



Republic of the Philippines
COMMISSION ON ELECTIONS
Manila

RULES AND REGULATIONS GOVERNING CONTRIBUTIONS AND EXPENDITURES IN CONNECTION WITH THE MAY 14, 2007 NATIONAL AND LOCAL ELECTIONS.	ABALOS , Benjamin S.	Chairman
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PROMULGATED: 27 December 2006

RESOLUTION NO. 7794

Pursuant to the powers vested in it by the Constitution, the Omnibus Election Code, and other election laws, the Commission on Elections **RESOLVED** to promulgate, as it hereby **RESOLVES** to promulgate, the following rules and regulations governing electoral contributions and expenditures in connection with the May 14, 2007 national and local elections:

SECTION 1. DEFINITION OF TERMS. - The following terms are hereby defined as follows:

- (a) "Contribution" includes a gift, donation, subscription, loan, advance or deposit of money or anything of value, or a contract, promise or agreement to contribute, whether or not legally enforceable, made for the purpose of influencing the result of the elections but shall not include services rendered without compensation by individuals volunteering a portion or all of their time in behalf of a candidate or political party. It shall also include the use of facilities voluntarily donated by other persons, the money value of which can be assessed based on the rate prevailing in the area.
- (b) "Expenditure" includes the payment or delivery of money or anything of value, or a contract, promise or agreement to make an expenditure, for the purpose of influencing the results of the election. It shall also include the use of facilities personally owned by the candidate, the money value of the use of which can be assessed based on the rates prevailing in the area.

- (c) "Person" includes an individual, partnership, committee, association, corporation, and any other organization or group of persons.

SEC. 2. *True Name of Contributor Required.* – No person shall make any contribution in any name except his own. No candidate or treasurer of any political party shall receive a contribution or enter or record the same in any name other than that of the person by whom it was actually made.

SEC. 3. *Report of Contributions.* – Within thirty (30) days after the day of the election (on or before June 13, 2007), every person giving contribution to any candidate, treasurer of the party or to the authorized representative of such candidate or treasurer shall file with the Commission on Elections (COMELEC) a report, under oath, stating his residential and business address, the amount of each contribution, the name of the candidate, agent of the candidate or political party receiving the contributions and the date of the contribution. (See Annex "A" for sample form)

Any contribution in cash or in kind to any candidate or political party or coalition of parties for campaign purposes, duly reported to the COMELEC, shall not be subject to the payment of donors and donees tax.

SEC. 4. *Prohibited Contributions.* – No contribution for purposes of partisan political activity shall be made, directly or indirectly by any of the following:

- (a) Public or private financial institutions. However, nothing herein shall prevent the making of any loan to a candidate or political party by any such public or private financial institutions legally in the business of lending money, and that the loan is made in accordance with laws and regulations and in the ordinary course of business;
- (b) Natural and juridical persons operating a public utility or in possession of or exploiting any natural resources of the nation;
- (c) Natural and juridical persons who holds contracts or subcontracts to supply the government or any of its divisions, subdivisions or instrumentalities, with goods or services or to perform construction or other works;

- (d) Natural and juridical persons who have been granted franchises, incentives, exemptions, allocations, or similar privileges or concessions by the government or any of its divisions, subdivisions, or instrumentalities, including government-owned or controlled corporations;
- (e) Natural and juridical persons who, within one year prior to the date of the elections, have been granted loans or other accommodations in excess of P100,000.00 by the government or any of its divisions, subdivisions, or instrumentalities, including government-owned or controlled corporations;
- (f) Educational institutions which have received grants of public funds amounting to no less than P100,000.00;
- (g) Officials and employees in the Civil Service or members of the Armed Forces of the Philippines; and
- (h) Foreigners and foreign corporations.

