all other acts incidental to or required by virtue of its creation.

SECTION 7. *Composition of the Department.* The Department shall be composed of a Secretary of Sports who shall be appointed by the President, subject to the confirmation by the Commission on Appointments, three (3) Undersecretaries, and three (3) Assistant Secretaries who shall also be appointed by the President upon the recommendation of the Secretary.

SECTION 8. *Qualification of the Secretary, Undersecretary, and the Assistant Secretaries.* The Secretary, Undersecretary, and Assistant Secretaries must be Filipino Citizens, at least Thirty-Five (35) years of age, must have been a former athlete representing the Philippines in any sporting event, and of proven good moral character and probity.

SECTION 9. *Compensation.* - The Secretary, Undersecretaries and Assistant Secretaries shall be entitled to compensation and to other benefits and privileges provided under existing laws.

SECTION 10. *Secretary.* - The authority and responsibility for the discharge of its power and functions shall be vested in the Secretary who shall have supervision and control of the Department.

SECTION 11. *Duties of the Secretary.* - The Secretary shall perform the following duties:

- a) Exercise over-all supervision and direction over the entire operations of the Department and its attached agencies;
- b) Establish policies and standards for the effective, efficient and economical operation of the Department in accordance with the programs of the government;
- c) Review and approve requests for financial and manpower resources of all operating offices of the Department;
- d) Designate and appoint officers and employees of the Department in accordance with the civil service laws, rules and regulations;
- e) Advise the President on the promulgation of executive and administrative orders, regulatory and legislative proposals on matters pertaining to the promotion and development of sports and physical fitness in the country;

- f) Implement and enforce policies, decisions, orders, rules and regulations issued by the Department;
- g) Execute contracts, incur obligations, acquire and dispose of assets and deliver documents on behalf of the Department;
- h) Approve the organizational structure, staffing pattern, operating and capital expenditures of the Department; and
- i) Exercise such other powers and functions and perform such other duties as may be authorized, delegated, or assigned.

SECTION 12. *Undersecretaries and Assistant Secretaries.* - The Secretary shall be assisted by three (3) Undersecretaries and three (3) Assistant Secretaries all of whom shall be appointed by the President from a list of nominees submitted by duly recognized sports associations and organizations in the Philippines.

SECTION 13. *Regional Offices.* - The Department shall establish, operate and maintain a regional office in each administrative region of the country. The regional office shall be headed by a regional director and assisted by an assistant regional director. The regional offices shall, within their respective administrative regions, exercise the following functions:

- a) Implement laws, policies, plans, programs, projects, rules and regulations of the Department;
- b) Provide efficient and effective service to the people;
- c) Coordinate with regional offices of other departments, offices, and agencies;
- d) Coordinate with the local government units; and
- e) Perform such other functions as may be provided by law.

SECTION 14. *Structure and Staffing Pattern.* - The Secretary shall determine the organizational structure and create new divisions or units as may be deemed necessary and shall appoint officers and employees of the Department in accordance with the civil service rules and regulations

SECTION 15. *Secretariat.* - The Department shall create a secretariat which shall be primarily responsible for the financial management, personnel records, supplies and equipment, public information and production, transportation, communication, legal, policy research and planning, and such other functions and responsibilities as may be necessary and required by the Department.

SECTION 16. *Special Bureau.* - To ensure the proper and efficient implementation of this Act, the following special bureaus under the Department are hereby created:

- a) Amateur Sports Development Bureau;
- b) National and Local Sports Development Bureau; and
- c) Professional and International Sports Development Bureau

SECTION 17. *Amateur Sports Development Bureau (ASDB).* - The Amateur Sports Development Bureau shall be headed by an executive director and shall be primarily responsible for the promotion and development of amateur sports in the Philippines

The ASDBB shall exercise the following functions:

- a) Plan, implement and oversee an integrated nationwide amateur sports promotion and development program for the country in coordination with various entities, the LGUs, the Armed Forces of the Philippines and such other sectors in the sports industry;
- b) Formulate and implement a physical fitness testing and evaluation program to determine, monitor and establish a fitness profile of the different sectors of society, and a grassroots development program in order to encourage, improve and enhance physical fitness and participation in sports of the citizens at the city, municipality and barangay level;
- c) Develop and implement, in coordination with the Department of Education, a physical fitness education curriculum in the basic education system that will foster and promote participation in sports;
- d) Plan and conduct regular informal sports competitions at the national and local levels;

- e) Create fundraisers in the form of sports competitions in coordination with the LGUs and business corporations;
- f) Encourage and promote the creation and establishment of regional, provincial, municipal, and barangay sports promotion and development councils which shall initiate, conduct, and coordinate sports activities in their respective jurisdiction;
- g) Provide the leadership and set the priorities and direction of all national amateur sports promotion and development, giving emphasis on grassroots participation;
- h) Encourage wide participation of all sectors, government and private, in amateur sports promotion and development;
- i) Promote social and cultural integration through the revival of indigenous games and sports;
- j) Identify and nurture sports talents for further development and promote excellence in sports, traditional games, and other physical activities;
- k) Recommend the formulation of policies and programs that will foster the development of amateur sports, especially at the grassroots level;
- l) Impose sanction upon any national sports association, institution, organization, body, entity, team, athlete, and sports officials engaged in amateur sports for violation of its policies, rules, and regulations;
- m) Ensure the implementation by various government departments and agencies of their sports promotion and development programs as indicated in their respective annual budgets;
- n) Aid athletes who would like to participate in sports at a higher level by coordinating with the National and Local Sports Development Bureau; and
- o) Perform acts that are necessary or incidental to the proper exercise of its functions.

SECTION 18. *National and Local Sports Development Bureau* - The National and Local Sports Development Bureau shall be headed by an executive

director and shall be primarily responsible for the promotion and development of national and local sports in the Philippines.

The NLSDB shall also have the following functions:

- a) Plan, implement and oversee an integrated nationwide national and local sports promotion and development program for the country in coordination with the different national sports associations such as the Philippines National Collegiate Athletic Association (NCAA), University Athletic Association of the Philippines (UAAP), as well as other national sports leagues associations;
- b) Work hand-in-hand with educational institutions offering sports for their students in the middle school, high school, senior high school, and collegiate level;
- c) Create and establish a board of directors that shall initiate, conduct, and coordinate sports activities in their respective leagues and associations;
- d) Identify and nurture sports talents for further development and promote excellence in sports, traditional games, and other physical activities;
- e) Impose sanction upon any national sports association, institution, organization, body, entity, team, athlete, and sports officials engaged in amateur sports for violation of its policies, rules, and regulations;
- f) Establish and implement a system for identifying and developing athletic talents for inclusion in the professional athlete's pool;
- g) Perform acts that are necessary or incidental to the proper exercise of its functions.

SECTION 19. *Professional and International Sports Development Bureau.* The Professional and International Sports Development Bureau to be headed by an executive director shall have the following functions:

- a) Formulate and recommend the adoption of a national training and development program for athletes participating in international competitions in all relevant sports, in coordination and cooperation with the concerned national sports association;

- b) Plan, implement and administer all aspects to ensure successful participation of the country in regional and international sporting events, games and competition; and
- c) Ensure the availability of adequate budget and resources for said purposes.

SECTION 20. *Divisions under the International Sports Development Bureau.* There shall be established two divisions under the International Sports Development Bureau, as follows:

- a) Professional Sports Division; and
- b) International Sports Competition Division.

SECTION 21. *Professional Sports Division.* - The Professional Sports Division shall have the following functions:

- a) Process, facilitate, and oversee agreements and transactions conducted between and among the Department, national sports associations, and other local and international sports institutions federations, associations, and organizations to ensure their compliance with the policies and programs of the Department;
- b) Facilitate all necessary arrangements for the athletes playing on a national professional level;
- c) Facilitate all necessary arrangements for the participation of national professional athletes who are eligible to enter international competitions;
- d) Develop, prescribe and ensure the observance of criteria and standards for professional athletes and sports teams representing the country in international competitions;
- e) Prescribe the criteria for selecting individuals, associations, or clubs entitled to financial and other forms of support to enable their participation in international conferences seminars, clinics, competitions, and similar programs; and
- f) Establish appropriate linkages with international sports bodies.

