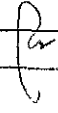


SENATE

'11 MAR 10 P3:53

S. B. No. **2742**

RECEIVED BY: 

Introduced by Senator Ralph G. Recto

### Explanatory Note

No less than the 1987 Constitution mandates the establishment of a central monetary authority that shall provide policy direction in the areas of money, banking, and credit, and exercise supervision over the operations of banks, finance companies and other institutions performing similar functions.

With these in mind, Congress enacted a new Central Bank law in 1993 to replace the old one, which was in effect as early as 1948. While the old Central Bank law – Republic Act 265 – was amended four times during its lifetime, the new law or RA No. 7653 has never been changed in its 17 years of effectivity.

It is therefore imperative that RA 7653 – the law that created the present Bangko Sentral ng Pilipinas (BSP) – be revisited and amended accordingly to respond to the changing times. The prevailing situation 17 years ago are not the same as today and there is a need to redefine or clarify some concepts in the BSP charter in order to render it more effective.

This bill aims to amend the BSP charter to strengthen the institution and plug the supposed gaps and loopholes which the present law's authors failed to anticipate 17 years ago.

One of the most important amendments of this proposed measure is to incorporate the promotion of full employment as one of two primary objectives of the BSP in its formulation of monetary policy, along with maintaining price stability.

It is the contention of the author that the inclusion of advancing full employment as one of the primary objectives of the BSP will have significant and positive effects on the country's economic and financial development. It will also affirm the State's mandate to make labor a primary social economic force.

Other salient provisions of the bill include the following:


- Establishing a mechanism for the full payment of the national government's unpaid subscription to the BSP as mandated by RA 7653.
- Expanding the BSP's supervisory powers to include credit card companies, e-money issuers, remittance agents and institutions performing similar functions.
- Deletion of the provision requiring the confirmation of the BSP Governor by the Commission on Appointments.

- Proposing that no member of the Monetary Board, including the BSP governor and vice governors, shall be elected as director, or employed as officer or employee, or hired as consultant, adviser, lawyer, or in any other capacity in institutions regulated by the BSP three (3) years after their term.
- Allowing the Monetary Board to conduct a meeting through video conferencing or teleconferencing, as required by circumstances.
- Increasing the number of deputy governors from three (3) to five (5).
- Semi-annual appearance before key committees in both houses of Congress.

Other key features of the bill include amendments to provisions governing Reports of Examination (ROEs); appointment of conservators; proceedings in receivership and liquidation; prompt corrective actions; bridge banking; credit facilities for Islamic banks; and the BSP's exemption from taxes and Customs duties.

These amendments are seen to improve the BSP in its mandate to provide policy direction in the areas of money, banking, and credit. They will also aid the BSP in the exercise of its regulatory and supervisory powers over the operations of banks, finance companies and other institutions performing similar functions.

In view of the foregoing, the passage of this bill is earnestly sought.

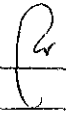


**RALPH G. RECTO**

'11 MAR 10 P3:53

SENATE

S. B. No. 2742

RECEIVED BY: 

Introduced by Senator Ralph G. Recto

AN ACT  
PROVIDING FOR A COMPREHENSIVE REVISION OF THE CHARTER OF THE  
BANGKO SENTRAL NG PILIPINAS (BSP) BY AMENDING REPUBLIC ACT NO. 7653,  
OTHERWISE KNOWN AS "THE NEW CENTRAL BANK ACT"

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

1 SECTION 1. Section 2 of Republic Act No. 7653 is hereby amended to read as follows:

2 "SEC. 2. *Creation of the Bangko Sentral.* — There is hereby established an  
3 independent central monetary authority, which shall be a body corporate known as the  
4 Bangko Sentral ng Pilipinas, hereafter referred to as the Bangko Sentral. The capital of  
5 the Bangko Sentral shall be Fifty Billion Pesos (P50,000,000,000), to be fully  
6 subscribed by the Government of the Republic, hereafter referred to as the  
7 Government, Ten Billion Pesos (P10,000,000,000) of which shall be fully paid for by  
8 the Government upon the effectivity of this Act [and the balance to be paid for within  
9 two (2) years from the effectivity of this Act in such manner and form as the  
10 Government, through the Secretary of Finance and the Secretary of Budget and  
11 Management, may thereafter determine]. **THE BALANCE SHALL BE PAID FOR  
12 IN CASH AVAILABLE TO THE GOVERNMENT OR THROUGH THE  
13 ISSUANCE OF READILY MARKETABLE GOVERNMENT SECURITIES OF  
14 EQUIVALENT MARKET VALUE TO THE BALANCE OF THE UNPAID  
15 SUBSCRIPTION OF THE GOVERNMENT TO THE BANGKO SENTRAL:  
16 PROVIDED, THAT THE CASH OR GOVERNMENT SECURITIES ISSUED  
17 PURSUANT HERETO ARE HEREBY AUTHORIZED AND SHALL BE  
18 DEEMED AUTOMATICALLY APPROPRIATED FOR THE PURPOSE OF  
19 ENABLING THE GOVERNMENT TO COMPLY WITH ITS OBLIGATION  
20 TO PAY FOR ITS UNPAID SUBSCRIPTION TO THE BANGKO SENTRAL."**

21 SEC. 2. Section 3 of Republic Act No. 7653 is hereby amended to read as follows:

22 "SEC. 3. *Responsibility and Primary Objective.* — The Bangko Sentral shall  
23 provide policy directions in the areas of money, banking, and credit. It shall have  
24 supervision over the operations of banks and exercise such regulatory powers as  
25 provided in this Act and other pertinent laws over the operations of finance companies

1 and non-bank financial institutions performing quasi-banking functions, hereafter  
2 referred to as quasi-banks, **INCLUDING CREDIT CARD COMPANIES, E-**  
3 **MONEY ISSUERS, REMITTANCE AGENTS** and institutions performing similar  
4 functions **REGULATED BY THE BANGKO SENTRAL UNDER THIS ACT OR**  
5 **UNDER SPECIAL LAWS.**

6 [The primary objective of the Bangko Sentral is to maintain price stability  
7 conducive to a balanced and sustainable growth of the economy.] **IN THE**  
8 **FORMULATION OF MONETARY POLICY, THE BANGKO SENTRAL**  
9 **SHALL PROMOTE AND ADVANCE THE PRIMARY GOALS OF FULL**  
10 **EMPLOYMENT AND PRICE STABILITY CONDUCTIVE TO A BALANCED**  
11 **AND SUSTAINABLE GROWTH OF THE ECONOMY.** It shall also promote and  
12 maintain monetary stability and the convertibility of the peso.”

13 **SEC. 3.** Section 6 of Republic Act No. 7653 is hereby amended to read as follows:

14 “*SEC. 6. Composition of the Monetary Board.* — The powers and functions of the  
15 Bangko Sentral shall be exercised by the Bangko Sentral Monetary Board, hereafter  
16 referred to as the Monetary Board, composed of seven (7) members appointed by the  
17 President of the Philippines for a term of six (6) years.

18 The seven (7) members are:

19 (a) the Governor of the Bangko Sentral who shall be the Chairman of the Monetary  
20 Board. [The Governor of the Bangko Sentral shall be head of a department and his  
21 appointment shall be subject to confirmation by the Commission on Appointments.]  
22 Whenever the Governor is unable to attend a meeting of the Board, he shall designate a  
23 Deputy Governor to act as his alternate **AND THE ATTENDANCE OF THE LATTER**  
24 **AS AN ALTERNATE TO THE GOVERNOR SHALL BE CONSIDERED IN**  
25 **DETERMINING THE QUORUM BUT SAID ALTERNATE, WHILE ENTITLED**  
26 **TO BE HEARD, SHALL HAVE NO RIGHT TO VOTE: Provided, HOWEVER, That**  
27 **in [such event,] THE ABSENCE OF THE GOVERNOR AT THE MEETING OF**  
28 **THE BOARD,** the Monetary Board shall designate one of its members as acting  
29 Chairman;

30 (b) a member of the Cabinet to be designated by the President of the Philippines.  
31 Whenever the designated Cabinet Member is unable to attend a meeting of the Board, he  
32 shall designate an Undersecretary in his Department to attend as his alternate **WHOSE**  
33 **ATTENDANCE AT THE MEETING OF THE BOARD SHALL BE CONSIDERED**  
34 **IN DETERMINING A QUORUM BUT SAID ALTERNATE, WHILE ENTITLED**  
35 **TO BE HEARD, SHALL HAVE NO RIGHT TO VOTE; and**

36 (c) five (5) members who shall come from the private sector, all of whom shall  
37 serve full-time: *Provided,* however, That of the members first appointed under the  
38 provisions of this subsection, three (3) shall have a term of six (6) years, and the other two  
39 (2), three (3) years. No member of the Monetary Board may be reappointed more than  
40 once.”

1 **SEC. 4.** Section 9 of Republic Act No. 7653 is hereby amended to read as follows:

2           “SEC. 9. *Disqualifications.* — In addition to the disqualifications imposed by  
3 Republic Act No. 6713, a member of the Monetary Board is disqualified from being a  
4 director, officer, employee, consultant, lawyer, agent or stockholder of any bank,  
5 quasi-bank or any other institution which is subject to supervision or examination by  
6 the Bangko Sentral, in which case such member shall resign from, and divest himself  
7 of any and all interests in such institution before assumption of office as member of the  
8 Monetary Board.

9           The members of the Monetary Board coming from the private sector shall not  
10 hold any other public office or public employment during their tenure.

11           No person shall be a member of the Monetary Board if he has been connected  
12 directly with any [multilateral] banking or financial institution or has a substantial  
13 interest in any private bank in the Philippines, within one (1) year prior to his  
14 appointment [; likewise, no member of the Monetary Board shall be employed in any  
15 such institution within two (2) years after the expiration of his term except when he  
16 serves as an official representative of the Philippine Government to such institution].

17 **NO MEMBER OF THE MONETARY BOARD, INCLUDING THE**  
18 **GOVERNOR AND ANY DEPUTY GOVERNOR OF THE BANGKO SENTRAL**  
19 **SHALL BE ELECTED AS DIRECTOR, OR EMPLOYED AS OFFICER OR**  
20 **EMPLOYEE, OR HIRED AS CONSULTANT, ADVISER, LAWYER OR IN**  
21 **OTHER CONTRACTUAL CAPACITY OF ANY BANK, QUASI-BANK,**  
22 **FINANCE COMPANY, NON-BANK FINANCIAL INTERMEDIARY, OR IN**  
23 **SIMILAR CAPACITIES IN OTHER INSTITUTIONS THAT ARE**  
24 **SUPERVISED/REGULATED BY THE BANGKO SENTRAL WITHIN THREE**  
25 **(3) YEARS AFTER THE EXPIRATION OF THEIR RESPECTIVE TERMS OF**  
26 **OFFICE OR AFTER ANY OF SUCH OFFICIALS RETIRES OR RESIGNS**  
27 **FROM THEIR RESPECTIVE POSITIONS IN THE BANGKO SENTRAL**  
28 **EXCEPT WHEN ANY OF SUCH OFFICIALS IS APPOINTED OR**  
29 **DESIGNATED AS AN OFFICIAL REPRESENTATIVE OF THE PHILIPPINE**  
30 **GOVERNMENT IN A MULTILATERAL OR INTERNATIONAL FINANCIAL**  
31 **INSTITUTION.”**

32 **SEC. 5.** Section 11 of Republic Act No. 7653 is hereby amended to read as follows:

33           “SEC. 11. *Meetings.* – The Monetary Board shall meet at least once a week.  
34 The Board may be called to a meeting by the Governor of the Bangko Sentral or by  
35 two (2) other members of the Board.

36           The presence of four (4) members shall constitute a quorum: *Provided*, That in  
37 all cases the Governor or his duly designated alternate shall be among the four (4).

1 Unless otherwise provided in this Act, all decisions of the Monetary Board  
2 shall require the concurrence of at least four (4) members.

