



Republic of the Philippines
Department of Social Welfare and Development

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19 September 2016

HONORABLE FREDERICK F. ABUEG

Chairperson
Committee on Social Services
RVM Building, House of Representatives
Quezon City

Dear **Congressman Abueg**:

The Department of Social Welfare and Development strongly supports **House Bill No. 2476** entitled: "*An Act Regulating Public Solicitations and Providing Penalties for Violation Thereof, Repealing for the Purpose Presidential Decree No. 1564, Otherwise Known as the Solicitation Permit Law*" or the "**Public Solicitation Act**," introduced by Representatives Ma. Lourdes R. Aggabao and Cristina "Chiqui" Roa-Puno, which aims to protect the public from unscrupulous solicitation by instituting a mechanism and modes in regulating public solicitation and strengthening the implementation and monitoring of concerned government agencies.

We wish to inform the Honorable Chairperson that the proposed bill is one of the Department's priority legislative measures for the 17th Congress.

To contribute to the bill's enhancement, we are recommending the following:

1. **Sec. 3 – Definition of Terms**

1.1 To revise letter (a) which will be read as follows:

"Administrative cost refers to the cost incurred in the management and operation of the conduct of the solicitation activity which include the application fee for a solicitation permit, cost of mailing, printing of letters of appeal, CERTIFICATES and other paraphernalia AMONG OTHERS."

1.2 On letter (b), to include "**INDIVIDUALS SUFFERING FROM TERMINAL OR CHRONIC DISEASES SUCH AS CANCER**" as one of the beneficiaries.

1.3 To revise letter (e) which will be read as follows:

"Organization or agency refers to all national government agencies (NGAs), government-owned and -controlled corporations (GOCCs), state universities and colleges (SUCs), PUBLIC SCHOOLS, local government units (LGUs) and other government agencies, CIVIL SOCIETY ORGANIZATIONS (CSOs) including faith-based organizations, people's organizations, NON-GOVERNMENT ORGANIZATIONS (NGOS), ACADEME; associations and similar organizations, chapters and affiliates of similar international organizations operating in the Philippines desiring to solicit or receive contributions from the public for charitable or public welfare purposes."

1.4 To revise letter (i) which will be read as follows:

"Public welfare purpose refers to any activity or project relative to the promotion of health, education, peace, social welfare and protection, environmental safety, rights, security and safety of citizens and similar circumstances or conditions including disaster relief

operations and **CLIMATE CHANGE** management, **PRESERVATION AND PROMOTION OF CULTURE AND ARTS.**”

1.5 To include the following definitions:

- a. **Blacklistings** – refers to the list or registry of a person, organization and agency which are being blacklisted from conducting any solicitation activities due to violations committed as provided in this Act;
- b. **Individual** – refers to a person who is a parent, guardian or immediate relative within the 3rd degree of consanguinity or affinity of a patient suffering from a chronic disease that requires long term and/or expensive medication desiring to solicit or receive charitable contributions from the public;
- c. **Revocation** – refers to the cancellation of the issued solicitation permit due to the commission of any violations as provided in this Act.

2. **Sec. 4 – Coverage**

To revise the Section which will be read as follows:

“This Act shall apply to all NGAs, GOCCs, SUCs, **PUBLIC SCHOOLS**, LGUs and other government agencies; individuals; **CIVIL SOCIETY ORGANIZATIONS (CSOS)** including faith-based organizations, people’s organizations, **NON-GOVERNMENT ORGANIZATIONS (NGOS)**, **ACADEME**; associations and similar organizations, chapters and affiliates of similar international organizations operating in the Philippines which are partly or fully financed with funds solicited from or contributed by the public or private sector for charitable or public welfare purposes.”

3. **Sec. 5 – Exemption from Coverage**

To revise the Section which will be read as follows:

“Sec. 5. **Exemption from Coverage.** – The following shall be exempt from application of solicitation permit:

- (a) Organizations and agencies created by laws that specifically confer authority on these organizations and agencies to solicit or conduct fund campaign for charitable or public welfare purposes shall continue to be covered by their charters and shall not be required to acquire a solicitation permit: Provided, That the DSWD and **CONCERNED LOCAL SOCIAL WELFARE AND DEVELOPMENT OFFICE (LSWDO) SHALL BE INFORMED IN WRITING BEFORE THE CONDUCT OF THE SOLICITATION CAMPAIGN AND** shall have the authority to monitor their activities and to require these organizations and agencies to submit reports pertaining to the conduct of public solicitation and the utilization of funds solicited.
- (b) Caroling during religious festivals or celebrations as a form of solicitation;
- (c) Solicitations for **RELIGIOUS PURPOSES THAT ARE MADE WITHIN RELIGIOUS SANCTUARIES, SUCH AS churches, mosques, AND SUCH OTHER BUILDING REGULARLY USED FOR RELIGIOUS SERVICES OR WORSHIP.**”

4. To include Section for Tax Deduction or Exemption of Donations and Contributions which will be read as follows:

“**SEC. 13. Tax Deduction or Exemption of Donations and Contributions** – The donor, by virtues of the foregoing provisions, shall be entitled to an allowable deduction in his income tax return equivalent to the amount of the donation given, pursuant to the provisions thereon as found in the National Internal Revenue Code, as amended.”

5. **Sec. 14 – Monitoring of Public Solicitation**

To revise the Section which will be read as follows:

“SEC. 14. Monitoring and Validation of Public Solicitation. – *The individual, organization or agency to which the solicitation permit was issued shall submit to the concerned DSWD office AND LSWDO the following documents:*

- (a) *Not later than sixty (60) days after issuance of the permit, duly notarized report signed and sworn to by the individual or by at least two (2) authorized officers of the organization or agency, indicating whether the solicitation permit was used or not.*
 - (i) *If the issued solicitation permit is not used, the individual, organization or agency shall submit to the appropriate DSWD office, PSWDO, CSWDO, or MSWDO the justification for not conducting or continuing the solicitation activity within the validity period; **AND SURRENDER THE ISSUED PERMIT.***
 - (ii) *If the solicitation permit was used, **AN INITIAL REPORT ON STATUS OF UTILIZATION OF ISSUED PERMIT** shall be submitted.*
- (b) *Not later than sixty (60) days after the expiration of the issued solicitation permit, the following documents shall be submitted:*
 - (i) *Notarized fund utilization report of its income and expenditures sworn to by the individual, or in the case of an organization or agency, the president and treasurer of the organization or agency;*
 - (ii) *List of donors with their corresponding addresses and contact numbers, and the amount of donations;*
 - (iii) *List of beneficiaries, **WITH** corresponding **SIGNATURES**, addresses and contact numbers and amount or types of assistance extended;*
 - (iv) *List of projects **UNDERTAKEN AND** completed **WITH AN INDICATION OF THEIR** location and cost; and*
 - (v) *Expired **ORIGINAL** solicitation permit.*

The public has a role in monitoring public solicitation activities. They may inquire from the DSWD or concerned LSWDO whether a public solicitation activity is legitimate or not.”

6. **Sec. 15 – Reportorial Requirements for Exempt Organizations**

To revise the Section which will be read as follows:

“THOSE organizationS or agencies THAT ARE EXEMPTED FROM SECURING A SOLICITATION PERMIT AS SPECIFIED IN SECTION 5 OF THIS ACT, SHOULD INFORM THE DSWD AND CONCERNED LSWDO IN WRITING PRIOR TO CONDUCTING SOLICITATION ACTIVITY AND SUBMIT REPORTORIAL REQUIREMENTS at the end of the fiscal year WHEN the public solicitation HAS BEEN CONDUCTED. REPORTS SHALL INCLUDE THE following documents: xxx”

7. **Sec. 16 – Regulatory Powers**

On the **first sentence**, change the word “investigations” to “**MONITORING**”.

8. **Sec. 19 – Prohibited Acts**

To add “**DISBURSEMENT OF SOLICITED FUNDS ARE NOT IN ACCORDANCE WITH THE STANDARDS FUND UTILIZATION RATIO**” as one of the Prohibited Acts.

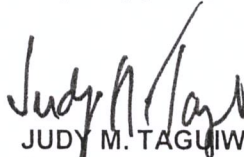
9. **Sec. 24 – Implementing Rules and Regulations**

To revise the Section which will be read as follows:

“Within ninety (90) days from the approval of this Act, the Secretary of the DSWD, in consultation with the Secretary of the Department of the Interior and Local Government (DILG), the Secretary of the Department of Transportation (DOTr), the Secretary of the Department of Information and Communication Technology (DITC) xxx.”

Thank you.

Very truly yours,


JUDY M. TAGUIWALO
Secretary