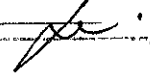


FOURTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )

7 DEC 17 2007

SENATE

RECEIVED BY: 

COMMITTEE REPORT NO. 24

Submitted Jointly by the Committees on Education, Arts and Culture; Finance; and Ways and Means on DEC 17 2007.

Re: Senate Bill No. 1964 (Prepared by the Committees)

Recommending its approval in substitution of S. B. Nos. 132, 158, 792, 1236, 1540, 1700, 1871, and 1903.

Sponsor: Senator Alan Peter S. Cayetano

Mr. President:

The Committees on Education, Arts and Culture; Finance; and Ways and Means to which were primarily and secondarily referred Senate Bill No. 132, introduced by Senators Pangilinan and Trillanes, entitled:

“AN ACT  
TO STRENGTHEN THE UNIVERSITY OF THE PHILIPPINES AS THE NATIONAL UNIVERSITY,”

Senate Bill No. 158, introduced by Senator Estrada, entitled:

“AN ACT  
TO STRENGTHEN THE UNIVERSITY OF THE PHILIPPINES AS THE NATIONAL UNIVERSITY,”

Senate Bill No. 792, introduced by Senator Revilla Jr., entitled:

“AN ACT  
TO ENHANCE THE ACADEMIC FREEDOM AND INSTITUTIONAL AUTONOMY OF THE UNIVERSITY OF THE PHILIPPINES,”

Senate Bill No. 1236, introduced by Senator Escudero., entitled:

“AN ACT  
TO FURTHER STRENGTHEN THE UNIVERSITY OF THE PHILIPPINES AS THE PREMIER STATE UNIVERSITY,”

Senate Bill No. 1540, introduced by Senator Zubiri, entitled:

“AN ACT  
TO STRENGTHEN THE U.P. AS THE NATIONAL UNIVERSITY,”

Senate Bill No. 1700, introduced by Senator Cayetano, "Compañera" Pia, entitled:

**"AN ACT  
TO STRENGTHEN THE UNIVERSITY OF THE PHILIPPINES AS THE  
NATIONAL UNIVERSITY,"**

Senate Bill No. 1871 introduced by Senator Villar, entitled:

**"AN ACT  
TO STRENGTHEN THE UNIVERSITY OF THE PHILIPPINES AS THE  
NATIONAL STATE UNIVERSITY," and**

Senate Bill No. 1903 introduced by Senator Gordon, entitled:

**"AN ACT  
TO STRENGTHEN THE UNIVERSITY OF THE PHILIPPINES AS THE  
NATIONAL UNIVERSITY."**


have considered the same and have the honor to report them back to the Senate with the recommendation that the attached bill, S.B. No. 1964, prepared by the Committees, entitled:

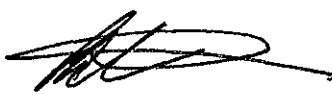
**"AN ACT  
TO STRENGTHEN THE UNIVERSITY OF THE PHILIPPINES AS THE  
NATIONAL UNIVERSITY"**


*Pangilinan*

be approved in substitution of S. B. Nos. 132, 158, 792, 1236, 1540, 1700, 1871, and 1903, with Senators Pangilinan, Trillanes IV, Estrada, Revilla Jr., Escudero, Zubiri, Cayetano, Pia, Villar, Gordon, and Cayetano, Alan Peter, as authors thereof.


Respectfully submitted:

  
**JUAN PONCE ENRILE**  
*Chairperson*  
Committee on Finance  
Member, Committee on Education,  
Arts and Culture and Committee on  
Ways and Means


  
**ALAN PETER S. CAYETANO**  
*Chairperson*  
Committee on Education, Arts  
and Culture  
Member, Committee on Ways  
and Means

  
**FRANCIS G. ESCUDERO**  
*Chairperson*  
Committee on Ways and Means  
Member, Committee on Education, Arts  
and Culture and Committee on Finance

Members


  
**EDGARDO J. ANGARA**  
Vice Chairperson, Committee on Finance  
Member, Committee on Education, Arts  
and Culture, and Committee on Ways and  
Means

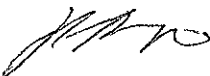
**MIRIAM DEFENSOR SANTIAGO**  
Vice Chairperson, Committee on Finance