3 **THE MEETING OF THE MONETARY BOARD, AS REQUIRED BY**  
4 **CIRCUMSTANCES, MAY BE CONDUCTED THROUGH**  
5 **TELECONFERENCING OR VIDEO CONFERENCING SUBJECT TO PRIOR**  
6 **NOTICE TO ALL THE MEMBERS OF THE BOARD OF THE CALL FOR**  
7 **SUCH METHOD OF CONFERENCING AND SUBJECT FURTHER TO THE**  
8 **REQUIREMENT THAT THE CHAIRMAN OF THE BOARD OR THE**  
9 **ALTERNATE PRESIDING OFFICER IS PHYSICALLY PRESENT,**  
10 **TOGETHER WITH THREE (3) OTHER MEMBERS OF THE BOARD, AT**  
11 **THE DESIGNATED VENUE OF THE MEETING.**

12 **THE GOVERNOR SHALL VOTE, AT MEETINGS OF THE**  
13 **MONETARY BOARD SUBJECT TO THE LIMITATIONS OF SECTION 14**  
14 **(WITHDRAWAL DUE TO PERSONAL OR PECUNIARY INTEREST)**  
15 **HEREIN. EACH AND EVERY VOTE OF THE GOVERNOR AND THE**  
16 **MONETARY BOARD MEMBERS, BE IT IN THE AFFIRMATIVE,**  
17 **NEGATIVE OR ABSTENTION, SHOULD BE REFLECTED IN THE**  
18 **MINUTES OF THE MEETING.**

19 The Bangko Sentral shall maintain and preserve a complete record of the  
20 proceedings and deliberations of the Monetary Board, including the tapes and  
21 transcripts of the stenographic notes[, either] in their original form, [or] in microfilm  
22 **OR IN OTHER RECORDING MEDIA.”**

23 **SEC. 6.** Section 12 of Republic Act No. 7653 is hereby amended to read as follows:

24 “SEC. 12. *Attendance of the Deputy Governors.* — The Deputy Governors  
25 [may] **SHALL, UPON THE ORDER OF THE GOVERNOR OR THE**  
26 **MONETARY BOARD,** attend the meetings of the Monetary Board with the right to  
27 be heard. **OTHER OFFICIALS OF THE BANGKO SENTRAL MAY BE**  
28 **DIRECTED TO ATTEND THE MONETARY BOARD MEETINGS UPON**  
29 **INVITATION OF THE MONETARY BOARD ON A PER MEETING BASIS IF**  
30 **THEIR EXPERTISE IS NEEDED IN A PARTICULAR AGENDA OR**  
31 **MATTER.”**

32 **SEC. 7.** Section 15 of Republic Act No. 7653 is hereby amended to read as follows:

33 “SEC. 15. *Exercise of Authority.* — In the exercise of its authority, the  
34 Monetary Board shall:

35 (a) issue rules and regulations it considers necessary for the effective discharge  
36 of the responsibilities and exercise of the powers vested upon the Monetary Board and  
37 the Bangko Sentral. The rules and regulations issued shall be reported to the President  
38 and the Congress within fifteen (15) days from the date of their issuance;

1 ANY ISSUANCE THAT AFFECTS THIRD PARTIES OR IMPOSES A  
2 PENALTY OR SANCTION AGAINST THE INSTITUTIONS  
3 SUPERVISED/REGULATED BY THE BANGKO SENTRAL OR THEIR  
4 DIRECTORS OR OFFICERS SHALL, BEFORE ITS ISSUANCE, BE  
5 SUBJECT TO PUBLIC HEARINGS OF THE PARTIES AND INSTITUTIONS  
6 TO BE AFFECTED.

7 NO RULES AND REGULATIONS SHALL BECOME EFFECTIVE  
8 UNLESS PUBLISHED IN TWO (2) NEWSPAPERS OF NATIONAL  
9 CIRCULATION;

10 (b) direct the management, operations, and administration of the Bangko  
11 Sentral, reorganize its personnel AND IN CONNECTION THEREWITH  
12 PROVIDE SEPARATION BENEFITS AS DEEMED APPROPRIATE, and issue  
13 such rules and regulations as it may deem necessary or convenient for this purpose.  
14 [The legal units of the Bangko Sentral shall be under the exclusive supervision and  
15 control of the Monetary Board;]

16 THE MONETARY BOARD SHALL ESTABLISH A LEGAL UNIT  
17 UNDER ITS EXCLUSIVE SUPERVISION AND CONTROL THAT SHALL  
18 ASSIST THE MONETARY BOARD IN ITS POLICY FORMULATION, IN  
19 THE PROMULGATION OF IMPLEMENTING RULES AND REGULATIONS  
20 AND IN REVIEWING THE LEGAL ASPECT OF MEASURES INCLUDED IN  
21 THE AGENDA OF THE MEETINGS OF THE MONETARY BOARD;

22 (c) establish a human resource management system which shall govern the  
23 selection, hiring, appointment, transfer, promotion, or dismissal of all personnel. Such  
24 system shall aim to establish professionalism and excellence at all levels of the Bangko  
25 Sentral in accordance with sound principles of management.

26 A compensation structure, based on job evaluation studies and wage surveys  
27 and subject to the Board's approval, shall be instituted as an integral component of the  
28 Bangko Sentral's human resource development program: *Provided*, That the  
29 Monetary Board shall make its own system conform as closely as possible with the  
30 principles provided for under Republic Act No. 6758[: *Provided*, however, That  
31 compensation and wage structure of employees whose positions fall under salary  
32 grade 19 and below shall be in accordance with the rates prescribed under Republic  
33 Act No. 6758].

34 On the recommendation of the Governor, appoint, fix the remunerations and  
35 other emoluments, and remove personnel of the Bangko Sentral, subject to pertinent  
36 civil service laws: *Provided*, That the Monetary Board shall have exclusive and final  
37 authority to promote, transfer, assign, or reassign personnel of the Bangko Sentral and  
38 these personnel actions are deemed made in the interest of the service and not

1 disciplinary: *Provided, further,* That the Monetary Board may delegate such authority  
2 to the Governor under such guidelines as it may determine.

3 (d) adopt an annual budget for and authorize such expenditures by the Bangko  
4 Sentral as are in the interest of the effective administration and operations of the  
5 Bangko Sentral in accordance with applicable laws and regulations; and

6 (e) indemnify its members and other officials of the Bangko Sentral, including  
7 personnel [of the departments] performing supervision and examination functions,  
8 **CREDIT AND MONETARY POLICY OPERATIONS** against all costs and  
9 expenses reasonably incurred by such persons in connection with any civil or criminal  
10 action, suit or proceedings to which he may be, or is, made a party by reason of the  
11 performance of his functions or duties, unless he is finally adjudged in such action or  
12 proceeding to be liable for **BAD FAITH, MALICE**, negligence or misconduct.

13 In the event of a settlement or compromise, indemnification shall be provided  
14 only in connection with such matters covered by the settlement as to which the Bangko  
15 Sentral is advised by external counsel that the person to be indemnified [did not  
16 commit any] **HAD NOT ACTED WITH BAD FAITH, MALICE**, negligence or  
17 misconduct.

18 The costs and expenses incurred in defending the aforementioned action, suit or  
19 proceeding may be paid by the Bangko Sentral in advance of the final disposition of  
20 such action, suit or proceeding upon receipt of an undertaking by or on behalf of the  
21 member, officer, or employee **REFERRED TO IN SUBSECTION (E)** to repay the  
22 amount advanced should it ultimately be determined by the Monetary Board that he is  
23 not entitled to be indemnified as provided in this subsection **ON ACCOUNT OF**  
24 **BAD FAITH, MALICE, NEGLIGENCE OR MISCONDUCT.**”

25 **SEC. 8.** Section 16 of Republic Act No. 7653 is hereby amended to read as follows:

26 “SEC. 16. *Responsibility.* –Members of the Monetary Board, officials,  
27 examiners, and employees of the Bangko Sentral who willfully violate this Act or who  
28 are guilty of negligence, abuses or acts of malfeasance or misfeasance or fail to  
29 exercise extraordinary diligence in the performance of his duties shall be held liable  
30 for any loss or injury suffered by the Bangko Sentral or other banking institutions as a  
31 result of such violation, negligence, abuse, malfeasance, misfeasance or failure to  
32 exercise extraordinary diligence.

33 Similar responsibility shall apply to members, officers, and employees of the  
34 Bangko Sentral for: (1) the disclosure of any information of a confidential nature, [or  
35 any information on the discussions or resolutions of the Monetary Board,] or about the  
36 confidential operations of the Bangko Sentral, unless the disclosure is in connection  
37 with the performance of official functions with the Bangko Sentral, or is with prior  
38 authorization of the Monetary Board or the Governor; or (2) the use of such



1 information for personal gain or to the detriment of the Government, the Bangko  
2 Sentral or third parties: *Provided, however,* That any data or information required to be  
3 submitted to the President and/or the Congress, or to be published under the provisions  
4 of this Act shall not be considered confidential.”

5 **SEC. 9.** Section 17 of Republic Act No. 7653 is hereby amended to read as follows:

6 “**SEC. 17. Powers and Duties of the Governor.** — The Governor shall be the  
7 chief executive officer of the Bangko Sentral. His powers and duties shall be to:

8 (a) prepare, **AT HIS INITIATIVE, OR UPON THE**  
9 **RECOMMENDATION OF A MEMBER OF THE MONETARY BOARD,** the  
10 agenda for the meetings of the Monetary Board and to submit for the consideration of  
11 the Board the policies and measures [which he believes] **DEEMED** to be necessary to  
12 carry out the purposes and provisions of this Act. **THE SUPPORTING**  
13 **MEMORANDUM FOR ANY ITEM INCLUDED IN THE AGENDA FOR THE**  
14 **MEETINGS OF THE MONETARY BOARD SHALL BE DISTRIBUTED TO**  
15 **THE MEMBERS AT LEAST THREE (3) WORKING DAYS BEFORE THE**  
16 **SCHEDULED MEETING IN ORDER TO ENABLE THE MEMBERS OF THE**  
17 **BOARD TO STUDY, REVIEW, AND EVALUATE EACH AND EVERY ITEM**  
18 **INCLUDED IN THE AGENDA; PROVIDED, HOWEVER, THAT IN**  
19 **EMERGENCY CASES, PRIOR ONE (1) WORKING DAY BEFORE A**  
20 **MEETING SHALL APPLY;**

21 (b) execute and administer the policies and measures approved by the  
22 Monetary Board **UPON THEIR EFFECTIVITY;**

23 (c) direct and supervise the operations and internal administration of the  
24 Bangko Sentral. The Governor may delegate **IN WRITING** certain of his  
25 administrative responsibilities **OR SPECIFIC TASKS** to other officers or may assign  
26 specific tasks or responsibilities to any full-time member of the Monetary Board  
27 without additional remuneration or allowance whenever he may deem fit **SUBJECT**  
28 **TO SUCH GUIDELINES AND REPORTORIAL REQUIREMENTS AS HE**  
29 **SHALL REQUIRE** or subject to such rules and regulations as the Monetary Board  
30 may prescribe **FOR THE DELEGATED AUTHORITY; PROVIDED, HOWEVER,**  
31 **THAT A POWER OR AUTHORITY DIRECTLY VESTED BY LAW TO BE**  
32 **EXERCISED BY THE MONETARY BOARD UNDER THIS ACT AND/OR**  
33 **UNDER ANY OTHER SPECIAL LAW SHALL NOT BE DELEGATED TO BE**  
34 **EXERCISED BY THE GOVERNOR OR ANY OTHER EXECUTIVE OFFICER**  
35 **OF THE BANGKO SENTRAL, BUT THE POWER OR AUTHORITY**  
36 **EXERCISED BY THE MONETARY BOARD PURSUANT TO LAW**  
37 **THROUGH THE RULES AND REGULATIONS PROMULGATED BY IT, OR**  
38 **THE DECISIONS, RULINGS OR ORDERS ISSUED BY THE MONETARY**  
39 **BOARD SHALL BE IMPLEMENTED OR EXECUTED BY THE GOVERNOR**

1 **AND/OR OTHER PERTINENT EXECUTIVE OFFICERS OF THE BANGKO**  
2 **SENTRAL;**

3 (d) appoint and fix the remunerations and other emoluments of personnel  
4 below the rank of a department head in accordance with the position and compensation  
5 plans approved by the Monetary Board, as well as to impose disciplinary measures  
6 upon personnel of the Bangko Sentral, subject to the provisions of Section 15(c) of this  
7 Act: *Provided*, That removal of personnel shall be with the approval of the Monetary  
8 Board; **AND**

9 [(e) render opinions, decisions, or rulings, which shall be final and executory  
10 until reversed or modified by the Monetary Board, on matters regarding application or  
11 enforcement of laws pertaining to institutions supervised by the Bangko Sentral and  
12 laws pertaining to quasi-banks, as well as regulations, policies or instructions issued by  
13 the Monetary Board, and the implementation thereof; and]

14 [(f) (E) exercise such other powers as may be vested in him by the Monetary  
15 Board.”

