

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City
TWENTIETH CONGRESS
First Regular Session
House Bill No. 6927



Introduced by Representative

BRIAN POE, PhD, MNSA.

**AN ACT AMENDING REPUBLIC ACT NO. 7941, OTHERWISE KNOWN AS
THE "PARTY-LIST SYSTEM ACT"**

EXPLANATORY NOTE

The party-list system was established under the 1987 Constitution to broaden democratic participation by ensuring meaningful representation for marginalized and underrepresented sectors in the House of Representatives. Republic Act No. 7941 was enacted to give life to this constitutional mandate by allowing sectoral, regional, and national organizations to participate in the legislative process.

While the party-list system has expanded access to representation, its implementation over the years has revealed structural gaps that undermine its integrity and credibility. Experience has shown that certain organizations and nominees have used the system not to advance genuine sectoral interests, but to promote private, commercial, or partisan objectives that conflict with the very sectors they purport to represent.

This bill seeks to strengthen the safeguards of the party-list system by refining the grounds for refusal or cancellation of registration under Section 6 of Republic Act No. 7941, consistent with constitutional values, public accountability, and the rule of law.

First, the measure reinforces existing prohibitions against party-list organizations that advocate violence or engage in unlawful acts, particularly those that exploit vulnerable sectors such as children and youth, or that maintain direct or indirect association with rebel or terrorist groups proscribed under Republic Act No. 11479. These provisions are necessary to protect democratic institutions, public safety, and the peaceful exercise of political participation.

Second, and equally important, this bill introduces a clear conflict-of-interest standard applicable to party-list organizations, their nominees, officers, or controlling members. It recognizes that genuine sectoral representation is fundamentally compromised when those claiming to speak for a sector possess material or beneficial ownership, control, or financial interests in businesses or industries whose primary commercial activities directly relate to, or are substantially affected by, the very advocacy or sector they represent.

For this purpose, the bill adopts the concept of beneficial ownership, referring to natural persons who ultimately control or exercise ultimate effective control over a corporation, as already defined under existing laws and regulatory frameworks. This approach ensures consistency with prevailing disclosure and transparency standards, while avoiding vague or arbitrary disqualification rules.

The inclusion of this provision is intended to prevent the party-list system from being used as a vehicle for private economic gain, regulatory capture, or self-interested policymaking. A party-list organization advocating for transport workers, energy consumers, labor rights, or other sectors must not be placed in a position where legislative action could directly benefit its leaders' private commercial interests.

This measure does not prohibit lawful business ownership per se, nor does it suppress legitimate advocacy or dissent. Rather, it draws a principled line where representation becomes conflicted, and where private interests threaten to overshadow the public interest the party-list system was designed to protect.

By strengthening the grounds for disqualification and aligning them with transparency, accountability, and ethical governance, this bill seeks to restore public trust in the party-list system and ensure that it remains a true instrument of inclusive and democratic representation.

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


HON. BRIAN POE, PhD, MNSA.
Representative
FPJ Panday Bayanihan Party-List

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

Section 1. Section 6 of Republic Act 7941 is hereby amended to read as follows:

"Section 6. Refusal and/or Cancellation of Registration. The COMELEC may, motu proprio or upon verified complaint of any interested party, refuse or cancel, after due notice and hearing, the registration of any national, regional or sectoral party, organization or coalition on any of the following grounds:

- (1) It is a religious sect or denomination, organization or association, organized for religious purposes;
- (2) It advocates violence, or unlawful means to seek its goal;
- (3) It is a foreign party or organization;
- (4) It is receiving support from any foreign government, foreign political party, foundation, organization, whether directly or through any of its officers or members or indirectly through third parties for partisan election purposes;
- (5) It violates or fails to comply with laws, rules or regulations relating to elections;
- (6) It declares untruthful statements in its petition;

(7) It has ceased to exist for at least one (1) year; ~~for~~

(8) It fails to participate in the last two (2) preceding elections or fails to obtain at least two per centum (2%) of the votes cast under the party-list system in the two (2) preceding elections for the constituency in which it has registered~~[-]~~;

(9) IT SEEKS THE PARTICIPATION OF CHILDREN, YOUTH, AND MEMBERS OF OTHER DISADVANTAGED SECTORS IN COMMITTING VIOLENT AND UNLAWFUL ACTS;

(10) IT DIRECTLY OR INDIRECTLY PARTICIPATES IN ACTS DETRIMENTAL TO THE BEST INTEREST OF THE GOVERNMENT, TO OVERTHROW THE GOVERNMENT OR DIMINISH ITS POWERS, OR TO BE ASSOCIATED BY ANY MEANS TO REBELS OR PROSCRIBED TERRORIST PERSONS OR GROUPS UNDER REPUBLIC ACT NO. 11479, OTHERWISE KNOWN AS THE "ANTI TERRORISM ACT OF 2020";

(11) IT, OR ANY OF ITS NOMINEES, OFFICERS, OR CONTROLLING MEMBERS, HAS A MATERIAL OR BENEFICIAL OWNERSHIP, CONTROL, OR FINANCIAL INTEREST IN ANY BUSINESS, INDUSTRY, OR ENTERPRISE WHOSE PRIMARY COMMERCIAL ACTIVITIES DIRECTLY RELATE TO, OR ARE SUBSTANTIALLY AFFECTED BY, THE SECTOR OR ADVOCACY THE PARTY-LIST ORGANIZATION CLAIMS TO REPRESENT, WHERE SUCH INTEREST GIVES RISE TO A CLEAR CONFLICT OF INTEREST; OR

A "BENEFICIAL OWNER" SHALL REFER TO ANY NATURAL PERSON(S) WHO ULTIMATELY CONTROL(S) OR EXERCISE(S) ULTIMATE EFFECTIVE CONTROL OVER THE CORPORATION AS DEFINED BY EXISTING LAWS AND RULES.

Sec. 2. Rules and Regulations - The COMELEC shall promulgate the necessary rules and regulations as may be necessary to carry out the purposes of this Act.

Sec. 3. Separability Clause. - If any portion or provision of this Act is declared unconstitutional, the remainder of this Act or any provisions not affected thereby shall remain in force and effect.

Sec. 4. Repealing Clause. - All laws, decrees, orders, rules, and regulations and executive orders contrary to or inconsistent with this Act are hereby repealed or modified accordingly.

Sec. 5. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the official gazette or in newspaper of general circulation.

Approved,


HON. BRIAN POE, PhD, MNSA.
Representative
FPJ Panday Bayanihan Party-List