



## HOUSE OF REPRESENTATIVES

H. No. 4650

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BY REPRESENTATIVES AGGABAO, RAMIREZ-SATO, ROBES, TAN (A.), BRAVO (M.), MASONGSONG, ANTONINO-NADRES, SUANSING, PAEZ, PANCHIO, PAQUIZ, ACCDILLO, ABAD, BRAVO (A.), CAGAS, LOPEZ (C.J.), ARENAS, CABILAO, MERCADO-REVILLA, ESCUDERO, REYES, GARCIA (G.), DIMAPORO (I.), ERMITA-BUHAIN, CATAMCO, VARGAS-ALFONSO, SY-ALVARADO, ARAGONES AND KHO, PER COMMITTEE REPORT NO. 331

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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

*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 “Public  
2 Solicitation Act”.

3           SEC. 2. *Declaration of Policy.* – It is hereby declared a policy of the  
4 State to regulate public solicitation undertaken by organizations, agencies,  
5 groups and individuals in order to protect the general public from unscrupulous  
6 solicitation and to ensure that funds are properly utilized for the intended  
7 purpose and beneficiaries. Towards this end, standards and guidelines are

1 hereby established to strengthen the system of granting permits or  
2 authorization primarily to solicit funds or donations from the public.

3 SEC. 3. *Definitions of Terms.* – As used in this Act:

4 (a) *Administrative cost* refers to the cost incurred in the management  
5 and operation of the conduct of the solicitation activity which include the  
6 application fee for a solicitation permit. cost of mailing, printing of letters of  
7 appeal and other paraphernalia;

8 (b) *Beneficiaries* refer to Filipino citizens who are poor, vulnerable,  
9 marginalized and disadvantaged sectors or entities who will benefit from the  
10 proceeds of public solicitation conducted. These include:

11 (1) Children who are abandoned, neglected, orphaned, voluntarily  
12 committed, abused and exploited. street children, children with disabilities,  
13 children in conflict with the law, children in need of special protection.  
14 children in cultural communities, and children victims of natural disasters;

15 (2) Out-of-school youth and other youth with special needs;

16 (3) Women in especially difficult circumstances;

17 (4) Persons with disabilities;

18 (5) Senior citizens;

19 (6) Individuals, families, and communities who are in crisis situation,  
20 including those who are internally displaced due to armed conflict and other  
21 developmental projects, and victims of natural and human-induced calamities  
22 or disasters;

23 (7) Indigenous persons;

24 (8) Rebel returnees and families who are victims of armed conflict  
25 situation; and

26 (9) Poor or dysfunctional families in depressed communities among  
27 others.

1           (c) *Charitable purpose* refers to the intent to provide services or  
2       conduct of activities for the improvement of the quality of life of beneficiaries  
3       as defined in this section, or to promote the welfare of the general public which  
4       include the conduct of educational, arts and cultural activities;

5           (d) *Donor* refers to an individual, organization or agency that donates  
6       something for charitable or public welfare purposes;

7           (e) *Organization or agency* refers to all national government agencies  
8       (NGAs), government-owned and -controlled corporations (GOCCs), state  
9       universities and colleges (SUCs), local government units (LGUs) and other  
10      government agencies; nongovernment organizations (NGOs) including  
11      faith-based organizations, civil society organizations, people's organizations;  
12      associations and similar organizations, chapters and affiliates of similar  
13      international organizations operating in the Philippines desiring to solicit or  
14      receive contributions from the public for charitable or public welfare purposes;

15          (f) *Program cost* refers to all direct and indirect expenses incurred in  
16      the provision of services or goods to the beneficiaries of the public solicitation  
17      including expenses of the donee person, organization or agency in its operation  
18      and the implementation of relevant programs and services;

19          (g) *Public* refers to the populace, society, masses or people in general  
20      within the Philippine territory where the public solicitation is to be undertaken;

21          (h) *Public solicitation* refers to any activity or project intended to  
22      generate funds, goods, or other assistance from the public for charitable or  
23      public welfare purposes;

24          (i) *Public welfare purpose* refers to any activity or project relative to  
25      the promotion of health, education, peace, social welfare and protection,  
26      environmental safety, rights, security and safety of citizens and similar  
27      circumstances or conditions including disaster relief operations and  
28      management; and

1 (j) *Solicitation permit* refers to a certificate of authority issued by the  
2 Department of Social Welfare and Development (DSWD), the Provincial  
3 Social Welfare and Development Office (PSWDO), the City Social Welfare  
4 and Development Office (CSWDO), or the Municipal Social Welfare and  
5 Development Office (MSWDO) to an individual, organization or agency  
6 applying for an authorization to solicit donations or voluntary contributions for  
7 charitable or public welfare purposes.