16 **SEC. 10.** Section 19 of Republic Act No. 7653 is hereby amended to read as follows:

17 “SEC. 19. *Authority of the Governor in Emergencies.* — In case of  
18 emergencies where time is insufficient to call a **FORMAL** meeting of the Monetary  
19 Board, the Governor of the Bangko Sentral, with the concurrence of [two (2)] **THREE**  
20 **(3)** other members of the Monetary Board, may decide [any] **AN URGENT** matter or  
21 take [any] action [within the authority of the Board] **RELEVANT TO THE**  
22 **EMERGENCY INVOLVED, WITHOUT FORMALLY CONVENING A**  
23 **MEETING OF THE MONETARY BOARD.**

24 The Governor shall submit a report to the President and Congress within  
25 seventy-two (72) hours after the action has been taken.

26 At the soonest possible time, the Governor shall call a meeting of the Monetary  
27 Board to submit his action for ratification.”

28 **SEC. 11.** Section 21 of Republic Act No. 7653 is hereby amended to read as follows:

29 “SEC. 21. *Deputy Governors.* — The Governor of the Bangko Sentral, with  
30 the approval of the Monetary Board, shall appoint not more than [three (3)] **FIVE (5)**  
31 Deputy Governors who shall perform duties **AND RESPONSIBILITIES**  
32 **CONSISTENT WITH THEIR RESPECTIVE SECTORS ASSIGNED TO THEM**  
33 **BY THE MONETARY BOARD, TO WIT:** [as may be assigned to them by the  
34 Governor and the Board.]

35 **(A) DEPUTY GOVERNOR FOR THE MONETARY AND CURRENCY**  
36 **MANAGEMENT SECTOR;**



1 (B) DEPUTY GOVERNOR FOR SUPERVISION AND EXAMINATION  
2 OF COMMERCIAL AND UNIVERSAL BANKS (INCLUDING THEIR  
3 SUBSIDIARIES AND AFFILIATES ENGAGED IN FINANCIAL ALLIED  
4 UNDERTAKINGS) AS WELL AS GOVERNMENT-OWNED AND  
5 CONTROLLED BANKS;

6 (C) DEPUTY GOVERNOR FOR SUPERVISION AND EXAMINATION  
7 OF STAND-ALONE RURAL BANKS AND THRIFT BANKS (WHICH ARE  
8 NOT AFFILIATED TO UNIVERSAL OR COMMERCIAL BANKS);  
9 COOPERATIVE BANKS; AND MICROFINANCE BANKS;

10 (D) DEPUTY GOVERNOR FOR SUPERVISION AND EXAMINATION  
11 OF NON-BANK FINANCIAL INTERMEDIARIES WHICH BY SPECIAL  
12 LAWS HAVE BEEN PLACED UNDER THE SUPERVISION OF THE  
13 BANGKO SENTRAL WHICH INCLUDE INVESTMENT HOUSES; SAVINGS  
14 AND LOAN ASSOCIATIONS; PAWNSHOPS; CREDIT CARD COMPANIES;  
15 REMITTANCE AGENTS; AND E-MONEY ISSUERS;

16 (E) DEPUTY GOVERNOR FOR HUMAN RESOURCES  
17 MANAGEMENT WHO SHALL BE IN CHARGE OF THE ADMINISTRATIVE  
18 REQUIREMENTS OF RECRUITMENT, APPOINTMENT, PERFORMANCE  
19 EVALUATION, AND THE IMPLEMENTATION OF COMPENSATION AND  
20 BENEFITS, PAYROLL SERVICING, LEAVES AND RETIREMENTS AND  
21 EMPLOYEE RELATIONS, INCLUDING THE ASSESSMENT OF THE  
22 TRAINING NEEDS OF ALL PERSONNEL OF THE BANGKO SENTRAL,  
23 AND THE DESIGN AND ADMINISTRATION OF TRAINING PROGRAMS  
24 FOR THE RANK AND FILE EMPLOYEES, THE EXECUTIVE  
25 DEVELOPMENT AND VALUES ENHANCEMENT COURSES; THE  
26 ADMINISTRATION OF THE MEDICAL AND DENTAL CLINIC, AND WHO  
27 SHALL SUPERVISE THE CONSTRUCTION, REPAIR AND RENOVATION  
28 OF ALL BUILDINGS, OFFICES AND FACILITIES OF THE BANGKO  
29 SENTRAL, THE GENERAL UP-KEEP AND MAINTENANCE OF THE  
30 MECHANICAL, ELECTRICAL, ELECTRONIC AND  
31 AUXILIARY/ACCESSORY EQUIPMENT SYSTEMS OF THE BANGKO  
32 SENTRAL AND THE PROTECTION AND SAFEGUARDS OF THE MAIN  
33 OFFICE AND OTHER BRANCHES OF THE BANGKO SENTRAL.

34 THE SCOPE OF THE DUTIES AND RESPONSIBILITIES OF EACH  
35 AND EVERY DEPUTY GOVERNOR AND THE OFFICES UNDER EACH OF  
36 THEM AND THE DELINEATION OF OTHER FUNCTIONS AND  
37 ASSIGNMENTS SHALL BE DEFINED OR REFINED AND PRESCRIBED BY  
38 THE MONETARY BOARD UPON RECOMMENDATION OF THE  
39 GOVERNOR.

1           **THE MANAGEMENT OF THE PROVIDENT FUND, THE**  
2           **PROCUREMENT SERVICES, INCLUDING THE SERVICING OF THE BIDS**  
3           **AND AWARDS COMMITTEE AND THE SECURITY PLANT COMPLEX**  
4           **SHALL BE DEFINED AND PRESCRIBED BY THE MONETARY BOARD.**  
5           **THE MONITORING, REPORTING, AND THE INFORMATION**  
6           **TECHNOLOGY APPLICATIONS REQUIRED FOR EACH OF THE OFFICES**  
7           **AND SERVICES REFERRED TO IN THIS PARAGRAPH SHALL ALSO BE**  
8           **SET FORTH BY THE MONETARY BOARD, UPON RECOMMENDATION**  
9           **OF THE GOVERNOR.**

10           [In the absence of the Governor, a Deputy Governor designated by the  
11 Governor shall act as chief executive of the Bangko Sentral and shall exercise the  
12 powers and perform the duties of the Governor. Whenever the Government is unable  
13 to attend meetings of government boards or councils in which he is an ex officio  
14 member pursuant to provisions of special laws, a Deputy Governor as may be  
15 designated by the Governor shall be vested with authority to participate and exercise  
16 the right to vote in such meetings.]”

17 **SEC. 12.** Section 23 of Republic Act No. 7653 is hereby amended to read as follows:

18           “SEC. 23. *Authority to Obtain Data and Information.* — The Bangko Sentral  
19 shall have the authority to [request] REQUIRE from government offices and  
20 instrumentalities, or government-owned or controlled corporations, any data which it  
21 may require for the proper discharge of its functions and responsibilities. The Bangko  
22 Sentral through the Governor or in his absence, a [duly authorized representative]  
23 **DEPUTY GOVERNOR DULY AUTHORIZED IN WRITING** shall have the  
24 power to issue a subpoena [for the production of the books and records for the  
25 aforesaid purpose] **SPECIFYING THE DATA REQUIRED AND THE SPECIFIC**  
26 **PURPOSE FOR WHICH SUCH DATA SHALL BE ISSUED.** Those who refuse  
27 the subpoena without justifiable cause, or who refuse to supply the [bank] **BANGKO**  
28 **SENTRAL** with data [requested or] required, shall be subject to punishment for  
29 contempt in accordance with the provisions of the Rules of Court.

30           Data on individual firms, other than banks, gathered by the Department of  
31 Economic Research and other departments or units of the Bangko Sentral shall not be  
32 made available to any person or entity outside of the Bangko Sentral whether public or  
33 private except under order of the court or under such conditions as may be prescribed  
34 by the Monetary Board: *Provided*, however, That the collective data on firms may be  
35 released to interested persons or entities: *Provided, Finally*, That in the case of data on  
36 banks, the provisions of Section 27 of this Act shall apply.”

37 **SEC. 13.** Section 24 of Republic Act No. 7653 is hereby amended to read as follows:

1       “Sec. 24. *Training of Technical Personnel.* — The Bangko Sentral shall promote and  
2 sponsor the training of technical personnel in the fields of [money and banking]  
3 **BANKING, QUASI-BANKING, NON-BANK FINANCIAL INTERMEDIARIES,**  
4 **MICROFINANCE, DERIVATIVES, ARBITRAGE, FOREIGN EXCHANGE,**  
5 **SAVINGS FORMATION, PAYMENT AND SETTLEMENT SYSTEMS,**  
6 **INFORMATION TECHNOLOGY, MONEY AND CAPITAL MARKETS**  
7 **DEVELOPMENT TRENDS, INNOVATIONS AND PRACTICES AND SUCH**  
8 **OTHER TRAINING PROGRAMS AS THE MONETARY BOARD SHALL**  
9 **APPROVE.** Toward this end, the Bangko Sentral is hereby authorized to defray the  
10 costs of study, at home or abroad, of qualified employees of the Bangko Sentral, of  
11 promising university graduates or of any other qualified persons who shall be  
12 determined by proper competitive examinations. The Monetary Board shall prescribe  
13 rules and regulations to govern the training program of the Bangko Sentral.”

14 **SEC. 14.** Section 25 of Republic Act No. 7653 is hereby amended to read as follows:

15           “SEC. 25. *Supervision and Examination.* — **SUBJECT TO THE**  
16 **PROVISIONS OF SECTION 28 OF THIS ACT,** the Bangko Sentral **THROUGH**  
17 **THE SUPERVISING AND EXAMINING DEPARTMENT DESIGNATED**  
18 **UNDER THIS ACT** shall have supervision over, and conduct [periodic] **REGULAR**  
19 or special examinations of [banking institutions] **BANKS** and quasi-banks, including  
20 their subsidiaries and affiliates engaged in allied activities **AND OTHER**  
21 **FINANCIAL INSTITUTIONS WHICH UNDER SPECIAL LAWS ARE**  
22 **SUBJECT TO BANGKO SENTRAL SUPERVISION.**

23           **THE BANGKO SENTRAL SHALL ALSO HAVE THE POWER TO**  
24 **REGULATE AND EXAMINE TRANSACTIONS BETWEEN A SUPERVISED**  
25 **INSTITUTION AND ITS PARENT COMPANY.**

26           For purposes of **THE FIRST PARAGRAPH OF** this Section, a subsidiary  
27 means a corporation more than fifty percent (50%) of the voting stock of which is  
28 owned **DIRECTLY OR INIDIRECTLY** by a bank or quasi-bank and an affiliate  
29 means a corporation the voting stock of which, to the extent of fifty percent (50%) or  
30 less, is owned by a bank or quasi-bank or which is related or linked to such institution  
31 or intermediary through common stockholders or such other factors as may be  
32 determined by the Monetary Board.

33           **IN CONNECTION WITH THE SECOND PARAGRAPH OF THIS**  
34 **SECTION, A PARENT COMPANY MEANS A CORPORATION WHICH**  
35 **OWNS DIRECTLY OR INDIRECTLY THE VOTING STOCK OF A**  
36 **SUPERVISED INSTITUTION OF THE BANGKO SENTRAL SUFFICIENT TO**  
37 **CONTROL ITS MANAGEMENT AND OPERATIONS.**

1 AS USED IN THIS SECTION, CONTROL EXISTS WHEN THE  
2 PARENT OWNS DIRECTLY OR INDIRECTLY MORE THAN ONE-HALF  
3 OF THE STOCK OF A SUPERVISED INSTITUTION. CONTROL ALSO  
4 EXISTS EVEN WHEN THE PARENT OWNS ONE-HALF OR LESS OF THE  
5 VOTING STOCK OF THE SUPERVISED INSTITUTION WHEN THERE IS  
6 POWER OVER MORE THAN ONE-HALF OF THE VOTING RIGHTS BY  
7 PROXY OR BY VIRTUE OF AN AGREEMENT WITH OTHER INVESTORS  
8 WHICH THEREBY ENABLES THE PARENT COMPANY TO CAST THE  
9 MAJORITY OF VOTES AT MEETINGS OF THE STOCKHOLDERS OF THE  
10 SUPERVISED INSTITUTION, OR TO ELECT THE MAJORITY OF  
11 MEMBERS OF THE BOARD OF DIRECTORS OF THE SUPERVISED  
12 INSTITUTION OR TO APPOINT KEY EXECUTIVE OFFICERS WHO  
13 SHALL DIRECTLY OR INDIRECTLY CONTROL THE MANAGEMENT  
14 AND OPERATIONS OF THE SUPERVISED INSTITUTION.

