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SENATE

COMMITTEE REPORT NO. 67 RECEIVED BY: FB

Submitted jointly by the Committees on Justice and Human Rights; and Ways and Means on  
JUN 02 2008

Re: Senate Bill No. 2361

Recommending its approval in substitution of Senate Bill No. 2301.

Sponsors: Senators Escudero and Lapid.

**MR. PRESIDENT:**

The Committees on Justice and Human Rights; and Ways and Means to which was referred Senate Bill No. 2301, introduced by Senator Lapid, entitled:

**“AN ACT  
PROVIDING LEGAL ASSISTANCE TO THE POOR AND ENTITLING  
LAWYERS AND LAW FIRMS TO A TAX CREDIT FOR LEGAL SERVICES  
RENDERED TO PAUPER CLIENTS AND FOR OTHER PURPOSES”**


have considered the same and have the honor to report it back to the Senate with the recommendation that the attached bill, Senate Bill No. 2361, prepared by the Committees, entitled:

**“AN ACT  
PROVIDING A MECHANISM FOR FREE LEGAL ASSISTANCE AND FOR  
OTHER PURPOSES”**

be approved in substitution of Senate Bill No. 2301, with Senators Lapid and Escudero as authors thereof.

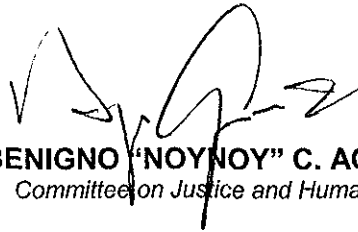
Respectfully submitted:

*Chairman:*



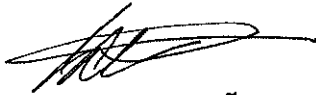
**FRANCIS “CHIZ” G. ESCUDERO**  
*Committee on Justice and Human Rights  
Committee on Ways and Means*

Vice-Chairman:




**BENIGNO "NOYNOY" C. AQUINO III**  
*Committee on Justice and Human Rights*

Members:



**ALAN PETER "COMPAÑERO" S. CAYETANO**  
*Committee on Justice and Human Rights*  
*Committee on Ways and Means*

**COMPAÑERA PIA S. CAYETANO**  
*Committee on Justice and Human Rights*



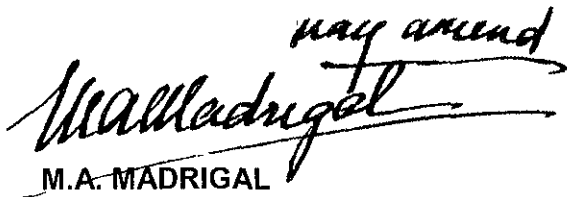
**JUAN PONCE ENRILE**  
*Committee on Justice and Human Rights*  
*Committee on Ways and Means*

**GREGORIO B. HONASAN II**  
*Committee on Justice and Human Rights*  
*Committee on Ways and Means*


**RAMON BONG REVILLA JR.**  
*Committee on Justice and Human Rights*  
*Committee on Ways and Means*



**RODOLFO G. BIAZON**  
*Committee on Justice and Human Rights*

*may amend*  


**M.A. MADRIGAL**  
*Committee on Justice and Human Rights*  
*Committee on Ways and Means*

  
**EDGARDO J. ANGARA**  
*Committee on Ways and Means*



**JOKER P. ARROYO**  
*Committee on Ways and Means*

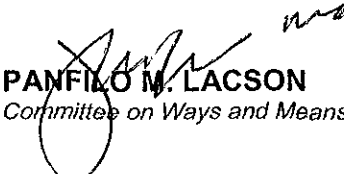
**RICHARD J. GORDON**  
*Committee on Ways and Means*



**MANUEL "LITO" M. LAPID**  
*Committee on Ways and Means*



**JUAN MIGUEL F. ZUBIRI**  
*Committee on Ways and Means*



**PANFILO M. LACSON**  
*Committee on Ways and Means*



**LOREN B. LEGARDA**  
*Committee on Ways and Means*



**MAR ROXAS**  
*Committee on Ways and Means*

**ANTONIO "SONNY" F. TRILLANES IV**  
*Committee on Ways and Means*


Ex-Officio Members:



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



**FRANCIS N. PANGILINAN**  
*Majority Leader*



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

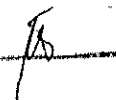
**Hon. MANNY VILLAR**  
*Senate President*  
*Senate of the Philippines*  
*Pasay City*

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

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**SENATE**

S. No. 2361

RECEIVED BY: 

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Prepared by the Committees on Justice and Human Rights and Ways and Means  
with Senators Lapid and Escudero as authors thereof

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**AN ACT**  
**PROVIDING A MECHANISM FOR FREE LEGAL ASSISTANCE AND FOR**  
**OTHER PURPOSES**

*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 “*Legal*  
2 *Assistance Act of 2008.*”

3           **SEC. 2.     Declaration of Policy.** - It is the declared policy of the State to  
4 value the dignity of every human person and guarantee the rights of every individual,  
5 particularly those who cannot afford the services of a legal counsel.