SEC. 5. *Prohibited Solicitations or Receiving of Contributions.* – No person or entity, public or private, shall solicit or receive, directly or indirectly. –

- (a) Any contribution for purposes of partisan political activity, from any of the persons or entities enumerated in the immediately preceding section;
- (b) Any aid or contribution of whatever form or nature from any foreign national, government or entity for the purpose of influencing the results of the elections; or
- (c) Any gift, food, transportation, contribution or donation in cash or in kind from any candidate or from his campaign manager, agent or representative, or any person acting in their behalf from February 13, 2007, in case of candidates for senators and party-list; and from March 30, 2007, in case of candidates for Member, House of Representatives and local positions, up to May 14, 2007, except normal and customary religious stipends, tithes or collections on Sundays and/or other designated collection days.

SEC. 6. *Prohibited Raising of Funds.* - It is unlawful for any person to hold dances, lotteries, cockfights, games, boxing bouts, bingo, beauty contests, entertainments or cinematographic, theatrical or other performances for the purpose of raising funds for an election campaign or for the support of any candidate from January 14, 2007 up to and including election day.

SEC. 7. *Authorized Expenses of Candidates and Political Parties.* – The aggregate amount that a candidate or registered political party may spend for election campaign shall be as follow:

- (a) For official candidates of political parties - Three Pesos (Php3.00) for every voter currently registered in the constituency where the candidate filed his certificate of candidacy;
- (b) For candidates without any political party and without support from any political party - Five Pesos (P5.00) for every voter currently registered in the constituency where the candidate filed his certificate of candidacy; and
- (c) For political parties and party-list groups. – Five pesos (P5.00) for every voter currently registered in the constituency or constituencies where they have official candidates or nominees.

The expenses herein referred to shall include those incurred or caused to be incurred by the candidate, whether in cash or in kind, including the use, rental or hire of land, water or aircraft, equipment, facilities, apparatus and paraphernalia used in the campaign.

If the land, water or aircraft, equipment, facilities, apparatus and paraphernalia used is owned by the candidate, his contributor or supporter, the COMELEC shall assess the amount commensurate with the expenses for the use thereof, based on the prevailing rate in the locality and shall be included in the total expenses incurred by the candidate.

SEC. 8. *Lawful Expenditures.* – No candidate or treasurer of a political party shall, directly or indirectly, make any expenditure except for the following purposes:

- (a) For traveling expenses of the candidates and campaign personnel in the course of the campaign and for personal expenses incident thereto;

- (b) For compensation of campaigners, clerks, stenographers, messengers, and other persons actually employed in the campaign;
- (c) For telegraph and telephone tolls, postages, freight and express delivery charges;
- (d) For stationery, printing and distribution of printed materials relative to the candidacy;
- (e) For employment of watchers at the polls;
- (f) For rent, maintenance and furnishing of campaign headquarters, office or place of meetings;
- (g) For political meetings and rallies and the use of sound systems, lights and decorations during said meetings and rallies;
- (h) For newspaper, radio, television and other public advertisements;
- (i) For employment of counsel;
- (j) For copying and classifying lists of voters, investigating and challenging the right to vote of persons registered in the lists; and
- (k) For printing sample ballots in such color, size and maximum number as may be authorized by the COMELEC.

The expenditures for items (i), (j), and (k) above, shall not be taken into account in determining the amount of expenses which a candidate of political party may have incurred under Section 7 hereof.

SEC. 9. *Persons Authorized to Incur Election Expenditures.* – No person, except the candidate, the treasurer of political party, organization, or coalition, or any person authorized by such candidate or treasurer, shall make any expenditure in support of or in opposition to any candidate or political party, organization, or coalition. Expenditures duly authorized by the candidate or treasurer of the party shall be considered as expenditures of such candidate or political party.

The authority to incur expenditures shall be in writing, copy of which shall be furnished the COMELEC. It shall be signed by the candidate or the treasurer of the party and shall state the expenditures so authorized and the full name and exact address of the person so designated (see Annex “B” for sample form).

