

NINETEENTH CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
*First Regular Session* )



23 JAN 31 P3:49

**SENATE**  
**S. No. 1815**

RECEIVED BY: \_\_\_\_\_

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Introduced by: **Senator Raffy T. Tulfo**

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**AN ACT**  
**TO REGULATE PUBLIC SOLICITATION PROVIDING FUNDS THEREFORE**  
**AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

The Presidential Decree No. 1564 entitled Amending Act No. 4075 otherwise known as The Public Solicitation Law has been in place for 30 years. This particular law was implemented to regulate the solicitation of donations and voluntary contributions from the public sector in order to obviate illegal fund drives. Changes in the national and global environment, however, have made some of its provisions no longer effective.

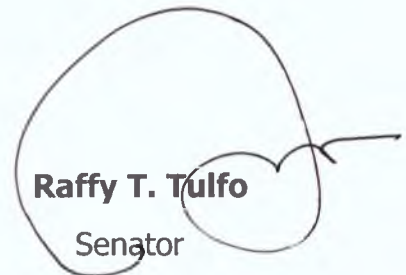
To protect the public from exploitation and to ensure that the funds are being used for the intended purpose, there is a need to increase monitoring of individuals and organizations who have been granted authority to solicit funds particularly those who solicit money from abroad.

This bill aims to establish rules for public solicitation in order to safeguard the public from fraudulent activities. The passage of this bill will grant the government the ability to monitor public solicitations, making it more effective and efficient. This will also provide the public with access to information about the financial operations,

projects, and activities of organizations that solicit funds.

Furthermore, this Bill shall apply to all National Government Agencies (NGAs), Government Owned and Controlled Corporations (GOCCs), State Colleges/Universities, Non-Government Organizations (NGOs), religious and civic organizations, branch offices and similar organizations, individuals, 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 sectors for charitable or public welfare purpose/s.

With enough safeguards to protect the rights of our citizens, the passage of this bill is earnestly sought.

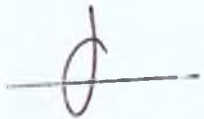


**Raffy T. Tulfo**  
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**TO REGULATE PUBLIC SOLICITATION PROVIDING FUNDS THEREFORE**  
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*Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:*

1 Section 1. Short Title. – This Act shall be known as the "Public Solicitation Act  
2 of 2023".

3 Sec. 2. *Purpose.* – It shall be the purpose of this Act to regulate public  
4 solicitation undertaken by organizations, agencies, groups and individuals in order to  
5 protect the general public from unscrupulous solicitation. It also aims to establish  
6 standards and guidelines and strengthen the system of granting permits or  
7 authorization primarily to solicit funds or donations from the public for charitable, social  
8 and/or public welfare purposes.

9 Sec. 3. *Coverage.* – This Act shall apply to all National Government Agencies  
10 (NGAs), Government Owned and Controlled Corporations (GOCCs), State  
11 Colleges/Universities and other government agencies, Non-Government Organizations  
12 (NGOs) including faith based and civic organizations, associations, branch offices and  
13 similar organizations, individuals, chapters and affiliates of similar international

1 organizations operating in the Philippines which are partly or fully financed with funds  
2 solicited from or contributed by the public or private sectors for charitable or public  
3 welfare purpose/s.

4       *Sec. 4. Exemption on the Coverage.* – Organizations and agencies created by  
5 laws that specifically confer authority on these organizations and agencies to solicit  
6 and/or conduct fund campaigns for charitable and/or public welfare purposes shall  
7 continue to be covered by its charter. Provided, the DSWD shall have the authority to  
8 monitor their activities and to require these organizations and agencies to submit the  
9 following as well as other documents that the DSWD may require to make an  
10 assessment of the performance of these organizations and agencies:

- 11       a. Audited fund utilization report of its collections, income and expenditures and  
12       other financial documents;
- 13       b. Lists of donors and their corresponding addresses and contact numbers;
- 14       c. List of beneficiaries, their corresponding addresses and contact numbers and  
15       amount or types of assistance extended; and
- 16       d. List of projects completed, location and cost