8 **SEC. 4. Coverage** – This Act shall apply to all NGAs, GOCCs,  
9 SUCs, LGUs and other government agencies; individuals; NGOs including  
10 faith-based organizations, civil society organizations, people’s organizations:  
11 associations and similar organizations, chapters and affiliates of similar  
12 international organizations operating in the Philippines which are partly or  
13 fully financed with funds solicited from or contributed by the public or private  
14 sector for charitable or public welfare purposes.

15 **SEC. 5. Exemption from Coverage.** – Organizations and agencies  
16 created by laws that specifically confer authority on these organizations and  
17 agencies to solicit or conduct fund campaign for charitable or public welfare  
18 purposes shall continue to be covered by their charters and shall not be  
19 required to acquire a solicitation permit: *Provided,* That the DSWD, the  
20 PSWDO, the CSWDO, and the MSWDO shall have the authority to monitor  
21 their activities and to require these organizations and agencies to submit  
22 reports pertaining to the conduct of the public solicitation and the utilization of  
23 funds solicited.

24 Caroling during religious festivals or celebrations as a form of  
25 solicitation and solicitation for the construction of a church, mosque, or any  
26 structure for worship shall also not require a solicitation permit.

27 **SEC. 6. Solicitation Permit; Requirements.** – No solicitation permit  
28 shall be issued to an individual, organization or agency without first complying

1 with the documentary requirements set by the DSWD which shall include the  
2 following:

3 (a) Duly accomplished application form signed by the individual,  
4 organization or agency head or an authorized representative;

5 (b) Project proposal approved by the head of the applicant organization  
6 or agency on the intended public solicitation activity including the work and  
7 financial plan on the activity to be undertaken;

8 (c) Certified true copy of Certificate of Registration and Articles of  
9 Incorporation and Bylaws with the Securities and Exchange Commission  
10 (SEC) or other regulatory government agency which has jurisdiction to  
11 regulate the organization or agency;

12 (d) Updated certification of good standing from the SEC or other  
13 regulatory government agency which has jurisdiction to regulate the  
14 organization or agency;

15 (e) Notarized written agreement or any similar document signifying the  
16 concurrence of the intended beneficiaries as recipient of the solicitation  
17 activity; and

18 (f) Notarized board resolution or other written authorization for the  
19 organization or agency's planned solicitation activity which shall ensure strict  
20 compliance to the standard ratio on fund utilization.

21 *SEC. 7. Authority to Issue Permit.* – The following officials are  
22 authorized to grant a solicitation permit to an eligible individual, organization  
23 or agency that will conduct solicitation activities for charitable and public  
24 welfare purposes:

25 (a) Secretary of the DSWD or a duly authorized Undersecretary of the  
26 DSWD for national public solicitations;

27 (b) DSWD Regional Director or any duly authorized representative for  
28 regional public solicitations;

1 (c) Provincial Governor through the PSWDO Chief or any duly  
2 authorized representative for provincial public solicitations; and

3 (d) City or Municipal Mayor through the CSWDO Chief or the  
4 MSWDO Chief or any duly authorized representative for local public  
5 solicitations.

6 SEC. 8. *Validity of Permit.* – All solicitation permits issued by the  
7 DSWD, the PSWDO, the CSWDO, or the MSWDO shall be valid only on the  
8 approved date of coverage which in no case shall exceed one (1) year within  
9 the specified city, municipality, region or areas in the Philippines. Its validity  
10 shall not extend outside of the Philippines even if the target beneficiaries and  
11 donors are Filipinos.

12 An organization or agency with a good track record in conducting  
13 public solicitation, as determined by the DSWD, the PSWDO, the CSWDO, or  
14 the MSWDO may be granted a solicitation permit with a longer validity period  
15 which shall not exceed two (2) years.