SEC. 10. *Prohibited Donations by Candidates.* – From February 13, 2007, in case of candidates for senators and party-list; and from March 30, 2007, in case of candidates for Member, House of Representatives and local positions, up to May 14, 2007, no candidate, his or her spouse, or any relative within the second civil degree of consanguinity (up to grandparents, grandchildren, brothers

and sisters) or affinity (up to grandparents-in-law, or grandchildren-in-law, brothers-in-law and sisters-in-law) or his campaign manager, agent or representative shall make any donation, contribution or gift, in cash or in kind, or undertake or contribute to the construction or repair of roads, bridges, schoolhouses, puericulture centers, medical clinics and hospitals, churches or chapels, cement pavements or any structures for public use or for the use of any religious or civic organizations.

Excluded from this prohibition are normal and customary religious dues or contributions, such as religious stipends, tithes or collections on Sundays or other designated collection days, as well as periodic payments for legitimate scholarships established and school contributions habitually made before the prohibited period.

This prohibition shall apply to treasurers, agents or representatives of any political party.

SEC. 11. *Accounting for Agents of Candidates or Treasurers.* – Every person receiving contributions or incurring expenditure by authority of the candidate or treasurer of the party shall, on demand by the candidate or treasurer of the party and in any event within five (5) days after receiving such contribution or incurring such expenditures, render to the candidate or treasurer of the party concerned, a detailed account thereof with proper vouchers or official receipts.

SEC. 12. *Records of Contributions and Expenditures.* – (a) It shall be the duty of every candidate, treasurer of the political party and person acting under authority of such candidate or treasurer to issue a receipt for every contribution received, and to obtain and keep a receipt stating the particulars of every expenditure made.

(b) Every candidate and treasurer of the party shall keep detailed, full and accurate records of all contributions received and expenditures incurred by him and by those acting under his authority, setting forth therein all information required to be reported.

(c) Every candidate and treasurer of the party shall be responsible for the preservation of the records of contributions and expenditures, together with all pertinent documents, for at least three years after the holding of the election to which they pertain and for their production for inspection by the COMELEC or its

duly authorized representative, or upon presentation of a *subpoena duces_tecum* duly issued by the COMELEC.

Failure of the candidate or treasurer to preserve such records or documents shall be deemed prima facie evidence of violation of Sec. 106 of the Omnibus Election Code, which constitutes an election offense.

SEC. 13. Reminders to Candidates to File Statement of Contributions and Expenditures. – Not later than May 19, 2007, the Law Department of the COMELEC, the regional election director of the National Capital Region, the provincial election supervisors and election officer shall advise in writing by personal delivery or registered mail all candidates who filed their certificates of candidacy with them to comply with their obligation to file their statements of contributions and expenditures in connection with the elections. Every election officer shall also advise all candidates residing in his jurisdiction to comply with said obligation.

SEC. 14. When and Where to File Statements. – Not later than June 13, 2007, every candidate shall file in duplicate with the COMELEC office where he filed his certificate of candidacy a full, true and itemized statement of all contributions and expenditures in connection with the elections. Within the same period, every treasurer of the political party or party-list group that participated in the elections shall file with the Law Department of the COMELEC its statement of election contributions and expenditures. If the statement is sent by mail, it shall be by registered mail, and the date on which it was registered with the post office may be considered as the filing date thereof if confirmed on the same date by telegram or radiogram addressed to the office or official with whom the statement should be filed, which telegram or radiogram shall indicate the registry receipt number of such registered mail.

The regional director of the National Capital Region, provincial election supervisors and election officers concerned shall, not later than June 28, 2007, send to the Election Records and Statistics Department, duplicate copies of all statements filed with them, and a list of all candidates who failed to file their statement of contributions and expenditures within the prescribed period.

SEC. 15. Form and Contents of Statements. – The statement required in next preceding section shall be in writing, subscribed and sworn to by the candidate or by the treasurer of the party. It shall set forth in detail the following:

- (a) The amount of contribution, the date of receipt, and the full name and exact address of the person from whom the contribution was received;
- (b) The amount of every expenditure, the date thereof, the full name and exact address of the person from whom payment was made and the purpose of the expenditure;
- (c) Any unpaid obligation, its nature and amount, and to whom said obligation is owing; and
- (d) Other particulars contained in the attached sample forms, Annexes "C", "C-1" and "C-2".