17       *Sec. 5. Definition of Terms.* – For purposes of this Act, the following terms shall  
18 be defined as:

- 19       a. *Administrative Cost* - refers to the costs incurred in the management/operation  
20       of the conduct of the solicitation activity and/or of the soliciting organization.
- 21       b. *Beneficiaries* refer - to the poor, the vulnerable and the disadvantaged sectors  
22       or entities who will be benefiting from the proceeds of the public solicitation  
23       conducted. These include but are not limited to: (1) neglected, abandoned,  
24       orphaned, exploited children or children under difficult circumstances; (2)  
25       children in conflict with the law, out of school youth and other youth with  
26       special needs; (3) persons with disabilities; (4) senior citizens; (5) victims of  
27       natural or man-made disasters/calamities; (6) disadvantaged women and  
28       women in especially difficult circumstances; (7) indigenous peoples and  
29       communities; (8) rebel returnees and (9) poor or dysfunctional families and  
30       depressed communities.
- 31       c. *Charitable purpose/s* - refers to the intent to provide services or conduct of

1 activities for the beneficiaries indicated on letter b of this Section.

2 d. *Memorandum of Agreement* - refers to a contract executed between parties  
3 stating among others, the amount or percentage from the proceeds to be given  
4 to the beneficiaries or the project to be undertaken, the date and place where  
5 the activity shall be undertaken and date of awarding of proceeds or turn-over  
6 of project. It should clearly state the date and duration of the awarding of  
7 proceeds.

8 e. *Organization, agency or individual* - refers to all National Government Agencies  
9 (NGAs), Government Owned and Controlled Corporations (GOCCs), State  
10 Colleges/Universities and other government agencies, Non-Government  
11 Organizations (NGOs) including religious and civic organizations, associations,  
12 branch offices and similar organizations, individuals, chapters and affiliates of  
13 similar international organizations operating in the Philippines desiring to  
14 solicit or receive contributions from the public for charitable or public welfare  
15 purpose/.

16 f. *Program Cost* - refers to all expenses incurred in the direct or indirect provision  
17 of services or goods to the beneficiary including expenses of the donee person  
18 or agency in its operation and the implementation of relevant programs and  
19 services.

20 g. *Public Solicitation* - refers to any activity or project intended to generate funds,  
21 money, materials or other assistance from the public sectors for charitable  
22 and/or public welfare purposes. Categories of public solicitation:

- 23 ● Local Public Solicitation - refers to a solicitation activity conducted within  
24 the city/municipality.
- 25 ● Provincial Public Solicitation - refers to a solicitation activity conducted  
26 within two or more cities/municipalities in a province.
- 27 ● Regional Public Solicitation - refers to a solicitation activity conducted  
28 within two or more provinces in a region.
- 29 ● National Public Solicitation - refers to a solicitation activity conducted in  
30 two or more regions in the country.

31 h. *Public Welfare Purpose/s* - refers to any activity or project relative to health,

1 education, peace, social welfare and protection, environmental safety, rights,  
2 security and safety of citizens and similar circumstances or conditions.

3 *Sec. 6. Authority to Issue Permit* - The following are authorized to grant permits  
4 to conduct public solicitation.

5 a. Department of Social Welfare and Development (DSWD) Secretary or the  
6 Undersecretary or Regional Director for national or regional public solicitation  
7 respectively.

8 b. Provincial Governor through the Provincial Social Welfare and Development  
9 Office (PSWDO) Chief or his/her representative/s for provincial public  
10 solicitation.

11 c. City/Municipal Mayor through the City/Municipal Social Welfare and  
12 Development Office (C/MSWDO) Chief or his/her representative/s for local  
13 public solicitation.