16 SEC. 9. *Types of Public Solicitation.* – Public solicitation shall be  
17 categorized as follows:

18 (a) *Local public solicitation* refers to a solicitation activity conducted  
19 within a city or municipality;

20 (b) *Provincial public solicitation* refers to a solicitation activity  
21 conducted within two (2) or more cities or municipalities in the same province;

22 (c) *Regional public solicitation* refers to a solicitation activity  
23 conducted within two (2) or more provinces in a region; and

24 (d) *National public solicitation* refers to a solicitation activity  
25 conducted in two (2) or more regions.

26 SEC. 10. *Solicitation During Calamities or Disasters.* – In times of  
27 natural or human-induced calamities or disasters, and the intended  
28 beneficiaries of the public solicitation are disaster-stricken areas or

1 communities where a state of calamity has been declared by the President of  
2 the Philippines or by the local sanggunian, a temporary solicitation permit may  
3 be issued to the applicant individual, organization or agency upon submission  
4 of a duly accomplished application form, as provided for in Section 6(a) of this  
5 Act, signed by the applicant individual, or head of the organization or agency  
6 or an authorized representative.

7           The validity of the temporary solicitation permit shall be determined by  
8 the concerned DSWD office, PSWDO, CSWDO, or MSWDO depending on  
9 their assessment of the impact of the calamity or disaster to the affected areas.  
10 The applicant individual, organization or agency shall comply with the  
11 requirements provided under Section 6 of this Act within the period set forth  
12 by the concerned DSWD office, PSWDO, CSWDO, or MSWDO.

13           SEC 11. *Fees and Charges.* – For national and regional public  
14 solicitations, the DSWD may charge reasonable fees corresponding to the cost  
15 only of preparing the solicitation permit. The fees shall be remitted to the  
16 National Treasury, recorded as a Special Account in the General Fund and  
17 shall be available to the DSWD through a Special Budget pursuant to Section  
18 35 of Executive Order No. 292, otherwise known as the “Administrative Code  
19 of 1987”. For provincial and local public solicitations, the governor, city or  
20 municipal mayor may impose reasonable fees corresponding to the cost only of  
21 preparing the solicitation permit, subject to the provisions of Republic Act No.  
22 7160, otherwise known as the “Local Government Code of 1991” and other  
23 existing laws.

24           SEC. 12. *Methods of Public Solicitation.* – Public solicitation may be  
25 done through any of the following:

26           (a) Written request such as letters of appeal, envelopes, cards and other  
27 similar forms;

1 (b) Mass media campaign through television, cinema, radio,  
2 magazines, newspapers, billboards, social media and other similar forms;

3 (c) Distribution, circulation, publication or posting of written  
4 advertisement or other similar forms;

5 (d) Rummage sales and sale of goods including souvenir items;

6 (e) Benefit shows including concerts, fashion shows and other forms of  
7 entertainment;

8 (f) Fun runs, marathon, cycling, and other forms of sports activities;

9 (g) Popularity contests;

10 (h) Donation boxes, coin banks and other similar forms; and

11 (i) Other methodologies that may be allowed by the DSWD, the  
12 PSWDO, the CSWDO, or the MSWDO.

13 SEC. 13. *Allocation of Proceeds.* – Not more than twenty percent  
14 (20%) of the total proceeds from the fund raising activity of any individual,  
15 organization or agency shall be expended for administrative cost. The  
16 remaining eighty percent (80%) shall be utilized entirely for projects or  
17 programs for the targeted beneficiaries. Unless compliance with this section is  
18 satisfactorily established on the basis of the report required in Section 14 of  
19 this Act, no individual, organization or agency shall be issued any subsequent  
20 solicitation permit. Funds collected during public solicitations shall be  
21 deposited in a banking institution regulated by the Bangko Sentral ng Pilipinas  
22 (BSP) in the name of the individual, organization or agency to which the  
23 permit was issued. A book of accounts shall also be required in the monitoring  
24 and validation of the report.

25 The date, duration and place where the consolidation and accounting of  
26 proceeds shall be undertaken and the date of the awarding or turnover of the  
27 proceeds to the beneficiaries shall be witnessed by the authorized  
28 representatives from the DSWD, the PSWDO, the CSWDO, or the MSWDO



1 for national and regional, provincial, city, or municipal public solicitation,  
2 respectively.

3 SEC. 14. *Monitoring of Public Solicitation.* – The individual,  
4 organization or agency to which the solicitation permit was issued shall submit  
5 to the concerned DSWD office, the PSWDO, the CSWDO, or the MSWDO  
6 not later than sixty (60) days after the expiration of the solicitation permit, a  
7 report signed and sworn to by the individual or by at least two (2) authorized  
8 officers of the organization or agency, indicating whether the solicitation  
9 permit was used or not.