15 The department heads and the examiners of the supervising and/or examining  
16 departments are hereby authorized to administer oaths to any director, officer, or  
17 employee of any institution under their respective supervision or subject to their  
18 examination and to compel the presentation of all books, documents, papers or records  
19 necessary in their judgment to ascertain the facts relative to the true condition of any  
20 institution as well as the books and records of persons and entities relative to or in  
21 connection with the operations, activities or transactions of the institution under  
22 examination, subject to the provision of existing laws protecting or safeguarding the  
23 secrecy or confidentiality of bank deposits as well as investments of private persons,  
24 natural or juridical, in debt instruments issued by the Government.

25 [No restraining order or injunction shall be issued by the court enjoining the Bangko  
26 Sentral from examining any institution subject to supervision or examination by the  
27 Bangko Sentral, unless there is convincing proof that the action of the Bangko Sentral  
28 is plainly arbitrary and made in bad faith and the petitioner or plaintiff files with the  
29 clerk or judge of the court in which the action is pending a bond executed in favor of  
30 the Bangko Sentral, in an amount to be fixed by the court. The provisions of Rule 58  
31 of the New Rules of Court insofar as they are applicable and not inconsistent with the  
32 provisions of this Section shall govern the issuance and dissolution of the restraining  
33 order or injunction contemplated in this Section.]”

34 **SEC. 15.** Section 26 of Republic Act No. 7653 is hereby amended to read as follows:

35 “SEC. 26. *Bank Deposits [and Investments]*. — Any director, officer or  
36 stockholder who, together with his related interest, contracts a loan or any form of  
37 financial accommodation from: (1) his bank; or (2) from a bank (a) which is a  
38 subsidiary of a bank holding company of which both his bank and the lending bank are

1 subsidiaries or (b) in which a controlling proportion of the shares is owned by the same  
2 interest that owns a controlling proportion of the shares of his bank, in excess of five  
3 percent (5%) of the capital and surplus of the bank, or in the maximum amount  
4 permitted by law, whichever is lower, shall be required by the lending bank to waive  
5 the secrecy of his deposits of whatever nature in all banks in the Philippines. Any  
6 information obtained from an examination of his deposits shall be held strictly  
7 confidential and may be used by the examiners only in connection with their  
8 supervisory and examination responsibility or by the Bangko Sentral in an appropriate  
9 legal action it has initiated involving the deposit account.

10 **RELATED INTEREST, AS USED IN THIS SECTION, SHALL REFER**  
11 **TO STOCKHOLDINGS OF FAMILY GROUPS OR CORPORATE**  
12 **HOLDINGS OF THE SAME FAMILY GROUPS OR SAME GROUPS OF**  
13 **PERSONS AS DEFINED IN SECTION 12 AND SECTION 13 OF REPUBLIC**  
14 **ACT NO. 8791 OTHERWISE KNOWN AS THE GENERAL BANKING LAW**  
15 **OF 2000 WHO CONTROL OR OWN AT LEAST FORTY PERCENT (40%) OF**  
16 **THE VOTING STOCK OF A BANK, QUASI BANK, AND OTHER**  
17 **FINANCIAL INSTITUTION WHICH IS SUBJECT TO SUPERVISION BY**  
18 **THE BANGKO SENTRAL; RELATED INTEREST MAY ALSO REFER TO A**  
19 **HOLDING COMPANY THAT CONTROLS OR OWNS AT LEAST FORTY**  
20 **PERCENT (40%) OF THE VOTING STOCK AS A GROUP, OF BANKS,**  
21 **QUASI BANKS AND OTHER FINANCIAL INSTITUTIONS WHICH ARE**  
22 **SUBJECT TO SUPERVISION BY THE BANGKO SENTRAL.”**

23 **SEC. 16.** Section 27 of Republic Act No. 7653 is hereby amended to read as follows:

24 “SEC. 27. *Prohibitions.* — In addition to the prohibitions found in Republic  
25 Act Nos. 3019 and 6713, personnel of the Bangko Sentral are hereby prohibited from:

26 (a) being an officer, director, lawyer or agent, employee, consultant or  
27 stockholder, directly or indirectly, of any institution subject to supervision or  
28 examination by the Bangko Sentral, except non-stock savings and loan associations  
29 and provident funds organized exclusively for employees of the Bangko Sentral, and  
30 except as otherwise provided in this Act;

31 (b) directly or indirectly requesting or receiving any **VALUABLE** gift,  
32 [present] **IN KIND** or pecuniary or material benefit for himself/**HERSELF** or  
33 [another] **FOR A RELATIVE WITHIN THE FIRST DEGREE OF**  
34 **CONSANGUINITY OR AFFINITY** from any institution subject to supervision or  
35 examination by the Bangko Sentral;

36 (c) revealing in any manner, except under orders of the court, the [Congress]  
37 **HOUSE OF REPRESENTATIVES OR THE SENATE OR ANY OF THE**  
38 **APPROPRIATE COMMITTEES THEREIN** or any government office or agency



1 authorized by law, or under such conditions as may be prescribed by the Monetary  
2 Board, information relating to the condition or business of any institution **UNDER**  
3 **ITS SUPERVISION**. This prohibition shall not be held to apply to the giving of  
4 information to the Monetary Board or the Governor of the Bangko Sentral, or to any  
5 person authorized by either of them, in writing, to receive such information; and

6 (d) borrowing from any institution subject to supervision or examination by the  
7 Bangko Sentral shall be prohibited unless said borrowings are adequately secured,  
8 fully disclosed to the Monetary Board, and shall be subject to such further rules and  
9 regulations as the Monetary Board may prescribe: *Provided*, however, That personnel  
10 of the supervising and examining departments are prohibited from borrowing from a  
11 bank under their supervision or examination.”

12 **SEC. 17.** Section 28 of Republic Act No. 7653 is hereby amended to read as follows:

13 “**SEC. 28. Examination and Fees.** — The supervising and examining  
14 department head, personally or by deputy, shall examine the books **AND RECORDS**  
15 of every banking, **OR QUASI-BANKING OR NON-BANK FINANCIAL**  
16 institution once in every twelve (12) months, and at such other times as the Monetary  
17 Board by an affirmative vote of five (5) members, may deem expedient and to [make a  
18 report on the same] **SUBMIT AN EXECUTIVE SUMMARY OF THE FINDINGS**  
19 **OF EXAMINATION WITH THE REPORT OF EXAMINATION ATTACHED**  
20 **THERE TO FOR READY REFERENCE** to the Monetary Board: *Provided*, That  
21 there shall be an interval of at least twelve (12) months between annual examinations.

22 **THE SUPERVISED INSTITUTIONS UNDER THIS SECTION SHALL**  
23 **BE GIVEN THE OPPORTUNITY TO CONTEST IN WRITING ANY OR ALL**  
24 **OF THE FINDINGS OF THE EXAMINERS OF THE SUPERVISING AND**  
25 **EXAMINATION DEPARTMENT OF THE BANGKO SENTRAL IN AN EXIT**  
26 **CONFERENCE BEFORE THE REPORT OF EXAMINATION IS FINALIZED.**  
27 **THE WRITTEN EXPLANATIONS, IF ANY, OF THE SUPERVISED**  
28 **INSTITUTION UNDER EXAMINATION SHALL BE PART OF THE REPORT**  
29 **OF EXAMINATION WITH COMMENTS IF DEEMED WARRANTED BY**  
30 **THE EXAMINERS INVOLVED.**

31 The bank, **OR QUASI-BANK OR NON-BANK FINANCIAL**  
32 **INSTITUTION** concerned shall afford to the head of the appropriate supervising and  
33 examining departments and to his authorized deputies full opportunity to examine its  
34 books, cash and available assets and general condition at any time during banking  
35 hours when requested to do so by the Bangko Sentral: *Provided, however*, That none  
36 of the reports and other papers relative to such examinations shall be open to  
37 inspection by the public except insofar as such publicity is incidental to the

1 proceedings hereinafter authorized or is necessary for the prosecution of violations in  
2 connection with the business of such institutions.

3 Banking, [and] quasi-banking, **AND NON-BANK FINANCIAL** institutions which  
4 are subject to examination by the Bangko Sentral shall pay to the Bangko Sentral,  
5 within the first thirty (30) days of each year, an annual fee in an amount equal to a  
6 percentage as may be prescribed by the Monetary Board of its average total assets  
7 during the preceding year as shown on its end-of-**QUARTER** [month balance sheets]  
8 **STATEMENT OF CONDITION**, after deducting cash on hand and amounts due  
9 from banks, **QUASI-BANKS, AND OTHER FINANCIAL INSTITUTIONS**,  
10 including the Bangko Sentral and banks abroad.”

11 **SEC. 18.** Section 29 of Republic Act No. 7653 is hereby amended to read as follows:

12 “**SEC. 29. Appointment of Conservator.** — Whenever, on the basis of a report  
13 **OF EXAMINATION** submitted by the appropriate supervising or examining  
14 department **OF THE BANGKO SENTRAL**, the Monetary Board, **IN**  
15 **CONSULTATION WITH THE PHILIPPINE DEPOSIT INSURANCE**  
16 **CORPORATION (PDIC), CONFIRMS** [finds] that a bank or a quasi-bank is in a  
17 state of continuing inability or unwillingness to maintain a condition of liquidity  
18 deemed adequate to protect the interest of depositors and creditors, **OR CONTINUES**  
19 **TO SUFFER CHRONIC RESERVE OR CAPITAL DEFICIENCIES WHICH,**  
20 **IF NOT CORRECTED, WILL EVENTUALLY RESULT IN INSOLVENCY**, the  
21 Monetary Board, **IN ORDER TO AVERT THE THREATENED INSOLVENCY**  
22 **OF THE BANK**, [may] **SHALL** appoint a conservator **WHO SHALL**  
23 **INTRODUCE AND ADOPT MANAGEMENT REFORMS AND CORRECTIVE**  
24 **MEASURES THAT WILL ENABLE THE BANK TO RESTORE AND**  
25 **MAINTAIN ITS VIABILITY. THE CONSERVATOR** [with] **SHALL HAVE**  
26 such powers as the Monetary Board shall deem necessary to **ENABLE HIM TO** take  
27 charge of the assets, liabilities, and the management thereof, reorganize the  
28 management, collect all monies and debts due said institution, **PLACE OR INVEST**  
29 **ITS FUNDS IN READILY MARKETABLE SECURITIES AND**  
30 **INVESTMENTS, SELL, IF NECESSARY, REAL PROPERTIES AND OTHER**  
31 **FIXED ASSETS TO MEET ITS OBLIGATIONS**, and exercise all powers  
32 [necessary] to restore **AND MAINTAIN** its viability. The conservator shall report and  
33 be responsible to the Monetary Board, **WITH A COPY OF SUCH REPORT**  
34 **FURNISHED THE PDIC**, and shall have the power to overrule or revoke the actions  
35 of the previous management and board of directors of the bank or quasi-bank,  
36 **EXCEPT THAT SUCH POWER CANNOT EXTEND TO THE POST FACTO**  
37 **REPUDIATION OF PERFECTED CONTRACTS THAT INFRINGE AGAINST**  
38 **THE NON-IMPAIRMENT CLAUSE OF THE CONSTITUTION.**

1           The conservator should be competent and knowledgeable in bank operations  
2 and management. The conservatorship shall not exceed one (1) year, **WHICH MAY**  
3 **BE EXTENDED FOR A PERIOD OF NOT MORE THAN SIX (6) MONTHS,**  
4 **AS MAY BE APPROVED BY THE MONETARY BOARD.** The conservator shall  
5 receive remuneration to be fixed by the Monetary Board, **PAYABLE IN MONTHLY**  
6 **PAYMENTS:** [in an amount not to exceed two-thirds (2/3) of the salary of the  
7 president of the institution in one (1) year, payable in twelve (12) equal monthly  
8 payments:] *Provided,* That, if at any time within the one-year period, the  
9 conservatorship is terminated on the ground that the institution can operate on its own,  
10 the conservator shall receive the balance of the remuneration which he would have  
11 received up to the end of the year; but if the conservatorship is terminated on other  
12 grounds, the conservator shall not be entitled to such remaining balance. The Monetary  
13 Board [may appoint a conservator connected with the Bangko Sentral,] **SHALL**  
14 **AUTHORIZE THE CONSERVATOR TO APPOINT A CORE GROUP OF**  
15 **PROFESSIONALS TO ASSIST HIM IN THE PERFORMANCE OF HIS**  
16 **POWERS AND DUTIES AS CONSERVATOR,** in which case, [he] **THEY** shall  
17 [not] be entitled to receive [any] remuneration or emoluments **THAT THE**  
18 **MONETARY BOARD SHALL DETERMINE** [from the Bangko Sentral] during  
19 the **PERIOD OF** conservatorship. The expenses attendant to the conservatorship shall  
20 be borne by the bank or quasi-bank concerned.