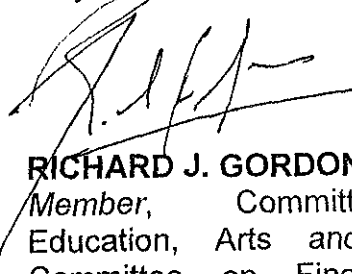
  
**PIA "COMPAÑERA" S. CAYETANO**  
Member, Committee on Education,  
Arts and Culture, Committee on Finance


**GREGORIO B. HONASAN III**  
Member, Committee on Education,  
Arts and Culture, Committee on Finance,  
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**RAMON B. REVILLA JR.**  
Member, Committee on Education,  
Arts and Culture, Committee on  
Finance, and Committee on Ways  
and Means


  
**PANFILO M. LACSON**  
Member, Committee on Finance  
and Committee on Ways and Means


  
**JOKER P. ARROYO**  
Vice Chairperson, Committee on  
Finance; Member, Committee on  
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Committee on Ways and Means

**MANUEL M. LAPID**  
Member, Committee on  
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**JUAN MIGUEL F. ZUBIRI**  
Member, Committee on  
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Committee on Finance, and  
Committee on Ways and Means

  
**M.A. MADRIGAL**  
Member, Committee on  
Education, Arts and Culture,  
Committee on Finance, and  
Committee on Ways and  
Means

*not a deliberation  
amendment*

**RODOLFO G. BIAZON**

*Member, Committee on Education,  
Arts and Culture and Committee on  
Finance*

**MAR ROXAS**

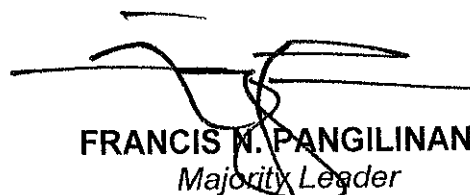
*Member, Committee on  
Education, Arts and Culture,  
Committee on Finance, and  
Committee on Ways and  
Means*

**ANTONIO F. TRILLANES IV**

*Member, Committee on Education,  
Arts and Culture, Committee on Finance,  
And Committee on Ways and Means*

*Ex-Officio Members*

  
**JINGGOY EJERCITO ESTRADA**  
*President Pro-Tempore*

  
**FRANCIS M. PANGILINAN**  
*Majority Leader*


  
**AQUILINO Q. PIMENTEL, JR.**  
*Minority Leader*

**HON. MANNY VILLAR**

*President  
Senate of the Philippines  
Pasay City*

FOURTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )

7 FEB 17 2014

RECEIVED BY: 

**SENATE**

S. B. No. 1964

(In substitution of Senate Bill Nos. 132, 158, 792, 1236, 1540, 1700, 1871, and 1903)

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**Introduced by Senators Pangilinan, Trillanes IV, Estrada, Revilla Jr., Escudero, Zubiri, Cayetano, Pia, Villar, Gordon, and Cayetano, Alan Peter, and Members of the Committees on Education, Arts and Culture; Finance; and Ways and Means**

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**AN ACT  
TO STRENGTHEN THE UNIVERSITY OF THE PHILIPPINES AS THE NATIONAL UNIVERSITY**

*Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:*

1 SECTION 1. *Title.* - This Act shall be known as "The University of the  
2 Philippines Charter of 2007."

3 SEC. 2. *Declaration of Policy.* - The State shall promote, foster, nurture and  
4 protect the right of all citizens to quality education. Toward this end, it is the policy of  
5 the State to strengthen the University of the Philippines as the National University.