10 (a) If the solicitation permit was used, the following additional  
11 documents shall be submitted:

12 (1) Notarized fund utilization report of its income and expenditures  
13 sworn to by the individual, or in the case of an organization or agency, the  
14 president and treasurer of the organization or agency;

15 (2) List of donors with their corresponding addresses and contact  
16 numbers, and the amount of donations;

17 (3) List of beneficiaries, their corresponding addresses and contact  
18 numbers and amount or types of assistance extended;

19 (4) List of projects completed, location and cost: and

20 (5) Expired original solicitation permit.

21 (b) If the issued solicitation permit is not used, the individual,  
22 organization or agency shall submit to the appropriate DSWD office, PSWDO,  
23 CSWDO, or MSWDO the following:

24 (1) Justification for not conducting or continuing the solicitation  
25 activity within the validity period; and

26 (2) Expired solicitation permit.

27 SEC. 15. *Reportorial Requirements for Exempt Organizations.* – An  
28 organization or agency which conducts a public solicitation but is not required

1 to acquire a solicitation permit as provided for in Section 5 of this Act shall  
2 submit to the concerned DSWD office, PSWDO, CSWDO, or MSWDO at the  
3 end of the fiscal year during which it conducted the public solicitation the  
4 following documents:

5 (a) Notarized fund utilization report of its collections, income and  
6 expenditures sworn to by the president and treasurer of the organization or  
7 agency;

8 (b) List of donors and their corresponding addresses and contact  
9 numbers;

10 (c) List of beneficiaries with their corresponding signatures, addresses  
11 and contact numbers and amount or types of assistance extended;

12 (d) List of projects completed, location and cost with complete  
13 documentation on the project including pictures, videos and testimonies of  
14 beneficiaries; and

15 (e) Other documents which the concerned offices may require in order  
16 to make an assessment of the performance of the organization or agency in  
17 conducting public solicitation and utilization of the proceeds of the public  
18 solicitation.

19 SEC. 16. *Regulatory Powers.* – The DSWD, the PSWDO, the  
20 CSWDO, or the MSWDO may, in the exercise of their regulatory powers,  
21 verify the authenticity of the report submitted by conducting spot investigations  
22 or reviewing the book of accounts of the concerned individual, organization or  
23 agency. Further, the individual, organization or agency shall, for each  
24 solicitation activity, maintain and preserve an accurate and detailed book of  
25 accounts for not less than three (3) years after the completion of such public  
26 solicitation activity, which shall be available for inspection, at all times, upon  
27 demand by the DSWD, the PSWDO, the CSWDO, or the MSWDO. Likewise,  
28 the DSWD, the PSWDO, the CSWDO, or the MSWDO shall keep a record of

1 the reports and supporting documents submitted by individuals, organizations  
2 or agencies previously granted a solicitation permit.

3       SEC. 17. *Filing of Complaints.* – The DSWD, the PSWDO, the  
4 CSWDO, or the MSWDO shall, on its own initiative or upon a verified  
5 complaint of any person, refer to the appropriate law enforcement agency or  
6 the prosecutor’s office for investigation and the filing of complaint in the  
7 appropriate court any violation of the provisions of this Act.

8       Any individual or law enforcement agency may file a complaint before  
9 the appropriate court against any individual, organization or agency which  
10 shall commit or is engaged in any of the acts punishable under Section 19 of  
11 this Act.

12       SEC. 18. *Role of Law Enforcement Agencies.* – All law enforcement  
13 agencies shall assist the DSWD, the PSWDO, the CSWDO, or the MSWDO in  
14 the efficient and effective enforcement of this Act.

15       SEC. 19. *Prohibited Acts.* – The following acts are punishable under  
16 this Act:

17       (a) Soliciting without securing a solicitation permit from the DSWD,  
18 the PSWDO, the CSWDO, or the MSWDO;

19       (b) Soliciting beyond the allowed area of coverage or violating the  
20 mode of solicitation as indicated in the approved solicitation permit;

21       (c) Using a falsified or tampered solicitation permit;

22       (d) Soliciting with an expired solicitation permit;

23       (e) Using the solicited funds for purposes other than those indicated in  
24 the application form;

25       (f) Including the beneficiaries as part of the strategy or mechanism in  
26 conducting the solicitation activity which tends to exploit the beneficiaries;

27       (g) Use of lottery and other games of chance; and

1 (h) Using solicitation paraphernalia which portray a dehumanizing  
2 picture, information or situation of the intended beneficiaries.