If the candidate or treasurer of the party has received no contribution, made no expenditure, or has no pending obligation, the statement shall reflect such fact (See Annex "C-3").

SEC. 16. *Preservation and Inspection of Statements.* – All statements of contributions and expenditures shall be kept and preserved at the office where they are filed and shall constitute part of public records thereat for three (3) years after May 14, 2007. They shall not be removed therefrom except upon order of the COMELEC or of a competent court and shall, during regular office hours, be subject and open to inspection by the public. The officer-in-charge thereof, shall, on written demand, furnish certified copies of any statement upon payment of the fee of Two Pesos (P2.00) for every page.

He shall examine all statements received from candidates and political parties to determine compliance with the provisions of this resolution.

SEC. 17. *Effect of Failure to File Statement.* – (a) No person elected to any public office shall enter upon the duties of his office until he has filed the statement of contributions and expenditures herein required.

The same prohibition shall apply if the political party which nominated the winning candidates, or winning party-list group, fails to file the statement required herein on or before June 13, 2007.

(b) Failure to file statements or reports in connection with the electoral contributions and expenditures as required herein shall constitute an administrative offense for which the offenders shall be liable to pay an administrative fine ranging from One Thousand Pesos (P1,000) to Thirty Thousand Pesos (P30,000), as may be determined by the COMELEC.

The fine shall be paid within thirty (30) days from receipt of notice of such failure; otherwise, it shall be enforceable by a writ of execution issued by the COMELEC against the properties of the offender.

For the commission of a second or subsequent offense under this section, the administrative fine shall be from Two Thousand Pesos (P2,000) to Sixty Thousand Pesos (P60,000.00), in the discretion of the COMELEC. In addition, the offender shall be subject to perpetual disqualification to hold public office.

SEC. 18. *Report of Contractor and Business Firms.* – Not later than June 13, 2007, every person or firm to whom any electoral expenditure has been made shall file with the Law Department of the COMELEC, in duplicate, a written report setting forth the full names and exact addresses of the candidates, treasurers of the political parties, and other persons incurring such expenditures, the nature or purpose of each expenditure, the date and amount thereof, and such other particulars contained in the attached sample form (Annex “D”).

The report shall be signed and sworn to by the supplier or contractor, or in case of a business firm or association, by its president or general manager.

It shall be the duty of such person or firm to whom an electoral expenditure is made to require every agent of a political party to present written authority to incur electoral expenditures in behalf of such candidate or treasurer.

The same person or firm shall keep and preserve at its place of business, subject to inspection by the COMELEC or its authorized representatives, copies of such written authority, contracts, vouchers, invoices and other records and documents relative to said expenditures for a period of three (3) years from May 14, 2007.

It is unlawful for any supplier, contractor or business firm to enter into contracts involving electoral expenditures with the representatives of candidates or political parties, organizations, or coalitions who do not have such written authority.

SEC. 19. *Statement of Expenses on Public Rally.* – Within seven (7) working days after holding any public rally, the candidate concerned shall submit to the election officer a statement of expenses incurred in connection therewith. (See Annexes “E” and “F” hereof for sample forms).

Failure to comply with this Section constitutes an election offense under Section 68 in relation to Section 262 of the Omnibus Election Code.

SEC. 20. *Effectivity.* – This Resolution shall take effect on the seventh day after its publication in two (2) daily newspapers of general circulation in the Philippines.

SEC. 21. *Dissemination.* – The Education and Information Department shall cause the publication of this Resolution in two (2) daily newspapers of general circulation and furnish copies thereof to all field offices of the COMELEC and registered political parties, organizations, or coalitions.

SO ORDERED.

(SGD) BENJAMIN S. ABALOS
Chairman

(SGD) RESURRECCION Z. BORRA
Commissioner

(SGD) FLORENTINO A. TUASON, JR.
Commissioner

(SGD) ROMEO A. BRAWNER
Commissioner

(SGD) RENE V. SARMIENTO
Commissioner

(SGD) NICODEMO T. FERRER
Commissioner