6 SEC. 3. *Purpose of the University.* - As the National University, a public and  
7 secular institution of higher learning, and a community of scholars dedicated to the  
8 search for truth and knowledge, the University of the Philippines shall carry out its  
9 unique and distinctive leadership in higher education and national education  
10 development through its combined functions, as follows:

- 11 (1) Lead in setting academic standards and initiating innovations in teaching,  
12 research and faculty development in philosophy, the arts and humanities, the  
13 social sciences, the professions and engineering, natural sciences, mathematics,  
14 and technology; and maintain centers of excellence in such disciplines and  
15 professions;

1 (2) Serve as a graduate university by providing advanced studies and  
2 specialization for scholars, scientists, writers, artists and professionals,  
3 especially those who serve on the faculties of state and private colleges and  
4 universities;

5 (3) Serve as a research university in its various fields of expertise and  
6 specialization by conducting basic and applied research and development, and  
7 promoting research in the various colleges and universities, and contributing to  
8 the dissemination and application of knowledge;

9 (4) Lead as a public service university by providing various forms of community,  
10 public, and volunteer service, and scholarly and technical assistance to the  
11 government, the private sector, and civil society while maintaining its standards  
12 of excellence;

13 (5) Protect and promote the professional and economic rights and welfare of its  
14 academic and non-academic personnel;

15 (6) Provide opportunities for training and learning in progressive leadership,  
16 responsible citizenship, and the development of democratic values, institutions  
17 and practice through academic and non-academic programs, including sports  
18 and national identity; and

19 (7) Serve as a regional and global university in cooperation with international  
20 and scientific unions with networks of universities and scholarly and professional  
21 associations in the Asia-Pacific region and around the world.

22 SEC. 4. *The University System.* - The University of the Philippines, hereinafter  
23 referred to as the "University," is a university system and shall be composed of  
24 constituent universities established solely by its Board of Regents upon the  
25 recommendation of the President of the University.

26 SEC. 5. *Academic Freedom.* - The University shall have the right to enjoy and  
27 the responsibility to exercise academic freedom.

1           SEC. 6. *Academic Excellence.* – The University has the responsibility to  
2 maintain and enhance its high academic standards in the performance of its functions of  
3 instruction, research, and extension and public service.

4           SEC. 7. *Commitment to National Development.* – The University shall harness  
5 the expertise of the members of the University community and other individuals to  
6 regularly study the state of the nation in relation to its quest for national development in  
7 the primary areas of politics and economics, among others, identify key concerns,  
8 formulate responsive policies regarding these concerns, and give advice and make  
9 recommendations to Congress and the President of the Philippines.

10           Other government agencies and instrumentalities, the Congress of the Republic  
11 of the Philippines, the Supreme Court and other lower courts, as well as any  
12 constitutional body may request the University of the Philippines to conduct research or  
13 provide advice on any matter involving public policy. The budget for such research or  
14 request for advice shall come from the appropriation of these public agencies.

15           SEC. 8. *Social Responsibility.* – The University is committed to serve the Filipino  
16 nation and humanity. While it carries out the obligation to pursue universal principles, it  
17 must relate its activities to the needs of the Filipino people and their aspirations for  
18 social progress and transformation. The University may provide venues for student  
19 volunteerism.

20           SEC. 9. *Democratic Access.* – The University shall take affirmative steps which  
21 may take the form of an alternative and equitable admissions process to enhance the  
22 access of disadvantaged students, such as indigenous peoples, poor and deserving  
23 students, and students from depressed areas, to its programs and services.

24           No student shall be denied admission to the University by reason solely of age,  
25 gender, nationality, religious belief, ethnicity, physical disability, or political opinion or  
26 affiliation.

27           The University recognizes the separation of Church and State. It shall guarantee  
28 religious freedom and shall not discriminate on the basis of religion.

1           SEC. 10. *Sports.* - The University shall undertake and support comprehensive  
2 sports programs that promote physical education, uphold excellence in sports activities  
3 and encourage competitive participation on the same, instill school identity and  
4 solidarity, cultivate pride, self-discipline and teamwork which serve as a foundation for  
5 fostering active participation in the University, as well as in nation building.

6           SEC. 11. *Institutional Autonomy as the National University.* – To provide greater  
7 flexibility to the University, it shall be treated in a manner consistent with its institutional  
8 requirements as the National University by the service-wide agencies in the exercise of  
9 their respective jurisdiction.