SECTION 22. *International Sports Competition Division.* The International Sports Competition Division shall have the following functions:

- a) Coordinate with the national sports associations and the Philippine Olympic Committee for the preparation and training of the members of the national athlete's pool;
- b) Develop, prescribe and monitor the implementation of criteria for the selection and retention of members of the national athletes' pool supported by the Department;
- c) Coordinate with the national sports association in monitoring and conducting periodic evaluation of members of the national athletes' pool;
- d) Assist the national sports associations in the selection of national team members for international competition; and
- e) Identify and recommend athletes, coaches, and international sports participants who may qualify for awards and incentives.

CHAPTER III NATIONAL OLYMPIC COMMITTEE

SECTION 23. *Philippine Olympic Committee.* - The Philippine Olympic Committee which is affiliated with the International Olympic Committee shall continue to be recognized as the National Olympic Committee for the Philippines. It is autonomous in character.

The Philippine Olympic Committee shall maintain its primary responsibilities for activities pertaining to the country's participation in the Olympic Games, Asian Games, Southeast Asian Games, and other international athletic competitions in accordance respectively with the rules and regulations of the International Olympic Committee, the international Olympic Council of Asia, the Southeast Asian Games Federation and other international sports bodies.

SECTION 24. *Functions.* - The Philippine Olympic Committee shall have the following powers and functions:

- a) Be responsible for the representation of the Philippines in all international sports competitions and undertake the organization of these games when held in the Philippines;
- b) Arrange the transportation and housing of the national delegation in the Olympic Games, Asian Games, Southeast Asian Games, and other events held under the patronage of the International Olympic Committee and Olympic Council Asia;
- c) Be responsible for the behavior of the members of the Philippine delegation in all games and events;
- d) Prescribe and determine, in consultation with the respective national sports association, the clothing and uniforms to be worn by the members of the Philippine delegation in all international sports competitions in accordance with What is prescribed by their respective sports;
- e) Strive against deviation from sporting principles, particularly against all forms of doping under the World Anti-Doping Code;
- f) Exercise the exclusive right to use the Olympic symbol, flag, motto, and anthem within the framework of its non-profit activities: Provided, that such use contributes to the development of the Olympic movement and does not detract from its dignity;
- g) Coordinate closely with relevant international organizations recognized by the International Olympic Committee, particularly the Olympic Council of Asia and the Southeast Asian Games Federation
- h) Participate in the activities of the International Olympic Committee's Olympic Solidarity;
- i) Act as the final arbitrator of all intra-national sport associations conflicts and disputes, as well as, cases arising from or in connection with the Olympic Games or any form of doping offenses in case the same disputes cannot be settled or resolved with the national sports associations processes and procedures; and
- j) Perform such other acts as may be deemed necessary for the proper accomplishment of their purposes.

CHAPTER IV

NATIONAL SPORTS ASSOCIATIONS

SECTION 25. *National Sports Associations.* The national sports associations organized for their respective sports in the Philippines and affiliated with their respective international federations which are recognized by the International Olympic Committee shall be recognized as such by the Department. The Department shall also recognize special national sports associations to represent the differently-abled and school-based sports associations which shall, for all intent and purposes, have the same status, privileges, and obligations as regular national sports associations. The national sports associations recognized by the Department shall be autonomous and shall have exclusive technical control over the promotion and development of the particular sport for which they are organized, subject however to the supervisory powers of the Department. Each national sports association shall, by its constitution and by-laws, determine its organization and membership: Provided, that no team, school, club, organization, or entity shall be admitted as a voting member of a national sports association unless sixty percent (60%) of the athletes composing said team, school, club, organization or entity are Filipino citizens. The Department recognizes the following functions, powers, duties, and responsibilities of the various national sports associations:

- a) Adopt a constitution and by-laws not inconsistent with this Act;
- b) Raise funds by donations, benefits, and other means for their purposes;
- c) Purchase, sell, lease or otherwise encumber property, real or personal, for the accomplishment of their respective purposes;
- d) Affiliate with international or regional sports associations;
- e) Conduct competitions for the promotion of their respective sports;
- f) Appoint their representative to the Philippine Olympic Committee;
- g) Decide all questions on the amateur status and discipline of the athletes and officials connected with the associations as well as the members thereof and all disputes between members;
- h) Adopt, in coordination with the Philippine Olympic Committee, a training program for the development of the athletes and their preparation for international competitions;

- i) Select the athletes, coaches and other officials for their national teams taking into consideration not only their athletic abilities but also their discipline, moral character, aptitude and attitude;
- j) Keep accurate records of all official marks, scores and results attained by the athletes in all competitions, as well as all results of sports competitions, recognize and confirm the same and furnish copies to the Department;
- k) Qualify and license referees, umpires and other game officials who shall officiate in competitions in their respective sports; and
- l) Perform such other acts as may be deemed necessary for the proper accomplishment of their purposes.

SECTION 26. *Incentives and Other Non-monetary Benefits.* he Department shall grant incentives, cash, and other non-monetary benefits to all national athletes, coaches, and trainers who bring honor and recognition to the country by winning in

CHAPTER V MISCELLANEOUS

SECTION 27. *Tax Exemption.* To encourage popular participation in amateur sports, no tax of any kind shall be levied on the use of sports facilities, whether the tax is on the user, owner, or operator of the sports facility.

SECTION 28. *Donations and Contributions.* All donations and contributions to the Department in connection with its fund-raising projects and its continuing sports development programs shall be exempt from the donor's taxes, and shall be deductible in full in the computation of the taxable net income of the donor. Donations and contributions to the various national sports certified by the Department pursuant to the development of sports in the country shall likewise be exempt from the payment of the donor's and estate taxes and shall be deductible in full in computing the taxable net income of the donor.

SECTION 29. *Exemption from Travel Taxes.* The Department and its delegation or representatives to any international sports competitions, conventions, conferences, meetings and events, and athletes, coaches, and other officials to any international competition shall be exempt from the payment of travel tax, airport tax, and any other travel-related taxes or fees now or hereafter imposed by law or regulation.

SECTION 30. *Presidential Land Grant.* The provisions of any existing law to the contrary notwithstanding, the President may, upon the recommendation of the Secretary of Environment and Natural Resources, grant by donation, sale, lease, or otherwise, to the Department portions of the land of the public domain as may be necessary for the establishment of regional training centers in all the regions of the country and for the accomplishment of any of its purposes.

SECTION 31. *Sports Facilities.* The administration and full control of all existing sports facilities, including land, buildings, and equipment owned by the national government as well as those owned by government-funded foundations, associations, and entities shall be transferred to the Department. The sports facilities owned by the local government units, state colleges, and universities, or public schools shall remain with the said institution or entities. The management and full control of all the land, buildings, equipment, and other improvements of the government-owned sports complex and velodrome shall be transferred to the Department upon the effectivity of this Act.

SECTION 32. *Assistance by Government Entities.* The Department may call upon any government entity for assistance in the performance of its functions and duties. All heads of departments agencies, corporations, and offices of the government are hereby enjoined to render full assistance and cooperation to the Department to ensure the attainment of its objectives and the success of the national sports development program.

CHAPTER VI GENERAL PROVISIONS

SECTION 33. *Abolition of the Philippine Sports Commission.* The Philippine Sports Commission created under Republic Act No. 6847 is hereby abolished. The powers and functions, applicable funds and appropriations, records, equipment, property, and personnel shall be transferred to the Department. The Philippine Sports Commission shall conduct an inventory of its assets and liabilities, and shall turn over all properties, together with the inventory, to the Department and wind up their respective affairs within six (6) months after the effectivity of this Act.