21           **UPON THE REQUEST OF THE CONSERVATOR, THE MONETARY**  
22 **BOARD MAY AUTHORIZE THE GRANT OF EMERGENCY LOANS OR**  
23 **ADVANCES TO THE INSTITUTION TO MEET IN A TIMELY MANNER ITS**  
24 **MATURING OBLIGATIONS OR UNUSUAL DEPOSIT WITHDRAWALS**  
25 **WHILE THE CONSERVATOR IS IN THE PROCESS OF COLLECTING**  
26 **MONIES AND DEBTS DUE THE INSTITUTION UNDER**  
27 **CONSERVATORSHIP, OR LIQUEFYING ITS ASSETS TO RECOVER FROM**  
28 **ITS ILLIQUID CONDITION AND THEREBY RESTORE THE BANK TO**  
29 **NORMALCY. THE BANGKO SENTRAL SHALL REQUIRE COLLATERALS**  
30 **FOR SUCH EMERGENCY LOANS OR ADVANCES, PROVIDED, THAT, IF**  
31 **THE COLLATERALS ARE AUTHORIZED TO BE SOLD OR DISPOSED OF,**  
32 **THE PROCEEDS SHALL BE APPLIED TO PAY OR PREPAY THE LOANS**  
33 **OR ADVANCES, OR PORTIONS THEREOF, AS THE BANGKO SENTRAL**  
34 **MAY STIPULATE.**

35           **DURING THE PERIOD OF CONSERVATORSHIP, THE PDIC SHALL**  
36 **HAVE THE AUTHORITY TO EXAMINE THE BANK UNDER**  
37 **CONSERVATORSHIP, INQUIRE INTO OR EXAMINE THE DEPOSIT**  
38 **ACCOUNTS THEREIN, AND/OR CONDUCT A DUE DILIGENCE AUDIT OF**

1           **THE BANK IN PREPARATION FOR THE POSSIBLE ESTABLISHMENT,**  
2           **ORGANIZATION AND OPERATION OF A BRIDGE BANK.**

3           The Monetary Board shall terminate the conservatorship when it is satisfied  
4           that the institution can continue to operate on its own and the conservatorship is no  
5           longer necessary. The conservatorship shall likewise be terminated should the  
6           Monetary Board, on the basis of the report of the conservator or of its own findings,  
7           determine that the continuance in business of the institution, **DESPITE THE**  
8           **REMEDIAL MEASURES THAT HAVE BEEN ADOPTED, CONTINUE TO**  
9           **EXPERIENCE ILLIQUIDITY AND OTHER RELATED FINANCIAL**  
10          **STRESSES, SUCH THAT THERE EXIST GROUNDS FOR THE**  
11          **INSTITUTION TO ENTER RECEIVERSHIP AND LIQUIDATION,** [would  
12          involve probable loss to its depositors or creditors,] in which case the provisions of  
13          Section 30 shall apply.”

14   **SEC. 19.** Section 30 of Republic Act No. 7653 is hereby amended to read as follows:

15           “**SEC. 30. Proceedings in Receivership and Liquidation.** – Whenever, [upon]  
16          **ON THE BASIS OF** A report of [the head of the supervising or examining  
17          department] **EXAMINATION,** the Monetary Board finds **OR CONFIRMS** that a  
18          bank or quasi-bank:

19           (a) **HAS NOTIFIED THE BANGKO SENTRAL OR PUBLICLY**  
20          **ANNOUNCED A UNILATERAL CLOSURE, OR HAS BEEN DORMANT FOR**  
21          **AT LEAST SIXTY (60) DAYS OR IN ANY MANNER HAS SUSPENDED THE**  
22          **PAYMENT OF ITS DEPOSIT/DEPOSIT LIABILITIES, OR** is unable to pay its  
23          liabilities as they become due in the ordinary course of business: *Provided,* That this  
24          shall not include inability to pay caused by extraordinary demands induced by  
25          financial panic in the banking **OR FINANCIAL** community; **OR**

26           (b) has insufficient realizable assets **TO MEET ITS LIABILITIES,** as  
27          determined by the Bangko Sentral[, to meet its liabilities] **IN ACCORDANCE**  
28          **WITH BANKING REGULATIONS;** or

29           (c) cannot continue in business without involving **SUBSTANTIAL** probable  
30          losses to its depositors or creditors **RELATIVE TO THE SIZE OF THE**  
31          **INSTITUTION CONCERNED;** or

32           (d) has willfully violated a cease and desist order under Section 37 that has  
33          become final, involving acts or transactions which amount to fraud or a dissipation of  
34          the assets of the institution; in which cases, the Monetary Board may summarily and  
35          without need for prior hearing forbid the institution from doing business in the  
36          Philippines, and **IN CASE IT IS A BANK** designate the Philippine Deposit Insurance  
37          Corporation as receiver of the banking institution. **THE MONETARY BOARD**  
38          **SHALL NOTIFY IN WRITING THE BOARD OF DIRECTORS OF ITS**

1 FINDINGS AND DIRECT THE PDIC TO PROCEED WITH THE  
2 LIQUIDATION OF THE CLOSED BANKING INSTITUTION PURSUANT TO  
3 PARAGRAPH 6 OF THIS SECTION.

4 For a quasi-bank, any person of recognized competence in banking or finance  
5 SHALL [may] be designated as receiver.

6 THE AUTHORITY OF THE MONETARY BOARD TO PLACE A  
7 BANK OR QUASI-BANK UNDER RECEIVERSHIP AS PROVIDED ABOVE  
8 SHALL ALSO BE EXERCISED OVER OTHER NON-BANK FINANCIAL  
9 INSTITUTIONS WHICH UNDER THIS ACT OR SPECIAL LAWS ARE  
10 SUBJECT TO BANGKO SENTRAL SUPERVISION, BASED ON THE SAME  
11 APPLICABLE GROUNDS. FOR THIS PURPOSE, ANY PERSON OF  
12 RECOGNIZED COMPETENCE IN BANKING, CREDIT AND FINANCE MAY  
13 BE DESIGNATED AS A RECEIVER.

14 The receiver shall immediately gather, take charge of, MANAGE AND  
15 CONTROL all the assets, WHICH, IN CASE OF A BANK, SHALL INCLUDE  
16 ITS LICENSE, and liabilities of the institution, administer the same for the benefit of  
17 its creditors, and, exercise the general powers of a receiver under EXISTING LAWS  
18 AND the Revised Rules of Court. HOWEVER, THE DISPOSITION OF THE  
19 LICENSE BY THE RECEIVER SHALL BE SUBJECT TO THE APPROVAL  
20 OF THE MONETARY BOARD. THE RECEIVER SHALL ADDITIONALLY  
21 HAVE THE AUTHORITY TO: (1) [but shall not, with the exception of] PAY  
22 administrative expenditures, [pay or commit any act that will involve the transfer or  
23 disposition of any asset of the institution: *Provided*, That the receiver may] (2)  
24 deposit or place the funds of the institution in non-speculative investments, OR (3)  
25 ADOPT, IF DEEMED APPROPRIATE BY THE RECEIVER, BRIDGE  
26 BANKING AS A RESOLUTION METHOD, AS GOVERNED BY SECTION 30-  
27 B OF THIS ACT. The receiver OF QUASI-BANKS AND NON-BANK  
28 FINANCIAL INSTITUTIONS shall determine as soon as possible, but not later  
29 than ninety (90) days from take-over, whether [the] SUCH institution may be  
30 rehabilitated or otherwise placed in such a condition so that it may be permitted to  
31 resume business with safety to its [depositors and] creditors and the general public:  
32 *Provided*, That any determination for the resumption of business of the institution  
33 shall be subject to prior approval of the Monetary Board.

34 IN ORDER TO REHABILITATE THE CLOSED INSTITUTION OR TO  
35 RESTORE ITS OPERATIONS WITH SAFETY TO ITS CREDITORS AND  
36 THE GENERAL PUBLIC OR TO MERGE OR CONSOLIDATE THE CLOSED  
37 INSTITUTION WITH ANOTHER QUALIFIED INSTITUTION, THE  
38 RECEIVER OF QUASI-BANKS AND OTHER NON-BANK FINANCIAL

1           **INSTITUTIONS MAY IMMEDIATELY TRANSFER OR DISPOSE OF ANY**  
2           **OR ALL OF THE ASSETS OF THE CLOSED INSTITUTION AND PERFORM**  
3           **SUCH OTHER ACTS AS MAY BE AUTHORIZED BY LAW.**

4           If the receiver **OF QUASI-BANK AND OTHER NON-BANK FINANCIAL**  
5           **INSTITUTIONS** determines that the institution cannot be rehabilitated or permitted to  
6           resume business in accordance with the next preceding paragraph **OF THIS**  
7           **SECTION**, the Monetary Board shall notify in writing the board of directors of its  
8           findings and direct the receiver to proceed with the liquidation of the institutions. The  
9           receiver shall:

10           1. file ex parte with the proper regional trial court, and without requirement of  
11           prior notice or any other action, a petition for assistance in the liquidation of the  
12           institution pursuant to a liquidation plan adopted by the Philippine Deposit Insurance  
13           Corporation for general application to all closed banks. In case of quasi-banks, the  
14           liquidation plan shall be adopted by the Monetary Board. Upon acquiring jurisdiction,  
15           the court shall, upon motion by the receiver after due notice, adjudicate disputed  
16           claims against the institution, assist the enforcement of individual liabilities of the  
17           stockholders, directors and officers, and decide on other issues as may be material to  
18           implement the liquidation plan adopted. The receiver shall pay the cost of the  
19           proceedings from the assets of the institution.

20           2. convert the assets of the institution to money, dispose of the same to  
21           creditors and other parties, for the purpose of paying the debts of such institution in  
22           accordance with the rules on concurrence and preference of credit under the Civil  
23           Code of the Philippines and he may, in the name of the institution, and with the  
24           assistance of counsel as he may retain, institute such actions as may be necessary to  
25           collect and recover accounts and assets of, or defend any action against, the institution.  
26           The assets of an institution under receivership, or liquidation shall be deemed in  
27           custodia legis in the hands of the receiver and shall, from the moment the institution  
28           was placed under such receivership or liquidation, be exempt from any order of  
29           garnishment, levy, attachment, or execution.

30           The actions of the Monetary Board taken under this section or under Section 29  
31           of this Act shall be final and executory, and may not be restrained or set aside by the  
32           court except on petition for certiorari on the ground that the action taken was in excess  
33           of jurisdiction or with such grave abuse of discretion as to amount to lack or excess of  
34           jurisdiction. The petition for certiorari may only be filed by the stockholders of record  
35           representing the majority of the capital stock within ten (10) days from receipt by the  
36           board of directors of the institution of the order directing receivership, liquidation or  
37           conservatorship.

38           The designation of a conservator under Section 29 of this Act or the  
39           appointment of a receiver under this section shall be vested exclusively with the

1 Monetary Board. [Furthermore, the designation of a conservator is not a precondition  
2 to the designation of a receiver.]”

3 **SEC. 20.** A new section entitled section 30-A of the same Act shall be inserted between Section 30  
4 and Section 30-B which shall read as follows:

5 “**SEC. 30-A. PROMPT CORRECTIVE ACTION (PCA).** - WHENEVER  
6 ON THE BASIS OF THE REPORT OF EXAMINATION (ROE), THE  
7 MONETARY BOARD FINDS THAT A BANK OR NON-BANK FINANCIAL  
8 INSTITUTION PERFORMING QUASI-BANK FUNCTIONS IS CAPITAL  
9 DEFICIENT AND FAILS TO COMPLY WITH MINIMUM CAPITAL  
10 REQUIREMENTS PRESCRIBED UNDER EXISTING LAWS AND  
11 IMPLEMENTING REGULATIONS, THE MONETARY BOARD SHALL  
12 TAKE PROMPT CORRECTIVE ACTION DIRECTING THE ENTITIES  
13 AFOREMENTIONED TO INFUSE ADDITIONAL CAPITAL UP TO AN  
14 AMOUNT NECESSARY TO RESTORE THEIR CAPITAL TO THE  
15 MINIMUM REQUIRED AMOUNT. THE AFFECTED ENTITIES SHALL BE  
16 GIVEN A PERIOD OF NOT LESS THAN (10) MONTHS FROM THE DATE  
17 OF RECEIPT OF THE DIRECTIVE OF THE MONETARY BOARD TO  
18 COMPLY WITH THE CAPITAL RESTORATION PROGRAM. IF IT IS  
19 SHOWN THAT THE AFFECTED ENTITY HAS TAKEN EARNEST  
20 EFFORTS TO COMPLY WITH THE MANDATE OF THE MONETARY  
21 BOARD, THE AFFECTED ENTITY SHALL BE GIVEN BY THE MONETARY  
22 BOARD AN EXTENSION OF ANOTHER FOUR (4) MONTHS TO COMPLY  
23 WITH THE MONETARY BOARD DIRECTIVE.