10          SEC. 12. *The Board of Regents.* –

11          (1) *Composition* – The governance of the University is vested in a board of  
12 regents known as the “Board of Regents of the University of the Philippines System,”  
13 hereinafter referred to as the “Board,” composed of:

- 14          (a) The Chairperson of the Commission on Higher Education as Chairperson;
- 15          (b) The President of the University of the Philippines System as Co-  
16 Chairperson;
- 17          (c) The Chairperson of the Senate Committee on Education, Arts and Culture;
- 18          (d) The Chairperson of the House Committee on Higher and Technical  
19 Education;
- 20          (e) The President of the U.P. Alumni Association, to serve as Alumni Regent  
21 during his or her incumbency in that position;
- 22          (f) One Faculty Regent chosen by the full-time tenured faculty members of  
23 the University from their ranks, to serve for a term of two years;
- 24          (g) One Student Regent, to serve for a term of one year, chosen by the  
25 students from their ranks in accordance with rules and qualifications  
26 approved in a referendum by the students;
- 27          (h) One Staff Regent representing the full-time permanent research,  
28 extension, and professional staff (REPS) and administrative personnel



1 and chosen by them from their ranks, to serve for a term of two years;  
2 and

3 (i) Three other Regents who have distinguished themselves in their  
4 professions or fields of specialization, chosen from a list of five persons  
5 for every vacancy as recommended by a search committee constituted by  
6 the President of the University, based on standards and guidelines  
7 approved by the Board of Regents. At least two of these Regents should  
8 be alumni. All these Regents shall be appointed by the President of the  
9 Philippines considering the recommendation of the Board of Regents and  
10 shall serve for a term of two years: *Provided*, That the Regents holding  
11 office as members of the Board of Regents at the time of the effectivity of  
12 this Act shall continue to serve until the expiration of their appointments  
13 as provided in Executive Order No. 204-A, issued by the President of the  
14 Philippines on July 15, 1987.

15 (2) Vacancy - In case of vacancy in the Board of Regents, except for the  
16 President of the University, such vacancy shall be filled in the same manner as provided  
17 for the predecessor, and such appointee shall hold office for the unexpired term. In the  
18 case of a sectoral Regent, membership in the Board ceases upon suspension,  
19 separation, or recall.

20 (3) Compensation – Members of the Board shall serve without compensation  
21 other than reimbursement for actual and necessary expenses incurred in attendance to  
22 meetings of the Board or other official business authorized by the Board.

23 (4) Meetings; Quorum - The Board of Regents shall convene regularly. The  
24 Chairperson of the Board may call a special meeting whenever necessary: *Provided*,  
25 That members are notified in writing at least three days prior to said meeting.

26 A majority of all members of the Board holding office at the time the meeting is  
27 called shall constitute a quorum for Board meetings.

28 In no case shall any and all members of the Board appoint representatives to act  
29 on their behalf.

1           SEC. 13. *Powers and Duties of the Board of Regents.* – The administration of  
2 the University and the exercise of its corporate powers are vested in the Board of  
3 Regents.

4           The Board shall exercise the following specific powers and duties:

5           (a) To define the thrusts of the University and adopt broad policy guidelines to  
6 ensure their implementation;

7           (b) To preserve the integrity of the University;

8           (c) To approve the institution, merger or abolition of academic programs,  
9 upon recommendation of the University Council of the Constituent  
10 University concerned through the President of the University;

11          (d) To approve the graduation of students and grant of honors, as  
12 recommended by their respective University Councils through the  
13 President of the University;

14          (e) To confer honorary degrees upon persons in recognition of learning,  
15 statesmanship, or eminence in literature, science, or art, upon  
16 recommendation of a committee created by the President of the  
17 University: *Provided*, That such degrees shall not be conferred in  
18 consideration of any payment, gift or other valuable consideration;

19          (f) To approve the institutional programs and rules on student discipline,  
20 upon recommendation of the University Councils through the President of  
21 the University;

22          (g) To create, organize, reorganize, merge or abolish constituent universities,  
23 colleges, institutes, and other academic and administrative units of the  
24 University;

25          (h) To establish professorial chair awards;

26          (i) To provide fellowships, scholarships and grants, including athletic grants  
27 and to award the same to faculty, staff and students having special  
28 evidence of merit, especially those who are poor and deserving  
29 individuals;