14 Provided, that the organization, agency or individual applying for such permit  
15 complies with the requirements that may be set by the DSWD, PSWDO or C/MSWDO  
16 respectively including but not limited to the following:

17 a. Duly accomplished application form signed by the agency head or authorized  
18 representative. The form shall be prescribed by the DSWD, PSWDO or  
19 C/MSWDO which shall indicate the intended purpose of the solicitation.

20 b. Project proposal on the intended public solicitation activity including the work  
21 and financial plan on the activity to be undertaken.

22 c. Certified true copy of Certificate of Registration and Articles of Incorporation  
23 and by-laws with the Securities and Exchanges Commission (SEC) or other  
24 regulatory government agencies, which have jurisdiction to regulate the  
25 applying organization, agency or individual and information. (for non-  
26 government).

27 d. Certification of status of operation and updated certification from SEC or other  
28 regulatory government agencies, which have jurisdiction to regulate the  
29 applying organization, agency or individual on the validity of registration (for  
30 non-government).

31 e. Notarized Memorandum of Agreement or other written document signifying  
32 the intended beneficiaries concurrence as recipient of the solicitation activities.

1            *Sec. 7. Validity of Permit.* – All permits for the purpose of undertaking public  
2 solicitation shall be issued by the DSWD, PSWDO or C/MSWDO for a stated period  
3 of time. No organization, agency or individual shall solicit contributions or have  
4 contributions solicited on its behalf before issuance of its permit by the DSWD,  
5 PSWDO or C/MSWDO. The solicitation permit shall be valid only on the approved date  
6 of coverage which in no case shall exceed one year within the specified region/s or  
7 area/s of the Philippine territory. Its validity does not extend to other countries  
8 regardless of whether or not the target beneficiaries and donors are Filipinos. In  
9 such cases, the organization, agency or individual should comply with the rules and  
10 regulations of the concerned countries.

11            *Sec. 8. Fees and Charges.* – For national and regional coverage, the DSWD shall  
12 charge and collect corresponding fees to be determined by the Department for the  
13 effective implementation of this Act. The fees shall be remitted to the National  
14 Treasury, recorded as a Special Account in the General Fund and shall be available  
15 to the DSWD through a Special Budget pursuant to Section 35, Chapter 5, Book VI  
16 of Executive Order No. 292. Likewise, the provincial governor and city/municipal  
17 mayors shall impose corresponding fees for the provincial and local public solicitation  
18 respectively, consistent with the Local Government Code and its amendments.

19            *Sec. 9. Methods of Public Solicitation.* – Public solicitation may be done using but  
20 not limited to the following:

- 21            a. Oral or written request;
- 22            b. Announcement to the press, over the radio or television or by telephone or the  
23 internet;
- 24            c. Distribution, circulation, publication or posting of written advertisement or  
25 other publication;
- 26            d. Sale of goods i.e souvenir items, printing, rummage sales, among others;
- 27            e. Benefit shows i.e. concert, fashion show and other forms of entertainment;
- 28            and
- 29            f. Other methodologies that may be allowed by the DSWD, PSWDO and/or  
30 C/MSWDO.

1 On the other hand, caroling during the Christmas season as a form of  
2 solicitation and the solicitation within the church/mosque or building for public  
3 Christian/Muslim worship are exempted from the application of solicitation permit from  
4 DSWD, PSWDO and/or C/MSWDO.

5 *Sec. 10. Tax Deduction or Exemption of Donations and Contributions.* – The  
6 donor by virtue of foregoing provisions shall be entitled to allowable deduction in  
7 his/her income tax return the equivalent amount of donations he/she would give to  
8 public solicitation subject to such conditions as provided under the National Internal  
9 Revenue Code, as amended.

10 *Sec. 11. Beneficiaries of Fund Campaigns.* – The applying organization, agency  
11 or individual for solicitation permit shall be required to submit a duly notarized  
12 Memorandum of Agreement executed between the parties, which shall contain the  
13 following:

- 14 a. Statement of the purpose for which the solicitation is being conducted;
- 15 b. Statement of the amount or percentage from the proceeds to be given to the  
16 beneficiaries or the project to be undertaken; and
- 17 c. The date, duration and place where the activity shall be undertaken and the  
18 date of awarding of proceeds or turn-over of project.