24 IN CASE THE REPORT OF EXAMINATION (ROE) OF THE  
25 AFFECTED ENTITY ALSO SHOWS THAT IT ALSO FAILED TO ADDRESS  
26 CORPORATE MANAGEMENT INADEQUACIES AND/OR NEEDS TO  
27 INSTITUTE ADMINISTRATIVE REFORMS THAT ARE AUTHORIZED  
28 UNDER THIS ACT OR SPECIAL LAWS, THE MONETARY BOARD, IN  
29 ADDITION TO INSTITUTING PROMPT CORRECTIVE ACTION THAT  
30 DEALS SPECIFICALLY WITH THE CAPITAL DEFICIENCY PROBLEM,  
31 MAY IMPOSE OTHER SUPERVISORY INTERVENTIONS THAT ARE  
32 AUTHORIZED UNDER THIS ACT OR SPECIAL LAWS.

33 IN THE EVENT THAT THE AFFECTED BANK IS A RURAL BANK  
34 WHICH IS UNABLE TO COMPLY WITH THE CAPITAL RESTORATION  
35 PROGRAM INSTITUTED BY THE MONETARY BOARD WITHIN THE  
36 PRESCRIBED PERIOD AND IN ORDER TO PREVENT THE RURAL BANK  
37 AFFECTED FROM BEING CLOSED, ANOTHER RURAL BANK SHALL BE  
38 GIVEN THE RIGHT OF FIRST REFUSAL TO INVEST, CONSOLIDATE OR

1 MERGE WITH THE SAID BANK OR TO ACQUIRE THE ASSETS AND  
2 ASSUME THE LIABILITIES OF SAID RURAL BANK IN ORDER TO  
3 RESTORE THE NORMAL OPERATIONS OF SAID RURAL BANK, TO THE  
4 EXCLUSION OF OTHER CATEGORIES OF BANKS UNLESS NO OTHER  
5 RURAL BANK OF GOOD STANDING EXPRESSES TO EXERCISE THE  
6 RIGHT OF FIRST REFUSAL PROVIDED UNDER THIS SECTION. THE  
7 RURAL BANKERS ASSOCIATION OF THE PHILIPPINES SHALL BE  
8 OFFICIALLY NOTIFIED BY THE MONETARY BOARD IN WRITING OF  
9 THE RIGHT OF FIRST REFUSAL MADE AVAILABLE UNDER THIS  
10 SECTION IN ORDER THAT ALL RURAL BANKS OF GOOD STANDING  
11 SHALL BE NOTIFIED ACCORDINGLY.

12 IN CASE THE AFFECTED BANK IS A GOVERNMENT BANK OR A  
13 GOVERNMENT QUASI-BANK WITH ORIGINAL STATUTORY  
14 CHARTERS, INFUSION OF ADDITIONAL CAPITAL BEYOND WHAT IS  
15 PRESCRIBED IN THEIR CHARTERS SHALL BE UNDERTAKEN  
16 THROUGH AMENDATORY LEGISLATION. HOWEVER, ISSUES OF  
17 CAPITAL NOTES SUBORDINATED TO OTHER CREDITS BUT SUPERIOR  
18 TO THE EQUITY OF STOCKHOLDERS IN THE ORDER OF PREFERENCE  
19 OF CLAIMS AGAINST THE AFFECTED GOVERNMENT FINANCIAL  
20 INSTITUTION IS HEREBY AUTHORIZED TO BE ISSUED, WITH  
21 NATIONAL GOVERNMENT GUARANTEE AND SHALL BE QUALIFIED AS  
22 EQUIVALENT TO THE REQUIRED CAPITAL INFUSION."

23 SEC. 21. A new section entitled section 30-B of the same Act shall be inserted between Sections  
24 30-A and 31 which shall read as follows:

25 "SEC. 30-B. *BRIDGE BANKING.* - (A) THE PHILIPPINE DEPOSIT  
26 INSURANCE CORPORATION (PDIC) MAY FORM, ESTABLISH,  
27 ORGANIZE, AND OPERATE AND/OR CONTRACT TO OPERATE  
28 SUBSIDIARIES OR CORPORATIONS WHOSE PRIMARY PURPOSE IS TO  
29 OPERATE AS A BRIDGE BANK AND/OR MANAGE ACQUIRED ASSETS  
30 OF THE PDIC.

31 (B) A BRIDGE BANK REFERS TO A TEMPORARY BANK LICENSED  
32 BY THE BANGKO SENTRAL, ESTABLISHED AND OPERATED TO  
33 ACQUIRE ASSETS AND ASSUME LIABILITIES OF A FAILED BANK. THE  
34 BRIDGE BANK SHALL HAVE AUTHORITY TO PURCHASE ASSETS,  
35 ASSUME DEPOSITS AND OTHER LIABILITIES WHICH THE PDIC MAY  
36 DETERMINE TO BE APPROPRIATE; AND PERFORM SUCH OTHER  
37 BANKING FUNCTIONS AS THE MONETARY BOARD MAY AUTHORIZE,  
38 CONSISTENT WITH THE OBJECTIVES OF THIS SECTION.



1 (C) A BRIDGE BANK RESOLUTION MEASURE MAY BE ADOPTED  
2 ONLY IF THE BOARD OF DIRECTORS DETERMINES THAT IT IS A  
3 COST-EFFECTIVE AND VIABLE RESOLUTION MEASURE AND THE  
4 AMOUNT NECESSARY TO IMPLEMENT SUCH MEASURE IS LESS THAN  
5 THE ESTIMATED INSURED DEPOSITS OF THE FAILED BANK; AND THE  
6 PRESERVATION OF CRITICAL BANKING FUNCTIONS IS IN THE BEST  
7 INTEREST OF THE DEPOSITORS AND THE PUBLIC.

8 (D) FOR THE EFFECTIVE IMPLEMENTATION OF A BRIDGE BANK  
9 RESOLUTION MEASURE, THE PDIC MAY:

10 1. SELL, ASSIGN, TRANSFER, OR CONVEY ITS  
11 SHAREHOLDINGS IN ITS SUBSIDIARY TO THE FAILED BANK;

12 2. TRANSFER SUCH ASSETS AND DEPOSIT LIABILITIES OF  
13 A FAILED BANK TO THE BRIDGE BANK, AS THE PDIC MAY  
14 DEEM APPROPRIATE. ALL TRANSFERS UNDER THIS  
15 SUBSECTION SHALL:

16 I. NOT BE SUBJECT TO ANY TAXES, SUCH AS  
17 CAPITAL GAINS TAX, AS WELL AS INCOME TAX,  
18 VALUE ADDED TAX AND DOCUMENTARY STAMP  
19 TAX, AND OTHER TAXES, AS MAY BE APPLICABLE;

20 II. BE CONSIDERED IN CUSTODIA LEGIS IN THE  
21 HANDS OF THE BRIDGE BANK. FROM THE TIME  
22 THE ASSETS ARE TRANSFERRED TO A BRIDGE  
23 BANK, ITS ASSETS SHALL NOT BE SUBJECT TO  
24 ATTACHMENT, EXECUTION, GARNISHMENT, LEVY,  
25 FORECLOSURE OR ANY OTHER COURT PROCESSES.  
26 THEREFORE, A JUDGE, OFFICER OF THE COURT OR  
27 ANY PERSON WHO SHALL ISSUE, ORDER, PROCESS  
28 OR CAUSE THE ISSUANCE OR IMPLEMENTATION  
29 OF THE WRIT OF GARNISHMENT, LEVY,  
30 ATTACHMENT OR EXECUTION SHALL BE LIABLE  
31 UNDER SECTION 22 HEREOF.

32 III. BE EFFECTIVE WITHOUT ANY CONSENT FROM  
33 THE STOCKHOLDERS, CREDITORS,  
34 STAKEHOLDERS OF THE FAILED BANK,  
35 NOTWITHSTANDING ANY PROVISION OF LAW TO  
36 THE CONTRARY.

37 3. MAKE ADVANCES TO THE BRIDGE BANK OR CLOSED  
38 BANK, UPON SUCH TERMS AND CONDITIONS AND IN SUCH  
39 FORM AND AMOUNTS AS THE PDIC MAY PRESCRIBE,

1 SUFFICIENT FUNDS FOR THE BRIDGE BANK TO OPERATE.  
2 THESE ADVANCES SHALL PARTAKE OF THE NATURE OF  
3 PUBLIC FUNDS, AND AS SUCH, MUST BE CONSIDERED A  
4 PREFERRED CREDIT SIMILAR TO TAXES DUE TO THE  
5 NATIONAL GOVERNMENT IN THE ORDER OF PREFERENCE  
6 UNDER ARTICLE 2224 OF THE NEW CIVIL CODE;

7 4. CONDUCT DUE DILIGENCE ON AN INSURED BANK, AND  
8 EXAMINE AND AUDIT THE DEPOSIT ACCOUNTS AND/OR  
9 RECORDS, OF AN INSURED BANK, SO AS TO ESTABLISH A  
10 DEPOSIT PROFILE OF THE BANK AS TO THE NUMBER OF  
11 DEPOSIT ACCOUNTS AND TOTAL INSURED DEPOSITS:  
12 *PROVIDED*, THAT THE INFORMATION ON INDIVIDUAL  
13 ACCOUNTS OBTAINED THROUGH SUCH EXAMINATION OR  
14 AUDIT SHALL NOT BE DISCLOSED OR RELEASED TO ANY  
15 OTHER PARTY EXCEPT TO THE BOARD OF DIRECTORS OF THE  
16 PDIC OR UPON ORDER OF THE COURT; AND

17 5. APPOINT, INSTALL, DESIGNATE, AND/OR REMOVE THE  
18 DIRECTORS AND OFFICERS OF A BRIDGE BANK AND FIX THEIR  
19 COMPENSATION.

20 (E) THE 90-DAY PERIOD PROVIDED UNDER SECTION 30 OF  
21 REPUBLIC ACT 7653, AS AMENDED, WITHIN WHICH THE RECEIVER  
22 SHALL DETERMINE WHETHER THE INSTITUTION MAY BE  
23 REHABILITATED SHALL NOT BE APPLICABLE.

24 (F) THE BRIDGE BANK SHALL TERMINATE AT THE END OF TWO  
25 (2) YEARS FOLLOWING THE DATE IT WAS GRANTED A BANKING  
26 LICENSE, SUBJECT TO THE PROVISIONS IN THE PARAGRAPHS (G)  
27 AND (H); *PROVIDED, FURTHER*, THAT THE PDIC MAY EXTEND THE  
28 STATUS OF THE BRIDGE BANK IF DEEMED NECESSARY TO  
29 CONCLUDE PENDING NEGOTIATIONS FOR THE SALE, MERGER OR  
30 ACQUISITION OF THE BRIDGE BANK BY A BUYER OR ACQUIRER:  
31 *PROVIDED, FINALLY*, THAT THE MAXIMUM EXTENSION SHALL BE  
32 ONE (1) YEAR.