- 1 (j) To elect the President of the University for a term of six years following a  
2 process of consultation with the University community based on  
3 standards and guidelines set by the Board of Regents. In the event of a  
4 vacancy, the Board of Regents shall elect a president who shall serve a  
5 full term within six months from the occurrence of the vacancy.
- 6 (k) To appoint faculty members and other officials and employees, to draw up  
7 a position classification and compensation plan for its faculty and staff,  
8 and to fix and adjust salaries and benefits of the faculty members and  
9 other employees: *Provided*, That salaries and other benefits of the  
10 faculties shall be comparable to those being received by their  
11 counterparts in the private sector; to determine their hours of service, and  
12 such other terms and conditions of employment as it may deem proper; to  
13 grant leave of absence under such regulations as it may promulgate, any  
14 other provisions of law to the contrary notwithstanding; and to remove  
15 them for cause as provided by law after due investigation and proper  
16 hearing;
- 17 (l) To extend, with their consent, the tenure of faculty members of the  
18 University beyond the compulsory retirement age, on recommendation of  
19 the units upon endorsement of the President of the University, whenever  
20 their services are especially needed;
- 21 (m) To fix the tuition fees and other necessary school charges, as the Board  
22 may deem proper to impose, after comprehensive consultation with the  
23 students concerned. Such fees and charges, including government  
24 support and other income generated by the University, shall constitute  
25 special trust funds and shall be deposited in an authorized government  
26 depository bank. Any and all interest that shall accrue therefrom shall  
27 form part of the same funds for the use of the University.

28 Notwithstanding any provision of law to the contrary, all incomes  
29 generated by the University or by its subsidiaries shall, upon their

1 collection, be retained by the University and disbursed at the discretion of  
2 the Board for the professional growth and development, health, welfare,  
3 and other benefits of the students, faculty members and other personnel;  
4 for the acquisition, construction, maintenance and repair of urgently  
5 needed instructional and auxiliary facilities, equipment, buildings and  
6 other infrastructure; and for expenses necessary for the attainment of its  
7 purposes under its approved program of expenditures;

8 (n) To receive and appropriate all sums as may be provided by law for the  
9 support of the University to the ends specified by law, and all other sums  
10 in the manner it may, in its discretion, determine to carry out the purposes  
11 and functions of the University;

12 (o) To authorize the construction, maintenance or repair of its buildings,  
13 machinery, equipment and other facilities, and the purchase and  
14 acquisition of real and personal properties, including necessary supplies,  
15 materials and equipment;

16 (p) To receive in trust legacies, gifts and donations of real and personal  
17 property of all kinds and to administer and dispose the same when  
18 necessary for the benefit of the University and subject to the instructions  
19 of the donor, if any;

20 (q) Notwithstanding any provision of law to the contrary, to authorize its  
21 faculty and staff to travel abroad to study, deliver papers, attend  
22 conferences and disseminate research: *Provided*, That the fellowship,  
23 scholarship or grant is authorized by the Board of Regents: *Provided*,  
24 *finally*, That research and other activities funded by the University shall  
25 likewise undertake fields or topics that have promising commercial  
26 applications, and that the faculty and staff involved in said research be  
27 allowed to participate in its financial or economic benefits;

28 (r) To exercise the general powers set out in the Corporation Code;

1 (s) To delegate any of its powers to the President of the University or other  
2 officials or officers as it may deem necessary;

3 (t) To prescribe rules for its own government and the discipline of the faculty  
4 and other personnel and to enact for the government of the University  
5 such general policies, rules and regulations, not contrary to law, as are  
6 consistent with the purposes of the University; and

7 (u) To exercise such powers as may be proper and necessary to carry out  
8 the objectives of this Act.

9 SEC. 14. *The President of the University.* - The President of the University is  
10 the chief academic officer, head of the University Faculty and the chief executive officer  
11 of the University. The President of the University shall exercise the powers specifically  
12 provided for in this Act, those determined by the Board of Regents, those which pertain  
13 to the office of the president of a university, and those which are related or necessary to  
14 its functions. The Board of Regents shall determine the compensation of the President  
15 of the University.

16 The President of the University shall be appointed by the Board of Regents. He  
17 or she shall serve for a term of six years without prejudice to one reappointment after a  
18 determination of outstanding performance by a committee created by the Board of  
19 Regents: *Provided*, That the President of the University sought to be reappointed shall  
20 not vote or participate in the creation of such committee.