3 SEC. 20. *Other Offense.* – Failure to comply with the reportorial  
4 requirements as required under Sections 14 and 15 of this Act shall be  
5 punished with a fine of not less than one hundred thousand pesos  
6 (P100,000.00) but not more than five hundred thousand pesos (P500,000.00).

7 Additionally, for the first offense, the solicitation permit of the  
8 individual, organization or agency shall be revoked and no permit shall be  
9 issued to the offending party for a period of one (1) year from the date of  
10 violation.

11 For the second offense, the solicitation permit of the individual,  
12 organization or agency shall be revoked and no permit shall be issued to the  
13 offending party for a period of two (2) years from the date of violation.

14 For the third offense, the individual, organization or agency shall be  
15 permanently banned from conducting any solicitation activity.

16 SEC. 21. *Forfeiture of Proceeds.* – All solicited funds from an  
17 unauthorized public solicitation shall be forfeited in favor of the government.

18 SEC. 22. *Penalties.* – Any individual, organization or agency who  
19 violates the provisions of Section 19 of this Act shall be punished with  
20 imprisonment of not less than one (1) year but not more than three (3) years or  
21 a fine of not less than One hundred thousand pesos (P100,000.00) but not more  
22 than five hundred thousand pesos (P500,000.00), or both, at the discretion of  
23 the court.

24 Additionally, for the first offense, the solicitation permit of the  
25 individual, organization or agency shall be revoked and no permit shall be  
26 issued to them for a period of two (2) years from the date of violation. For the  
27 second offense, the individual, organization or agency shall be permanently  
28 banned from conducting any solicitation activity.

1           A final and executory judgment finding an organization or agency liable  
2 for violating any of the prohibited acts under Section 19 of this Act for a  
3 second time shall be a ground for the cancellation and revocation of the  
4 organization or agency's registration or license to operate and shall be  
5 endorsed to the concerned government regulatory agency for its appropriate  
6 action.

7           If the offender is an organization or agency, the incumbent officers of  
8 the organization or agency at the time of the commission of the offense who  
9 have knowingly participated or who shall have knowingly permitted or failed  
10 to prevent its commission shall be held liable.

11           If the offender is a foreigner, the offender shall be immediately deported  
12 and barred permanently from entering the country after having served the  
13 sentence.

14           SEC. 23. *Information Dissemination.* – The DSWD, the PSWDO, the  
15 CSWDO, or the MSWDO shall periodically publish a list of all individuals,  
16 organizations or agencies with public solicitation permits. The list shall include  
17 the permit number, duration period, methodology to be used and the areas  
18 covered. They shall also publish a list of individuals, organizations or agencies  
19 whose solicitation permits have been cancelled or revoked.

20           SEC. 24. *Implementing Rules and Regulations.* – Within ninety (90)  
21 days from the approval of this Act, the Secretary of the DSWD, in consultation  
22 with the Secretary of the Department of the Interior and Local Government, the  
23 Secretary of the Department of Transportation and Communications, the  
24 Director General of the Philippine National Police (PNP), the Commissioner of  
25 the SEC, the Association of PSWDO, the Association of CSWDO, the  
26 Association of MSWDO, and three (3) representatives selected by the DSWD  
27 from among the academe, NGOs and media organizations, shall promulgate  
28 the necessary rules and regulations for the effective implementation of this Act.

1           SEC. 25. *Repealing Clause.* – Presidential Decree No. 1564,  
2 otherwise known as the Solicitation Permit Law, is hereby repealed. Section  
3 444(b)(3)(v) and Section 455(b)(3)(v) of the Local Government Code of 1991  
4 and all other laws, decrees, executive orders and proclamations, rules and  
5 regulations or parts thereof inconsistent with this Act are hereby repealed,  
6 amended or modified accordingly.

7           SEC. 26. *Separability Clause.* – If any provision or part of this Act is  
8 held invalid or unconstitutional, the remaining parts or provisions not affected  
9 shall remain in full force and effect.

10           SEC. 27. *Effectivity.* – This Act shall take effect fifteen (15) days after  
11 its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,

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