19 The benefiting organization, agency or individual, has the right not to allow its  
20 name to be used, advertised or publicized as the beneficiary of any public solicitation  
21 project.

22 *Sec. 12. Allocation of Proceeds.* – Not more than fifteen percent (15%) of the  
23 total proceeds for the fund raising activity of any organization, agency or individual  
24 shall be expended for the administrative cost of the said fund-raising activity or other  
25 operations of the agency. The remaining eighty-five percent (85%) shall be utilized  
26 entirely for projects/programs for the targeted beneficiaries. Unless compliance with  
27 this section is satisfactorily established on the basis of the report as required in  
28 Section 13 hereof, no organization, agency or individual shall be issued any  
29 subsequent permit. Funds collected during the conduct of fund campaign activities  
30 shall be deposited in a banking institution regulated by the Bangko Sentral ng



1 Pilipinas in the name of the organization, agency or individual to whom the permit  
2 was issued. Book of accounts shall also be required in the monitoring/validation of  
3 the report.

4       Sec. 13. *Monitoring of Public Solicitation Activity.* – The concerned  
5 organization, agency or individual to whom the permit was issued shall submit to the  
6 concerned DSWD offices, PSWDO or C/MSWDO within sixty (60) days after the  
7 expiration of the issued permit, a report signed and sworn to by the individual or at  
8 least two authorized officers of the organization/agency, indicating whether such  
9 permit was used or not. If used, additional documents to be submitted are the  
10 following:

- 11       a. Audited fund utilization report of its income and expenditures and other  
12       documents;
- 13       b. List of donors and the amount of donations, their corresponding addresses and  
14       contact numbers;
- 15       c. List of beneficiaries, their corresponding addresses and contact numbers and  
16       amount or types of assistance extended;
- 17       d. List of projects completed, location and cost; and
- 18       e. Expired permit authorizing the conduct of local/national fund campaign.

19       The DSWD, PSWDO or C/MSWDO may in the exercise of their regulatory  
20 powers, verify the authenticity of the report submitted by conducting spot  
21 investigations or reviewing the book of accounts of the concerned organization,  
22 agency or individual, among others.

23       Further, the organization, agency or individual shall for each solicitation activity  
24 maintain and preserve an accurate and detailed book of accounts for not less than  
25 three (3) years after the completion of such public solicitation activity, which shall be  
26 available for inspection, at all times, upon demand by the DSWD, PSWDO, C/MSWDO.

27       Sec. 14. *Filing of Complaints.* – The DSWD, PSWDO or C/MSWDO shall on its  
28 initiative or upon the complaint of any individual initiate an investigation and the  
29 filing of complaints in the appropriate court, if warranted, against the organization,  
30 agency or individual which undertake fund campaigns without the necessary permit

1 or which secures such permits through fraudulent representation. Provided, however,  
2 that any concerned person, may in his/her own file a complaint before the Regional  
3 Trial Court against any person who shall commit any of the acts punishable under  
4 Section 16 of this Act. Any law enforcement agency can also file a complaint against  
5 any organization/agency individual engaging in prohibited acts whom they have  
6 apprehended in accordance with, the Rules of Court.

7       Sec. 15. *Handling of Complaint.* – There shall be a Review Committee at the  
8 concerned DSWD, PSWDO or C/MSWDO who will handle the complaint against the  
9 organization, agency or individual. The law enforcement agencies e.g. Philippine  
10 National Police (PNP), National Bureau Investigation (NBI), Local Government Unit  
11 (LGU) and Department of Interior and Local Government (DILG) among others shall  
12 assist in the enforcement of this Act. Said Committee shall be organized within sixty  
13 (60) days upon effectivity of this Act. Their specific roles and functions as well as  
14 the procedures in handling of complaints shall form part of the Implementing Rules  
15 and Regulations of this Act.

