

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

TWENTIETH CONGRESS
First Regular Session

House Bill No. 366



Introduced by Representative Richard I. Gomez, DPA

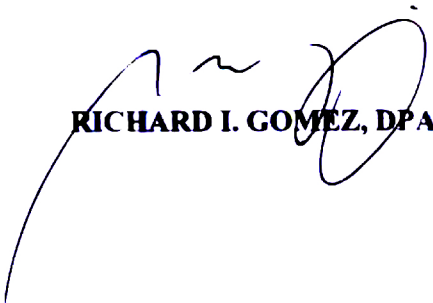
EXPLANATORY NOTE

In the 19th Congress, much effort was allocated in investigations related to confidential and intelligence funds. In the course of these investigations, it was revealed that confidential and intelligence funds were provided to various agencies including those that do not have clear mandates related to national security, peace and order and intelligence gathering.

As the name suggests, confidential and intelligence funds do not undergo the standard auditing procedures as other budget items. This therefore leaves a wide range of activities that could be improperly financed using such funds. To avoid such a public accountability issue, this house bill proposes to limit the allocation of confidential and intelligence funds only to those agencies with clear legal mandates related to national security, peace and order and intelligence gathering.

Whereas confidential and intelligence funds are definitely required and justified, we must have policies that safeguard the expenditure of public funds, as well.

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


RICHARD I. GOMEZ, DPA

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AN ACT
PROHIBITING THE ALLOCATION OF CONFIDENTIAL AND INTELLIGENCE
FUNDS TO AGENCIES WITHOUT MANDATES RELATED TO NATIONAL
SECURITY, PEACE AND ORDER AND INTELLIGENCE GATHERING

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

SECTION 1. Declaration of Policy. – The State recognizes the need for the allocation and use of confidential and intelligence funds in government agencies with mandates that are directly related to national security, law enforcement, and intelligence operations, and other related critical functions requiring discretion. It is the policy of the State that the use of such funds must be subject to stringent oversight, accountability, and transparency to ensure that they are not misused, misappropriated, or diverted for unauthorized purposes. Further, it is the policy of the State to maintain public trust in the use of public funds, protect the integrity of government operations, and prevent corruption in the management of confidential funds.

SEC. 2. Definition of Terms. – For purposes of this Act:

- a. **Confidential funds-** refers to the lump-sum amount released or disbursed to civilian government agencies that are intended to support its mandate or operations directly related to confidential programs for national security and peace and order; and
- b. **Intelligence funds-** refer to those related to intelligence information gathering activities of uniformed and military personnel, and intelligence practitioners that have direct impact to national security.

SEC. 3. *Entitlement to Confidential and Intelligence Funds.* – The allocation Confidential and Intelligence funds shall be allocated only to agencies, departments, units with mandates related to national security, peace and order, and intelligence gathering, namely:

- a. Office of the President;
- b. Office of the Vice President;
- c. Department of National Defense;
- d. Philippine National Police;
- e. Philippine Drug Enforcement Agency;
- f. Department of the Interior and Local Government;
- g. Department of Justice;
- h. Department of Finance- Bureau of Customs;
- i. National Bureau of Investigation;
- j. Department for Foreign Affairs;
- k. Civil Aviation Agency;
- l. Department of Information and Communication Technology;
- m. Metro Manila Development Agency;
- n. Department of Agriculture;
- o. Department of Transportation;
- p. Philippine Coast Guard; and
- q. other agencies with legal mandates related to national security.

Agencies with no such legal mandate shall not be granted Confidential and Intelligence Funds.

SEC. 4. *Separability Clause.* – If any provision of this Act or the application thereof to any person or circumstance is declared invalid or unconstitutional, the remaining provisions of this Act and the application of such provisions to other persons or circumstances shall not be affected thereby.

SEC. 5. *Repealing Clause.* – All laws, decrees, orders, rules, and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 6. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,