21 SEC. 15. *The Secretary of the University and of the Board of Regents.* - There  
22 shall be a Secretary of the University appointed by the Board of Regents, who shall also  
23 be the Secretary of the Board, and who shall keep such records of the University as  
24 may be designated by the Board.

25 SEC. 16. *The University Council.* - There shall be in each constituent university  
26 a University Council consisting of the Chancellor as chairperson, and all faculty  
27 members in the constituent university holding the rank of assistant professor and higher  
28 as members.

1           SEC. 17. Powers of the University Council. - The University Council shall be the  
2 highest academic body of each constituent university and shall exercise the following  
3 powers:

- 4           (a)     Fix the requirements for admission to any college or unit, graduation, and  
5                   the grant of honors subject to the minimum system-wide requirements;
- 6           (b)     Prescribe the academic programs including their institution, revision,  
7                   abolition and merger, subject to the approval of the Board of Regents;
- 8           (c)     Recommend to the Board of Regents the graduation of students and the  
9                   grant of honors;
- 10          (d)     Exercise disciplinary power over the students, through the Chancellors or  
11                   their appropriate committees, subject to review by the President of the  
12                   University according to the limits prescribed by system-wide rules on  
13                   student discipline;
- 14          (e)     Undertake the periodic review of academic courses, programs, standards,  
15                   thrusts and policies; and
- 16          (f)     Adopt internal rules or procedure consistent with the provisions of this  
17                   Act.

18           SEC. 18. *The Chancellor of the Constituent University.* – The Administration of  
19 each constituent university is vested in the Chancellor insofar as authorized by the  
20 Board of Regents and the President of the University. The Chancellor of the constituent  
21 university shall be elected by the Board of Regents upon nomination of the President of  
22 the University, following a process of consultation with the constituents of the  
23 constituent university based on standards and guidelines set by the Board of Regents.  
24 The Chancellor shall report to the President of the University, and shall perform the  
25 duties and functions elsewhere stated in this Act, and all the usual, necessary and  
26 related functions of the office of the chancellor, subject to the policies and rules  
27 prescribed by the Board of Regents. The Board of Regents shall determine the term  
28 and compensation of the Chancellor.

1           SEC. 19. *The Faculty.* – The teaching staff of each college shall constitute its  
2 faculty. The College Faculty shall be presided over by a Dean. The Dean shall be  
3 elected by the Board of Regents upon nomination of the President of the University and  
4 upon recommendation of the Chancellor of the constituent university, following a  
5 process of consultation with the constituents of the college based on standards and  
6 guidelines set by the Board of Regents.

7           SEC. 20. *Appointment Requisites and Practice of Profession.* - Faculty  
8 members, as well as research, extension and professional staff (REPS) of the  
9 University, shall be exempt as such from any civil service examination or regulation as a  
10 requisite to appointment. The provisions of existing law to the contrary notwithstanding,  
11 licensing requirements for professional regulatory boards shall not affect appointments  
12 to faculty positions. In the appointment of faculty members, no religious test shall be  
13 applied, nor shall the religious or political opinions or affiliations of the faculty members  
14 of the University be made subject of examination or inquiry.

15           SEC. 21. *Student Affairs.* – (1) There shall be established in the University the  
16 following student councils: for every college and degree-granting institute, a college or  
17 institute student council; and for every constituent university, a university student  
18 council. Each student council shall advance the interests, welfare, and aspirations of its  
19 constituents. It shall have the power to adopt internal rules of procedure consistent with  
20 the provisions of this Act.

21           Each student council shall be composed of students of an academic unit of the  
22 University duly elected by the students of such unit. Each member of the student  
23 council shall serve for a term of one (1) year, without prejudice to re-election.

24           (2) Every constituent university, college, institute, and department of the  
25 University shall have the right to organize and publish a student publication, funded by  
26 student fees, which shall enjoy unrestricted and immediate access to such funds,  
27 freedom of expression and autonomy in the formulation of editorial policies.

