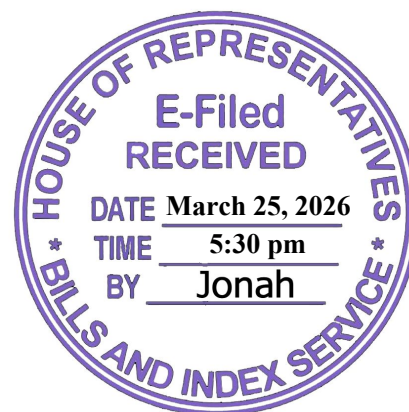


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. **8789**



Introduced by **REP. NATHANIEL “Atty. Nat” M. ODUCAO**

EXPLANATORY NOTE

The integrity of elections is fundamental to the strength of Philippine democracy. Yet, current campaign finance regulations, largely based on limits set in 1991, no longer reflect the realities of modern political contests. Expenditure limits ranging ₱3.00 to ₱10.00 per registered voter have lost significant purchasing power over three decades of inflation, eroding by roughly 80% since their enactment and leaving candidates unable to afford basic campaign necessities within legal boundaries. Meanwhile, modern campaigns increasingly involve digital advertising, professional marketing and national media buys, all of which substantially increase the cost of campaigning beyond the outdated statutory limits.

The limitations of the existing framework have manifested in real and highly publicized cases. In one landmark ruling, the Supreme Court upheld the Commission on Elections’ determination that a candidate’s total campaign spending far exceeded the legally prescribed limit, which, based on official voter rolls, should have been just over ₱4.5 million for a provincial constituency. Evidence showed that expenditures on television advertising alone reached over ₱20 million, multiple times the legal cap. The Court recognized that election laws regulate the aggregate campaign spending of a candidate, including expenditures made on their behalf with knowledge and consent, and that exceeding the allowable limit constitutes a violation of the Omnibus Election Code that can warrant disqualification. This case illustrates how unrealistic statutory expenditure limits, insufficiently detailed rules on permissible expenses, and weak reporting requirements undermine the rule of law, create enforcement challenges, and risk unequal competition among candidates.

In addition to outdated expenditure limits, Philippine law currently lacks meaningful contribution caps for individuals and entities, leaving wealthy donors able to exert disproportionate influence over electoral outcomes. Transparency and enforcement mechanisms remain weak, with no real-time disclosure and inadequate capacity for monitoring compliance for digital and online campaign finance. These gaps weaken public trust in democratic processes, impeding fair competition and accountability.

This bill seeks to address these deficiencies by updating campaign expenditure limits to reflect current economic realities, introducing contributions caps for individuals and organizations, strengthening disclosure and transparency requirements, and expanding regulation to cover digital campaign expenditures. It also provides for a publicly accessible online database, while delegating detailed enforcement and reporting procedures to the

¹ Philippine News Agency (2023). Comelec supports amending outdated poll expenditure caps. Available at <https://www.pna.gov.ph/articles/1208020>

Commission on Elections' Implementing Rules and Regulations, ensuring expedient and effective monitoring of campaign finance activities.

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

A handwritten signature in black ink, appearing to read 'N. Oducado', with a small blue circular stamp or mark near the end of the signature.

REP. NATHANIEL "ATTY. NAT" M. ODOCADO
I Tahanan Party List

Republic of the Philippines
HOUSE OF REPRESENTATIVES
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TWENTIETH CONGRESS
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HOUSE BILL NO. **8789**

Introduced by **REP. NATHANIEL “ATTY. NAT” M. ODUCAO**

**AN ACT STRENGTHENING THE REGULATION OF CAMPAIGN FINANCE,
UPDATING CAMPAIGN EXPENDITURE LIMITS, ENHANCING DISCLOSURE
REQUIREMENTS, 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 “*Campaign Finance*
2 *Transparency and Modernization Act.*”

3 **SEC. 2. *Declaration of Policy.*** – It is hereby declared the policy of the State to promote
4 transparency, fairness, and accountability in all electoral campaigns, ensuring that public office
5 remains accessible to qualified individuals regardless of personal wealth or social status. In pursuit
6 of these objectives, the State adopts measures that enhance disclosure, strengthen enforcement
7 mechanisms, and provide for equitable opportunities for all candidates while safeguarding the
8 integrity of the electoral process.