33 (G) TERMINATION OF BRIDGE BANK. - THE STATUS OF ANY  
34 BRIDGE BANK AS SUCH SHALL TERMINATE UPON THE EARLIEST  
35 OF—

36 1. THE MERGER OR CONSOLIDATION OF THE BRIDGE  
37 BANK WITH ANOTHER BANK THAT IS NOT A BRIDGE  
38 BANK; OR

1           **2. THE SALE OF THE BRIDGE BANK TO A QUALIFIED**  
2           **BUYER, AS MAY BE DETERMINED BY THE PDIC; OR**

3           **3. THE ASSUMPTION OF ALL OR SUBSTANTIALLY ALL OF**  
4           **THE (i) DEPOSITS AND OTHER LIABILITIES AND/OR (ii)**  
5           **ASSETS OF THE BRIDGE BANK BY AN INSURED BANK**  
6           **THAT IS NOT A BRIDGE BANK, OR OTHER ENTITY AS**  
7           **PERMITTED UNDER APPLICABLE LAW. FOLLOWING THE**  
8           **ASSUMPTION OF ALL OR SUBSTANTIALLY ALL OF THE**  
9           **LIABILITIES OF THE BRIDGE BANK AND THE SALE OF**  
10           **ALL OR SUBSTANTIALLY ALL OF THE ASSETS OF THE**  
11           **BRIDGE BANK, THE BRIDGE BANK SHALL BE**  
12           **LIQUIDATED IN ACCORDANCE WITH THE PROVISIONS OF**  
13           **LAW RELATING TO THE LIQUIDATION OF CLOSED**  
14           **BANKS; AND**

15           **4. THE EXPIRATION OF THE PERIOD PROVIDED IN**  
16           **PARAGRAPH (F), OR THE EARLIER DISSOLUTION OF THE**  
17           **BRIDGE BANK AS PROVIDED IN PARAGRAPH (H).**

18           **(H) DISSOLUTION OF BRIDGE BANK.- NOTWITHSTANDING ANY**  
19           **OTHER PROVISION OF LAW TO THE CONTRARY, IF THE BRIDGE**  
20           **BANK'S STATUS AS SUCH HAS NOT PREVIOUSLY BEEN TERMINATED**  
21           **BY THE OCCURRENCE OF AN EVENT SPECIFIED IN SUBPARAGRAPH**  
22           **(1), (2) OR (3), OF PARAGRAPH (G), THE BOARD OF DIRECTORS OF**  
23           **PDIC, MAY DISSOLVE A BRIDGE BANK AT ANY TIME IT DEEMS**  
24           **NECESSARY. THE PDIC, AS SUCH RECEIVER, SHALL WIND UP THE**  
25           **AFFAIRS OF THE BRIDGE BANK IN CONFORMITY WITH THE**  
26           **PROVISIONS OF LAW RELATING TO THE LIQUIDATION OF CLOSED**  
27           **BANKS. WITH RESPECT TO ANY SUCH BRIDGE BANK, THE PDIC, AS**  
28           **SUCH RECEIVER, SHALL HAVE ALL THE RIGHTS, POWERS, AND**  
29           **PRIVILEGES, AND SHALL PERFORM THE DUTIES RELATED TO THE**  
30           **EXERCISE OF SUCH RIGHTS, POWERS, OR PRIVILEGES GRANTED BY**  
31           **LAW TO A RECEIVER OF ANY INSURED BANK.**

32           **(I) MATTERS RELATING TO THE EXERCISE BY THE PDIC OF**  
33           **THE FUNCTIONS UNDER THIS SECTION SHALL BE SUBJECT TO**  
34           **VISITORIAL AUDIT ONLY.**

35           **(J) THE ACTIONS OF THE PDIC UNDER THIS SECTION SHALL BE**  
36           **FINAL AND EXECUTORY, AND MAY NOT BE RESTRAINED OR SET**  
37           **ASIDE BY THE COURT, EXCEPT ON PETITION FOR CERTIORARI WITH**  
38           **THE COURT OF APPEALS ON THE GROUND THAT THE ACTION WAS**  
39           **TAKEN IN EXCESS OF JURISDICTION OR WITH SUCH GRAVE ABUSE**

1 OF DISCRETION AS TO AMOUNT TO A LACK OR EXCESS OF  
2 JURISDICTION. THE PETITION FOR CERTIORARI MAY ONLY BE FILED  
3 WITHIN TEN (10) DAYS FROM PUBLICATION OF THE NOTICE ON THE  
4 ESTABLISHMENT OF A BRIDGE BANK.

5 (K) THE PDIC SHALL PROMULGATE THE IMPLEMENTING  
6 RULES AND REGULATIONS TO IMPLEMENT THE PROVISIONS OF THIS  
7 SECTION.”

8 SEC. 22. Section 33 of Republic Act No. 7653 is hereby amended to read as follows:

9 “SEC. 33. *Disposition of Banking Franchise.* — The Bangko Sentral may, if  
10 public interest so requires, award to an institution, upon such terms and conditions as  
11 the Monetary Board may approve, the banking franchise of a **CLOSED** bank [under  
12 liquidation] to operate in the area where said bank or its branches were previously  
13 operating: *Provided*, That whatever proceeds may be realized from such award shall be  
14 [subject to the appropriate exclusive disposition of the Monetary Board] **FOR THE**  
15 **BENEFIT OF THE CREDITORS OF THE CLOSED BANK.**”

16 SEC. 23. Section 36 of Republic Act No. 7653 is hereby amended to read as follows:

17 “SEC. 36. *Proceedings Upon Violation of this Act and Other Banking Laws,*  
18 *Rules, Regulations, Orders or Instructions.* - Whenever a bank, [or] quasi-bank, **OR**  
19 **OTHER FINANCIAL INSTITUTION WHICH UNDER THIS ACT OR**  
20 **SPECIAL LAWS IS SUBJECT TO BANGKO SENTRAL SUPERVISION** or  
21 whenever any person or entity willfully violates this Act or other pertinent banking  
22 laws being enforced or implemented by the Bangko Sentral or any order, instruction,  
23 rule or regulation issued by the Monetary Board, the person or persons responsible for  
24 such violation shall unless otherwise provided in this Act be punished by a fine of not  
25 less than Fifty Thousand Pesos (P50,000) nor more than [Two Hundred Thousand  
26 Pesos (P200,000)] **TWO MILLION PESOS (P2,000,000.00)** or by imprisonment of  
27 not less than two (2) years nor more than [ten (10)] **SIX (6)** years, or both, at the  
28 **SOUND** discretion of the court.

29 Whenever [a bank or quasi-bank] **AN ENTITY UNDER BANGKO**  
30 **SENTRAL SUPERVISION** persists in carrying on its business in an [unlawful or]  
31 unsafe or **UNSOUND** manner **AS DETERMINED UNDER THE PROVISIONS**  
32 **OF SECTION 56 OF REPUBLIC NO. 8791 AND IT REFUSES OR FAILS TO**  
33 **CEASE AND DESIST FROM SUCH MISCONDUCT AND TO INSTITUTE**  
34 **CORRECTIVE MEASURES AFTER NOTICE HAS BEEN GIVEN BY THE**  
35 **BANGKO SENTRAL**, the **MONETARY** Board may, without prejudice to the  
36 penalties provided in the preceding paragraph of this Section and the administrative  
37 sanctions provided in Section 37 of this Act, take action under Section 30 of this Act.”

1 **SEC. 24.** Section 37 of Republic Act No. 7653 is hereby amended to read as follows:

2           “SEC. 37. *Administrative Sanctions [On Banks And Quasi-Banks]*. — Without  
3 prejudice to the criminal sanctions against the culpable persons provided in Sections  
4 34, 35, and 36 of this Act, the Monetary Board may, at its discretion, impose  
5 **ADMINISTRATIVE SANCTIONS** upon any bank [or quasi-bank, their directors,  
6 and/or officers, for any willful violation of its charter or by-laws, willful delay in the  
7 submission of reports or publications thereof as required by law, rules and regulations;  
8 any refusal to permit examination into the affairs of the institution; any willful making  
9 of a false or misleading statement to the Board or the appropriate supervising and  
10 examining department or its examiners; any willful failure or refusal to comply with,  
11 or violation of, any banking law or any order, instruction or regulation issued by the  
12 Monetary Board, or any order, instruction or ruling by the Governor;] **FINANCE**  
13 **COMPANY AND NON-BANK FINANCIAL INSTITUTION PERFORMING**  
14 **QUASI-BANKING FUNCTIONS, HEREINAFTER REFERRED TO AS**  
15 **QUASI-BANKING INSTITUTIONS PERFORMING SIMILAR FUNCTIONS**  
16 **REGULATED BY THE BANGKO SENTRAL UNDER THIS ACT OR UNDER**  
17 **SPECIAL LAWS THAT ARE UNDER THE SUPERVISION OF THE BANGKO**  
18 **SENTRAL FOR WILLFUL VIOLATION OR FAILURE TO COMPLY WITH**  
19 **THE PROVISIONS OF THIS ACT, OF REPUBLIC ACT NO. 8791 AND**  
20 **OTHER SPECIAL LAWS;** or any commission of irregularities, and/or conducting  
21 business in an unsafe or unsound manner as may be determined by the Monetary  
22 Board the following administrative sanctions, [whenever] **WHEREVER OR**  
23 **WHICHEVER** applicable.

24           **THE FOLLOWING ADMINISTRATIVE SANCTIONS SHALL BE**  
25 **IMPOSED TAKING INTO CONSIDERATION THE ATTENDANT**  
26 **CIRCUMSTANCES SUCH AS THE NATURE AND GRAVITY OF THE**  
27 **VIOLATION OR IRREGULARITY AND THE SIZE OF THE BANK, QUASI-**  
28 **BANK OR NON-BANK FINANCIAL INSTITUTION INVOLVED.**

29           (a) [fines] **ADMINISTRATIVE PENALTIES** in amounts as may be  
30 **PRESCRIBED AND** determined by the Monetary Board to be appropriate, but in no  
31 case to exceed [Thirty Thousand Pesos (P30,000) a day for each violation, taking into  
32 consideration the attendant circumstances, such as the nature and gravity of the  
33 violation or irregularity and the size of the bank or quasi-bank;] **THE MAXIMUM**  
34 **PENALTIES PRESCRIBED HEREIN FOR EACH VIOLATION, AS**  
35 **FOLLOWS:**

- 36           **1. FOR UNIVERSAL AND COMMERCIAL BANKS – NOT**  
37 **EXCEEDING P10,000 PER BANKING DAY;**

1           2. FOR THRIFT BANKS – NOT EXCEEDING P5,000 PER  
2           BANKING DAY;

3           3. FOR RURAL BANKS/COOPERATIVE BANKS – NOT  
4           EXCEEDING P2,000 PER BANKING DAY;

5           4. FOR FINANCE COMPANIES AND NON-BANK FINANCIAL  
6           INSTITUTIONS         PERFORMING         QUASI-BANKING  
7           FUNCTIONS – NOT EXCEEDING P5,000 PER BANKING DAY;

8           5. FOR FINANCE COMPANIES AND FINANCIAL  
9           INSTITUTIONS WHICH ARE NOT PERFORMING QUASI-  
10          BANKING FUNCTIONS – NOT EXCEEDING P3,000 PER  
11          BANKING DAY;

12          6. FOR OTHER INSTITUTIONS THAT ARE SUPERVISED BY  
13          THE BANGKO SENTRAL – NOT EXCEEDING P2,000 PER  
14          BANKING DAY.

15                 WITHIN THE MAXIMUM PENALTY PRESCRIBED HEREIN, FOR  
16                 VIOLATIONS OR IRREGULARITIES COMMITTED BY EVERY  
17                 CATEGORY OF BANKS, QUASI-BANKS, AND NON-BANKS FINANCIAL  
18                 INSTITUTIONS AS HEREIN PROVIDED, THE MONETARY BOARD SHALL  
19                 ACCORDING TO THE DEGREE OF SEVERITY OF VIOLATIONS OR  
20                 IRREGULARITIES SUBJECT TO PENALTIES, CLASSIFY VIOLATIONS  
21                 OR IRREGULARITIES COMMITTED INTO GRAVE, LESS GRAVE AND  
22                 LIGHT OFFENSES SUCH THAT THE PENALTIES TO BE IMPOSED SHALL  
23                 CORRESPONDINGLY BE GRADUATED WITHIN THE PRESCRIBED  
24                 MAXIMUM PENALTIES.

25                 IN COMPUTING THE AFOREMENTIONED PENALTIES, THE  
26                 FOLLOWING ATTENDING CIRCUMSTANCES SHALL BE TAKEN INTO  
27                 CONSIDERATION: THE CAPITAL OF THE INSTITUTION, THE NATURE  
28                 OF THE VIOLATION; A ONE-TIME VIOLATION VIS-Á-VIS A  
29                 CONTINUING VIOLATION OR OFFENSE; FREQUENCY OF THE  
30                 VIOLATION OR OFFENSE; AND THE GRAVITY OF THE OFFENSE  
31                 (GRAVE, LESS GRAVE AND LIGHT VIOLATIONS). GRAVE OFFENSES  
32                 ARE THOSE THAT HAVE SIGNIFICANT/MATERIAL IMPACT ON THE  
33                 SOLVENCY, LIQUIDITY AND/OR NET PROFITABILITY OF A BANK,  
34                 QUASI-BANK OR OTHER NON-BANK FINANCIAL INSTITUTION.