28           SEC. 22. *Land Grants and Other Real Properties of the University.* –

1 (a) The State shall provide subsidy to the University of the Philippines  
2 System as the National University in the form of lump sum amount,  
3 through general appropriations and other financial benefits, and in kind,  
4 through land grants and donations and use of other real properties. To  
5 carry out the intent of these grants, income derived from the development  
6 of all land grants and real properties shall be used to further the ends of  
7 the University, as may be decided by the Board of Regents;

8 (b) Such parcels of land ceded by law, decree or presidential issuance to the  
9 University of the Philippines, are hereby declared to be reserved for the  
10 purposes intended. The absolute ownership of the University over these  
11 landholdings, including those covered by original and transfer certificates  
12 of title in the name of the University of the Philippines and their future  
13 derivatives, is hereby confirmed. Where the issuance of proper  
14 certificates of title is yet pending for these landholdings, the appropriate  
15 government office shall expedite the issuance thereof within six months  
16 from the date of effectivity of this Act: *Provided*, That all registration  
17 requirements necessary for the issuance of the said titles have been  
18 submitted and complied with; and

19 (c) The Board of Regents may plan, design, approve and/or cause the  
20 implementation of contracts, mechanisms, and financial instruments, such  
21 as joint ventures, long-term leases, fully-owned subsidiaries,  
22 securitization and, in exceptional cases, sale to give the University the  
23 flexibility to generate revenues and other resources from land grants and  
24 other properties: *Provided*, That such mechanisms and arrangements  
25 shall sustain and protect the environment in accordance with law, and be  
26 exclusive of the academic core zone of the campuses of the University of  
27 the Philippines: *Provided, finally*, That such mechanisms and  
28 arrangements shall not conflict with the academic mission of the  
29 University.



1           SEC. 23. *Safeguards on Assets Disposition.* - The preservation of the value of  
2 the assets of the University shall be of primordial consideration.

3           The exclusive academic core zone of the campuses of the University shall not be  
4 sold, transferred, ceded, conveyed or assigned, encumbered, leased for purposes  
5 inconsistent with its academic mission or otherwise utilized for non-academic purposes.

6           The provision of this Act or any other law to the contrary notwithstanding, the  
7 sale, transfer, conveyance, assignment, lease of more than five years, mortgage or  
8 encumbrance of the assets of the University and any transactions as referred to in  
9 Section 22 shall be subject to the following conditions and procedures:

10          (a) It shall be based on a multi-year comprehensive development plan,  
11 crafted and developed by qualified urban planning professionals having at least five  
12 years experience, with prior consultations with and concurrence of third-party experts  
13 and duly approved by a majority vote of all the members of the Board of Regents;

14          (b) It shall be subject to competitive and public bidding as provided under  
15 Republic Act No. 9184, otherwise known as the Procurement Reform Law;

16          (c) In the case of two failed biddings and negotiated transaction, if  
17 undertaken, the Board of Regents, when considering the approval of any such  
18 transaction, shall secure a fairness opinion report from an independent third-party body.  
19 The said body shall have five members, three of which shall be nominated by the  
20 Bankers Association of the Philippines (BAP), Investment Houses Association of the  
21 Philippines (IHAP), Trust Officers Association of the Philippines, or the Financial  
22 Executive Institute of the Philippines (FINEX). The members shall be entitled to a  
23 reasonable per diem as the Board may specify.

24          The fairness opinion report shall contain a statement expressing the opinion of  
25 the body as to the fairness to the University of the terms of the proposed transaction,  
26 particularly its financial terms. The report shall include, but not limited to, a review and  
27 analysis of the proposed transaction, financial statements, industry information,  
28 economic conditions assumptions using management projections and the assumptions  
29 used therein and a comparison of similar transactions; and

1 (d) If the contract or transaction involves an amount more than Fifty Million  
2 Pesos (P50,000,000.00), it shall be approved by two-thirds of all the members of the  
3 Board of Regents: *Provided*, That the splitting of contracts, which is by breaking up a  
4 contract into smaller quantities or amounts or dividing contract implementation into  
5 artificial or arbitrary phases or subcontracts for the purpose of circumventing this  
6 provision, shall not be allowed. In all other contracts, the approval of the majority of all  
7 members of the Board shall be required.

8 There shall be a formally convened meeting for the purpose of approving the  
9 transaction and the Regents shall be provided with two weeks prior notice.