9 **SEC. 3. *Coverage.*** – This Act shall apply to all candidates for elective national and local
10 positions, including nominees of party-list organizations, as well as to all political parties
11 participating in elections and to any individual, corporation, or entity that makes contributions to
12 or expenditures in support of candidates or parties. This Act governs all activities related to
13 campaign financing, including those conducted through traditional media, digital platforms, or any
14 other means, in accordance with the Omnibus Election Code, Republic Act No. 7166, Republic Act
15 No. 9006, and other related laws.

16 **SEC. 4. *Definition of Terms.*** – For purposes of this Act, the following terms are defined
17 as follows:

- 18 a) *Anonymous contributions* – refer to monetary donations where the identity of the
19 donor is known and verifiable by the Commission on Elections (COMELEC) for
20 regulatory, audit, and enforcement purposes, but is not disclosed to the public.
21 Anonymous contributions are permitted only within limits prescribed by this Act
22 and shall not be used to circumvent contribution caps, source prohibitions, or
23 disclosure requirements.

- 1 b) *Campaign contributions* – refer to any monetary or in-kind donation, whether direct
2 or indirect, made to a candidate, political party, or campaign for the purpose of
3 influencing an election.
- 4 c) *Campaign expenditures* – refer to any spending incurred to promote a candidate,
5 political party, or cause in connection with an election, including costs for
6 traditional and digital media, events, personnel, and logistics.
- 7 d) *Candidate* – refers to any person who has filed a Certificate of Candidacy or has
8 been nominated by a political party for an elective office.
- 9 e) *Digital campaign expenditures* – include any expenditures related to social media,
10 websites, search engines, email, SMS, influencers, or other online platforms for
11 election purposes.
- 12 f) *Independent expenditures* – refer to spending by individuals or entities to support
13 or oppose a candidate without coordination or consultation with the candidate or
14 political party.
- 15 g) *Other terms* – not defined in this Section shall have the meaning provided in the
16 Omnibus Election Code, Republic Act No. 7166, Republic Act No. 9006, and
17 related laws and regulations.

18 **SEC. 5. Campaign Expenditure Limits.** – The maximum allowable campaign expenditures
19 of candidates shall be as follows:

- 20 a) Presidential candidates - Fifty pesos ₱50.00 per registered voter;
21 b) Vice-Presidential candidates - ₱40.00 per registered voter;
22 c) Candidates for Senator, Representative, Governor, Vice-Governor, Board Member,
23 mayor, Vice Mayor, Councilor, and party-list representatives - thirty pesos ₱30.00
24 per registered voter.

25 The number of registered voters shall be based on the official count certified by the
26 Commission on Elections (COMELEC) for the constituency where the candidate seeks election.

27 These limits shall be automatically adjusted every six (6) years based on the Consumer
28 Price Index (CPI), published by the Philippine Statistics Authority (PSA), in consultation with the
29 Bangko Sentral ng Pilipinas (BSP), the National Economic and Development Authority (NEDA),
30 and shall take effect upon publication by COMELEC.

31 Any candidate who exceeds the allowable expenditure limit shall be deemed to have
32 committed an election offense and may be subject to disqualification, forfeiture of office, and other
33 penalties as provided under this Act and existing election laws.

34 **SEC. 6. Contribution Limits.** – No individual shall contribute more than One Hundred
35 thousand pesos ₱100,000 per candidate per election cycle, nor exceed an aggregate of five hundred
36 thousand pesos ₱500,000 to all candidates and political parties combined. Corporations and other
37 entities shall not contribute more than Five Hundred thousand pesos ₱500,000 per candidate, nor
38 exceed an aggregate of Two Million Pesos ₱2,000,000 to all candidates and political parties
39 combined. All contributions above five thousand pesos ₱5,000 must include complete donor
40 identification. Contributions from foreign governments, individuals, or entities; government

1 agencies or government-owned or controlled corporations; public utilities; and holders of
2 government contracts or concessions are strictly prohibited.

3 Anonymous contributions shall be allowed only as small-value donations to encourage
4 broad-based citizen participation and protect donors from retaliation or undue pressure, provided
5 that such contributions do not exceed 1% of the allowable campaign expenditure limit of the
6 candidate or political party per election cycle.