6           Furthermore, it is the policy of the State to promote a just and dynamic social  
7 order that will ensure the prosperity and independence of the nation and free the  
8 people from poverty through policies and programs that provide adequate social  
9 services and improve the quality of life for all.

10           In addition, the State shall guarantee free legal assistance to the poor and  
11 ensure that every person who cannot afford the services of a counsel is provided with  
12 a competent and independent counsel preferably of his/her own choice, if upon  
13 determination it appears that the party cannot afford the services of a counsel, and that  
14 the services of counsel are necessary to secure the ends of justice and protect the  
15 rights of the party.

16           **SEC. 3.     Definition of Terms.** - As provided for in this Act, the term legal  
17 services to be performed by a lawyer refers to any activity which requires the  
18 application of law, legal procedure, knowledge, training and experiences which shall  
19 include, among others, legal advice and counsel, and the preparation of instruments  
20 and contracts, including appearance before the administrative and quasi-judicial  
21 offices, bodies and tribunals, handling cases in court, and other similar services as  
22 may be defined by the Supreme Court.

1           **SEC. 4.        Requirements for Availment.** – For purposes of availing of the  
2 benefits and services as envisioned in this Act, a lawyer or professional partnership  
3 shall secure a certification from the Public Attorney's Office (PAO), Department of  
4 Justice (DOJ), or accredited association of the Supreme Court indicating that the said  
5 legal services to be provided are within the services defined by the Supreme Court,  
6 and that the agencies cannot provide the legal services to be provided by the private  
7 counsel.

8           For purposes of determining the number of hours actually provided by the  
9 lawyer and/or professional firm in the provision of legal services, the association and/or  
10 organization duly accredited by the Supreme Court shall issue the necessary  
11 certification that said legal services were actually undertaken.

12           The certification issued by, among others, the PAO, DOJ and other accredited  
13 association by the Supreme Court shall be submitted to the Bureau of Internal  
14 Revenue (BIR) for purposes of availing the tax deductions as provided for in this Act  
15 and to the Department of Justice (DOJ) for purposes of monitoring.

16           **SEC. 5.        Incentives to Lawyers.** - For purposes of this Act, a lawyer or  
17 professional partnerships rendering actual legal services, as defined by the Supreme  
18 Court, shall be entitled to an allowable tax deduction of up to ten percent (10%) of the  
19 gross income derived from the actual performance of the legal profession.

20           The total tax deduction earned by a registered law partnership shall be allocated  
21 among its partners in proportion to the respective shares of the latter in the earnings  
22 thereof.

23           **SEC. 6.        Information, Education and Communication (IEC) Campaign.** –  
24 The Department of Justice (DOJ), in cooperation with the Philippine Information  
25 Agency (PIA), is hereby mandated to conduct an annual information, education and  
26 communication (IEC) campaign in order to inform the lawyers of the procedures and  
27 guidelines in availing tax deductions and inform the general public that a free legal  
28 assistance to those who cannot afford counsel is being provided by the State.

29           **SEC. 7.        Reportorial Requirement.** - For purposes of determining the  
30 effectiveness and social impact of the provisions of this Act, the Department of Justice  
31 (DOJ) shall submit an Annual Report to both Houses of Congress indicating therewith  
32 the number of parties who benefited from this measure.

33           The report shall state in detail, among others, the geographic location,  
34 demographic characteristics and socio-economic profile of the beneficiaries of this  
35 measure.

36           **SEC. 8.        Implementing Rules and Regulations (IRR).** – Within ninety (90)  
37 days from the date of effectivity of this Act, the Bureau of Internal Revenue (BIR) shall

1 formulate the necessary Revenue Regulations for the proper implementation of the tax  
2 component as envisioned in this Act.

3 The Supreme Court (SC) shall formulate the necessary implementing rules and  
4 regulations with respect to the legal services covered under this Act and the process of  
5 accreditation of organizations and/or associations which will provide free legal  
6 assistance.

7 **SEC. 9. Separability Clause.** - If any provision of this Act is declared  
8 unconstitutional or invalid, the other provisions not affected by such declaration, shall  
9 remain in full force and effect.

10 **SEC. 10. Repealing Clause.** – Any law, decree, ordinance, administrative  
11 circulars not consistent with any provision of this Act is hereby amended, repealed or  
12 modified accordingly.

13 **SEC. 11. Effectivity Clause.** - This act shall take effect fifteen (15) days  
14 after its complete publication in the Official Gazette or in two (2) newspapers of general  
15 circulation.

16 **Approved,**