10 SEC. 24. *Management of Funds.* - (1) There shall be an independent trust  
11 committee to be composed of one representative each nominated by the Bankers  
12 Association of the Philippines (BAP), the Investment House Association of the  
13 Philippines (IHAP), the Trust Officers Association of the Philippines (TOAP) and the  
14 Financial Executive Institute (FINEX). The members shall be entitled to a reasonable  
15 per diem as the Board may specify. (2) The independent trust committee shall  
16 recommend to the Board five universal banks selected on a prudent basis whose trust  
17 departments shall manage the University's corporate and other funds through trust  
18 agreements on a non-directed basis: *Provided*, That any such agreement shall be for a  
19 period of not more than two years. (3) The independent trust committee shall provide  
20 the Board with direction on appropriate investment objectives and permissible  
21 investments with the view to preserving the value of the funds while allowing the  
22 University to earn a reasonable return thereon.

23 SEC. 25. *Tax Exemptions.* - The provisions of any general or special law to the  
24 contrary notwithstanding:

25 (1) All revenues and assets of the University of the Philippines used for  
26 educational purposes or in support thereof shall be exempt from all taxes  
27 and duties;

28 (2) Gifts and donations of real and personal properties of all kinds shall be  
29 exempt from the donor's tax and the same shall be considered as

1 allowable deductions from the gross income of the donor, in accordance  
2 with the provisions of the National Internal Revenue Code of 1997, as  
3 amended: *Provided*, That the allowable deductions shall be equivalent to  
4 150 percent of the value of such donation. Valuation of assistance other  
5 than money shall be based on the acquisition cost of the property. Such  
6 valuation shall take into consideration the depreciated value of property in  
7 case said property has been used;

8 (3) Importation of economic, technical, vocational, scientific, philosophical,  
9 historical and cultural books, supplies and materials duly certified by the  
10 Board, including scientific and educational computer and software  
11 equipment, shall be exempt from customs duties;

12 (4) The University shall only pay 0% value added tax for all transactions  
13 subject to this tax; and

14 (5) All academic awards shall be exempt from taxes.

15 SEC. 26. *Reportorial Requirements and Auditing of Accounts.* - The University  
16 shall submit an annual report to Congress containing the financial statements,  
17 statement of assets and liabilities, actual projected income from tuition fees and other  
18 revenue sources, contracts and investments entered into pursuant to Section 22 (c)  
19 hereof and programs of expenditure. All accounts and disbursements of the University  
20 shall be audited by the Commission on Audit.

21 SEC. 27. *Applicability of Procurement Laws, Rules and Regulations to the UP*  
22 *System.* - In the procurement of infrastructure projects, goods and consulting services,  
23 the University of the Philippines shall comply with applicable procurement laws as well  
24 as their implementing rules and regulations.

25 SEC. 28. *Rules of Construction.* - No statutory or other issuances shall diminish  
26 the powers, rights, privileges, and benefits accorded to the University under this Act or  
27 enjoyed at present by the University under other issuances not otherwise modified or  
28 repealed under this Act, unless subsequent legislation expressly provides for their  
29 repeal, amendment or modification. Any case of doubt in the interpretation of any of the

1 provisions of this Charter shall be resolved in favor of the academic freedom and fiscal  
2 autonomy of the University of the Philippines.

3       SEC. 29. *Appropriations.* – The amount needed to carry out the implementation  
4 of this Act shall be charged against the current fiscal year's lump sum appropriation and  
5 other internal funds of the University. Thereafter, such lump sum representing the  
6 national government's responsibility for the continued growth, operation and  
7 maintenance of the University shall be included in the Annual General Appropriations  
8 Act.

9       The University may use unexpended balances in any appropriation for purposes  
10 that the Board of Regents determines.

11       SEC. 30. *Separability Clause.* - Should any provision herein be declared  
12 unconstitutional, the same shall not affect the validity of the other provisions of this Act.

13       SEC. 31. *Repealing Clause.* – Act No. 1870, as amended, and all laws, decrees,  
14 orders, rules, and regulations or other issuances or parts inconsistent with the  
15 provisions of this Act are hereby repealed or modified accordingly.

16       SEC. 32. *Effectivity.* – This Act shall take effect fifteen (15) days after its  
17 publication in the *Official Gazette* or in any newspaper of general circulation in the  
18 Philippines.

Approved,