7 All anonymous contributions shall be received exclusively through COMELEC-accredited
8 financial channels, including regulated banks, digital payment platforms, or official campaign
9 accounts, which shall collect and securely retain complete donor identification for audit and
10 enforcement purposes. Anonymous contributions shall not be accepted in cash.

11 Anonymous contributions cannot be used to circumvent individual or aggregate
12 contribution limits, conceal prohibited sources of funds, split large donations into smaller amounts
13 to evade limits, or fund independent or coordinated campaign activities.

14 Any anonymous contribution exceeding the allowable threshold or found to be structured
15 to evade disclosure or contribution limits, shall be deemed *prima facie* evidence of a violation of
16 this Act and forfeited in favor of the State, notwithstanding any provision of this Act to the contrary,
17 and without prejudice to the imposition of other criminal, civil and administrative penalties.

18 **SEC. 7. Transparency and Disclosure Requirements.** – All candidates and political parties
19 shall submit reports of campaign contributions and expenditures in accordance with this Act.
20 During the pre-campaign period following the filing of a Certificate of Candidacy, reports shall be
21 submitted weekly. COMELEC shall maintain a publicly accessible, real-time online database
22 updated within seventy-two (72) hours of report submission, which shall be searchable by
23 candidate, donor, amount, date, and constituency. Contributions exceeding five thousand pesos
24 ₱5,000 shall include the donor's full legal name, address, occupation, employer for individuals,
25 nature of business for entities, citizenship or incorporation jurisdiction, and any relationship with
26 the candidate. In-kind contributions shall be reported at fair market value, with professional
27 valuation required for amounts exceeding one hundred thousand pesos ₱100,000. Any individual
28 or entity making independent expenditures exceeding fifty thousand pesos ₱50,000 must register
29 with COMELEC and submit reports within forty-eight (48) hours, and coordination with candidates
30 is strictly prohibited.

31 For anonymous contributions, candidates and political parties shall report the aggregate
32 amount, date received, and payment channel used, without public disclosure of the donor's identity.
33 However, complete donor identification records shall be submitted confidentially to COMELEC,
34 subject to strict data protection, audit, and access controls.

35 COMELEC shall establish secure protocols to ensure that donor identities for anonymous
36 contributions are:

- 37 1. Used solely for compliance verification, investigation, and prosecution of violations;
- 38 2. Protected from public release, unauthorized access, or political misuse; and

1 3. Disclosed only upon lawful order of a competent court or in the course of official
2 enforcement proceedings.

3 Failure to maintain, submit, or safeguard confidential donor identification records for
4 anonymous contributions shall constitute misreporting, punishable under this Act.

5 **SEC. 8. *Regulation of Digital Campaigning.*** – All digital and online campaign
6 expenditures, including social media advertisements, search engine marketing, website
7 development, email, SMS, and payments to influencers, shall be counted toward the total campaign
8 expenditure limit and itemized separately in reports. Paid political content on digital platforms shall
9 carry clear disclaimers identifying the paying entity. Social media companies operating in the
10 Philippines shall maintain a publicly accessible archive of political advertisements and report
11 purchases to COMELEC. Cryptocurrency contributions shall be treated as in-kind contributions at
12 fair market value at the time of receipt. No campaign funds may be used for coordinated inauthentic
13 behavior, fake accounts, bot networks, or paid disinformation campaigns.

14 **SEC. 9. *Implementing Rules and Regulations (IRR).*** – COMELEC, in consultation with
15 relevant government agencies and stakeholders, shall promulgate rules and regulations necessary
16 to implement this Act within ninety (90) days from its effectivity. The IRR shall include detailed
17 procedures for filing, reporting, auditing, digital compliance, and enforcement of penalties.

18 **SEC. 10. *Separability Clause.*** – If any provision of this Act or the application thereof to
19 any person or circumstance is declared unconstitutional or invalid, the remaining provisions shall
20 not be affected and shall continue in full force and effect.

21 **SEC. 11. *Repealing Clause.*** – All laws, presidential decrees, executive orders, rules, and
22 regulations inconsistent with the provisions of this Act are hereby repealed or modified
23 accordingly.

24 **SEC. 12. *Effectivity Clause.*** – This Act shall take effect fifteen (15) days after its
25 publication in the *Official Gazette* or in at least two (2) newspapers of general circulation.

26 *Approved,*