All programs, contracts, and projects of the Philippine Sports Commission, which are inconsistent with the policies and provisions of this Act, shall be terminated on or before six (6) months from the enactment of this Act. Contracts, programs, and projects which cannot be unilaterally terminated shall remain in full force and effect. The Department shall negotiate for the rescission of the contract or termination of the project or program for a period earlier than what has been previously agreed upon. The transfer of functions, assets, funds,

equipment, properties, transactions, and personnel and formulation of the internal organic structure, staffing pattern, operating system, and revised budget of the Department, shall be completed within six (6) months from the effectivity of this Act, during which time, the existing personnel shall continue to assume their posts in holdover capacities until new appointments are issued; Provided, that after the abolition of the Philippine Sports Commission as specified in this Section 29, the Department, in coordination with the Department of Budget and Management, shall determine and create new positions, the funding requirements of which shall not exceed the equivalent cost of positions abolished.

SECTION 34. *Security of Tenure.* In the implementation of this Act, there shall be no undue separation of personnel. In the event that the lay-off of personnel becomes unavoidable because of the abolition of their office or positions, mitigation measures shall be adopted such as redeployment of separated employees to other appropriate departments, agencies, or entities

SECTION 35. *Separation from Service.* Employees separated from the service as a result of this reorganization shall, within ninety (90) days therefrom, receive the separation or retirement benefits to which they are entitled under the law. The separation pay or retirement benefits shall have priority of payment out of the savings of the agency.

SECTION 36. *Appropriation.* In order to provide the necessary funds required for the organization and initial calendar year of operational expenditures of the Department, the amount of two hundred million pesos (P200,000,000.00) from the National Treasury is hereby appropriated. Thereafter, such amount necessary for the continued operation of the Department and the implementation of the country's integrated sports development program shall be included in the annual General Appropriations Act.

SECTION 37. *National Sports Development Fund.* To finance the country's integrated sports development program, the holding of the national games and all other sports competitions at all levels throughout the country, as well as to carry out well-planned preparations to sustain the complete needs of national and development athletes during the country's preparation and participation at international sports competitions, such as, but not limited to the Olympics, Asian Games, Southeast Asian Games, Paralympics, Universiade or World University Games and other international competitions sanctioned by international sports institutions, federations, organizations and associations, thirty percent (30%) of the charity fund representing the proceeds of six (6) lottery draws per annum of the Philippine Charity Sweepstakes Offices, taxes on horse races from ten (10) racing days to be determined by the Philippine Racing Commission and the Department, five percent (5%) of the gross income before taxes of the Philippine Amusement and Gaming Corporation, the proceeds from the sale of stamps as hereinafter provided shall be automatically remitted directly

to the Department by the concerned entity and are hereby constituted as the National Sports Development Fund.

Further, the Philippine Postal Corporation is hereby authorized to print paper and gold stamps which shall depict sporting events and such other motif as the Philippine Postal Service Office and the Department may agree at the expense of the Department.

SECTION 38. *Implementing Rules and Regulations.* Within ninety (90) days from the effectivity of this Act, the Secretary of Sports shall issue the necessary rules and regulations for the effective implementation of this Act.

SECTION 39. *Annual Report.* The Secretary of Sports shall submit to Congress an annual report generally dealing with the activities and operations of the Department, together with the audit report of the relevant accounts.

SECTION 40. *Separability Clause.* If any provision or part hereof is held invalid or unconstitutional, the remaining provisions not otherwise affected shall remain valid and subsisting.

SECTION 41. *Repealing Clause.* All other laws, decrees, orders, rules, regulations, ordinances, or parts thereof which are inconsistent with this Act are hereby repealed or modified accordingly.

SECTION 42. *Effectivity Clause.* This Act shall take effect fifteen (15) days upon its publication in at least two (2) general newspapers of national circulation.

APPROVED.