16       Sec. 16. *Prohibited Acts.* – This Act prohibits any organization, agency or  
17 individual to do any of the following acts:

- 18       a. Soliciting without securing solicitation permit from DSWD, PSWDO or  
19       C/MSWDO
- 20       b. Soliciting beyond the allowed area of coverage and/or violating the mode of  
21       solicitation as indicated in the approved solicitation permit
- 22       c. Using falsified or tampered solicitation permit
- 23       d. Soliciting with expired solicitation permit
- 24       e. Using of solicited funds for purpose/s other than the purpose/s in which funds  
25       were intended

26       Further, all solicited funds from the prohibited acts shall be turned over to  
27 DSWD, PSWDOs or C/MSWDOs for the implementation of its social welfare and  
28 development programs and services.

29       Sec. 17. *Penalties.* – Violations of this law shall be subject to the following  
30 penalties;

- 1 a. Any person who violates the provision of this Act shall be punished with  
2 imprisonment of not less than one (1) year but not more than three (3) years  
3 or a fine of not less than One Hundred Thousand Pesos (100,000.00) but not  
4 more than Five Hundred Thousand Pesos (P500,000.00) or both at the  
5 discretion of the court.
- 6 b. Additionally, for the first offense, the solicitation permit of the concerned  
7 organization, agency or individual shall be revoked and no permit shall be  
8 issued to them for a period of two (2) years from the date of violation.
- 9 c. For the second offense, the concerned organization, agency or individual shall  
10 be permanently banned from conducting any solicitation activity. Further, its  
11 registration and/or license to operate as an organization, agency, or individual  
12 shall be canceled and revoked permanently.
- 13 d. When the offender is a foreigner, he/she shall be immediately deported and  
14 be barred permanently from entering the country after having served his/her  
15 sentence.

16 *Sec. 18. Information Dissemination.* – The DSWD, PSWDO or C/MSWDO shall  
17 disseminate information on the organizations, agencies and individuals issued with  
18 public solicitation permits to include the pertinent data such as permit number,  
19 duration period, methodology to be used and the area/s covered. Likewise the  
20 DSWD, PSWDO or C/MSWDO shall also inform the public on the list of organizations,  
21 agencies and individuals whose permits have been canceled or revoked.

22 *Sec. 19. Implementing Rules and Regulations.* – The DSWD, Association of  
23 PSWDO and Associations of C/MSWDO in coordination with the Bureau of Internal  
24 Revenue (BIR), Department of Finance (DOF), Department of the Interior and Local  
25 Government (DILG), Department of Trade and Industry (DTI), Department of  
26 Transportation and Communication (DOTC), Local Government Unit (LGU), Philippine  
27 National Police (PNP), National Bureau Investigation (NBI), Securities and Exchange  
28 Commission (SEC) and other concerned government agencies and three (3)  
29 representatives selected by DSWD from the academe, NGOs, media organizations  
30 and peoples organizations shall promulgate the necessary implementing rules and

1 regulations within ninety (90) working days from the effectivity of this Act.

2       Sec. 20. *Appropriations.* – The amount necessary to carry out the provisions of  
3 this Act is hereby authorized to be appropriated in the concerned DSWD and Local  
4 Government Units General Appropriations Act for the year following its enactment  
5 into law and thereafter.

6       Sec. 21. *Repealing Clause.* – Presidential Decree No. 1564, Local Government  
7 Code of 1991 Book III Title II Ch 3 Art 1 Sec 444 (b) (3) V) and Sec 455 (b) (3) (v)  
8 and all other law, decrees, executive orders and proclamations, rules and regulations  
9 or parts thereof, inconsistent with this Act are hereby repealed or modified  
10 accordingly.

11       Sec. 22. *Separability Clause.* – In the event that any provision of this Act is held  
12 invalid or unconstitutional, the other provisions not affected thereby shall remain valid  
13 and subsisting.

14       Sec. 23. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its  
15 publication in any two (2) newspapers or general circulation.

Approved,