35                 THE SUPERVISION AND EXAMINATION SECTOR CONCERNED  
36                 SHALL SUBMIT TO THE MONETARY BOARD A MONTHLY REPORT OF  
37                 ADMINISTRATIVE PENALTIES IMPOSED ON INSTITUTIONS, IF ANY,  
38                 INDICATING IN THE REPORT THE PENALTIES IMPOSED ON CERTAIN

1 **INSTITUTIONS; PENALTIES THAT HAVE BEEN COLLECTED; AND**  
2 **PENALTIES UNDER CONSIDERATION;**

3 (b) suspension of rediscounting privileges or access to Bangko Sentral credit  
4 facilities;

5 (c) suspension of lending or foreign exchange operations or authority to accept  
6 new deposits or make new investments; **AND/OR**

7 (d) suspension of interbank clearing privileges; [and/or]

8 [(e) revocation of quasi-banking license.]

9 Resignation or termination from office shall not exempt such director or officer  
10 from administrative or criminal sanctions.

11 The Monetary Board may, whenever warranted by circumstances, preventively  
12 suspend any director or officer of [a bank or quasi-bank] **THE INSTITUTION**  
13 pending an investigation: *Provided*, That should the case be not finally decided by the  
14 Bangko Sentral within a period of one hundred twenty (120) days after the date of  
15 suspension, said director or officer shall be reinstated in his position: *Provided*, further,  
16 That when the delay in the disposition of the case is due to the fault, negligence or  
17 petition of the director or officer, the period of delay shall not be counted in computing  
18 the period of suspension herein provided.

19 The above administrative sanctions need not be applied in the order of their  
20 severity.

21 Whether or not there is an administrative proceeding, if the institution and/or  
22 the directors and/or officers, concerned continue with or otherwise persist in the  
23 commission of the indicated practice or violation, the Monetary Board may issue an  
24 order requiring the institution and/or the directors, and/or officers concerned to cease  
25 and desist from the indicated practice or violation, and may further order that  
26 immediate action be taken to correct the conditions resulting from such practice or  
27 violation. The cease and desist order shall be immediately effective upon service on  
28 the respondents.

29 The respondents shall be afforded an opportunity to defend their action in a  
30 hearing before the Monetary Board or any committee chaired by any Monetary Board  
31 member created for the purpose, upon request made by the respondents within five (5)  
32 days from their receipt of the order. If no such hearing is requested within said period,  
33 the order shall be final. If a hearing is conducted, all issues shall be determined on the  
34 basis of records, after which the Monetary Board may either reconsider or make final  
35 its order.

36 [The Governor is hereby authorized, at his discretion, to impose upon banking  
37 institutions for any failure to comply with the requirements of law, Monetary Board  
38 regulations and policies, and/or instructions issued by the Monetary Board or by the

1 Governor, fines not in excess of Ten thousand pesos (P10,000) a day for each  
2 violation, the imposition of which shall be final and executory until reversed, modified  
3 or lifted by the Monetary Board on appeal.]”

4 **SEC. 25.** Section 40 of Republic Act No. 7653 is hereby amended to read as follows:

5 “SEC. 54. [*Reports.*] **APPEARANCE BEFORE CONGRESS.** – [Before  
6 the end of March of each year, the Bangko Sentral shall publish and submit to the  
7 President and the Congress an annual report on the condition of the Bangko Sentral  
8 including a review of the policies and measures adopted by the Monetary Board during  
9 the past year and an analysis of the economic and financial circumstances which gave  
10 rise to said policies and measures.

11 The annual report shall also include a statement of the financial condition of  
12 the Bangko Sentral and a statistical appendix which shall present, as a minimum, the  
13 following data:] **THE BSP GOVERNOR SHALL APPEAR BEFORE THE**  
14 **COMMITTEES ON APPROPRIATIONS, WAYS AND MEANS, ECONOMIC**  
15 **AFFAIRS, AND BANKS AND FINANCIAL INTERMEDIARIES OF THE**  
16 **HOUSE OF REPRESENTATIVES ON OR BEFORE THE 2ND TUESDAY OF**  
17 **MARCH AND SEPTEMBER, AND; BEFORE THE COMMITTEES ON**  
18 **FINANCE, WAYS AND MEANS, ECONOMIC AFFAIRS, AND BANKS,**  
19 **FINANCIAL INSTITUTIONS AND CURRENCIES OF THE SENATE ON OR**  
20 **BEFORE THE 4TH TUESDAY OF MARCH AND SEPTEMBER TO REPORT**  
21 **ON THE STATUS AND DIRECTIONS OF THE FISCAL AND MONETARY**  
22 **POLICIES OF THE GOVERNMENT, ECONOMIC DEVELOPMENTS AND**  
23 **PROSPECTS FOR THE FUTURE, TAKING INTO ACCOUNT PAST AND**  
24 **PROSPECTIVE DEVELOPMENTS IN EMPLOYMENT, UNEMPLOYMENT,**  
25 **PRODUCTION, INVESTMENT, REAL INCOME, PRODUCTIVITY,**  
26 **EXCHANGE RATES, INTERNATIONAL TRADE AND PAYMENTS, AND**  
27 **PRICES.**

28 **THE GOVERNOR OF THE BSP SHALL ALSO SUBMIT A WRITTEN**  
29 **REPORT TO THE PRESIDENT AND TO THE COMMITTEES SPECIFIED IN**  
30 **THE ABOVE PARAGRAPH WHICH SHALL INCLUDE, BUT SHALL NOT**  
31 **BE LIMITED TO, THE FOLLOWING:**

- 32 (a) the monthly movement of monetary aggregates and their components;  
33 (b) the monthly movement of purchases and sales of foreign exchange and of  
34 the international reserves of the Bangko Sentral;  
35 (c) balance of payments of the Philippines;  
36 (d) monthly indices of consumer prices and of import and export prices;  
37 (e) the monthly movement, in summary form, of exports and imports, by  
38 volume and value;



- 1 (f) the monthly movement of the accounts of the Bangko Sentral and of other  
2 banks;
- 3 (g) the principal data on government receipts and expenditures and on the  
4 status of the public debt, both domestic and foreign; [and]
- 5 (h) the texts of the major legal and administrative measures adopted by the  
6 Government and the Monetary Board during the year which relate to the  
7 functions or operations of the Bangko Sentral or of the financial system,  
8 and; AND

9 **(I) OTHER INFORMATION THAT MAY BE REQUESTED BY THE**  
10 **SAID COMMITTEES OF CONGRESS.**

11 [The Bangko Sentral shall publish another version of the annual report] **THE**  
12 **BSP SHALL MAKE AVAILABLE COPIES OF THE REPORTS SUBMITTED**  
13 **TO CONGRESS IN THEIR OFFICIAL WEBSITES FOR A REASONABLE**  
14 **PERIOD IMMEDIATELY FOLLOWING THE SUBMISSION OF THE**  
15 **REPORTS** in terms understandable to the layman.

16 Failure to comply with the reportorial requirements pursuant to this article  
17 without justifiable reason as may be determined by the Monetary Board shall cause the  
18 withholding of the salary of the personnel concerned until the requirements are  
19 complied with.”

20 **SEC. 26.** Section 54 of Republic Act No. 7653 is hereby amended to read as follows:

21 “SEC. 54. *Printing of Notes and Minting of Coins.* — The Monetary Board  
22 shall prescribe the amounts of notes and coins to be printed and minted, respectively,  
23 and the conditions to which the printing of notes and the minting of coins shall be  
24 subject. The Monetary Board shall have the authority to contract institutions, mints or  
25 firms for such operations.

26 **THE HEAD OF THE SECURITY PRINTING OF NOTES AND**  
27 **MINTING OF COINS SHALL SUBMIT TO THE MONETARY BOARD**  
28 **REGULAR REPORTS OF EACH AND EVERY PRINTING JOB OF NOTES**  
29 **AND MINTING OF COINS WHETHER THE PRINTING OF NOTES AND**  
30 **MINTING OF COINS IS DONE IN-HOUSE OR OUTSOURCED. A REPORT**  
31 **SHALL BE SUBMITTED WITHIN THIRTY (30) DAYS FROM**  
32 **COMPLETION OF PRINTING OF NOTES AND MINTING OF COINS IF IN-**  
33 **HOUSE AND WITHIN THIRTY (30) DAYS FROM THE DATE OF**  
34 **DELIVERY TO THE BANGKO SENTRAL OF OUTSOURCED**  
35 **PRINTING/MINTING JOB.**

36 **THE REGULAR REPORTS ON THE PRINTING OF NOTES/MINTING**  
37 **OF COINS TO BE SUBMITTED TO THE MONETARY BOARD SHALL**

1           CONTAIN THE FOLLOWING MINIMUM INFORMATION PER  
2           PRODUCTION JOB:

3           (A) THE VOLUME OF NOTES/COINS AS ACTUALLY  
4           PRINTED/MINTED:

5           (B) THE NOTES AND COINS PRINTED/MINTED INDICATING THE  
6           SERIAL NUMBERS AND YEAR MARK OF THE NOTES PRINTED AS  
7           WELL AS THE YEAR MARK OF THE COINS;

8           (C) THE NAMES AND ADDRESSES OF THE ENTITIES THAT  
9           PRINTED THE NOTES OR MINTED THE COINS, IF OUTSOURCED;  
10           OTHERWISE INDICATE IF THE NOTES AND COINS WERE  
11           PRINTED/MINTED IN-HOUSE;

12           (D) PAPERS, INK AND OTHER RAW MATERIALS ORDERED VS.  
13           PRODUCTION OUTPUT;

14           (E) PRODUCTION CAPACITY PER DENOMINATION VS. VOLUME  
15           OF PRODUCTION OUTPUT;

16           (F) DATES OF DELIVERY OF RAW MATERIALS FOR  
17           PARTICULAR DENOMINATION AND DATES OF DELIVERY OF  
18           PRINTED NOTES OR MINTED COINS TO THE CASH  
19           DEPARTMENT;

20           (G) ALLOWANCE FOR WASTAGE VS. ACTUAL WASTAGE PER  
21           PRODUCTION ORDER. THE RECORD OF WASTAGE SHALL  
22           INCLUDE INFORMATION ON THE SHREDDING OF WASTAGE;  
23           AND

24           (H) RUNNING BALANCE OF THE PARTICULAR DENOMINATION  
25           PRINTED/MINTED.

26           All expenses incurred in the printing of notes and the minting of coins shall be  
27           for the account of the Bangko Sentral.”

28   **SEC. 27.** Section 61 of Republic Act No. 7653 is hereby amended to read as follows:

29           “*SEC. 61. Guiding Principle.* — **THE MONETARY BOARD SHALL**  
30           **CONSTANTLY ASSESS PRICE DEVELOPMENTS AND OUTLOOK AND**  
31           **BASED ON ITS ANALYSIS AND EVALUATION OF INFLATIONARY**  
32           **PRESSURES USE ITS POLICY INSTRUMENTS PRICE STABILITY.**

33           The Monetary Board shall endeavor to control any **SIGNIFICANT** expansion  
34           or contraction in monetary aggregates which is prejudicial to the attainment or  
35           maintenance of price stability.”

36   **SEC. 28.** Section 81 of Republic Act No. 7653 is hereby amended to read as follows:

37           “*SEC. 81. Guiding Principles.* — The rediscounts, discounts, loans and  
38           advances which the Bangko Sentral is authorized to extend to banking institutions  
39           **AND OTHER SUPERVISED FINANCIAL INSTITUTIONS** under the provisions

1 of the present article of this Act shall be used to influence the volume of credit  
2 consistent with the **MAINTENANCE OF FINANCIAL STABILITY AND THE**  
3 objective of price stability.”

4 **SEC. 29.** Section 83 of Republic Act No. 7653 is hereby amended to read as follows:

5 “**SEC. 83. Loans for Liquidity Purposes.** — The Bangko Sentral, **BY A VOTE**  
6 **OF AT LEAST FIVE (5) MEMBERS OF THE MONETARY BOARD**, may  
7 extend loans and advances to [banking] **BANKS, QUASI-BANKS AND OTHER**  
8 **SYSTEMICALLY CRITICAL BANGKO SENTRAL-SUPERVISED** institutions  
9 for a period of not more than [seven (7)] **FORTY-FIVE (45) BANKING** days  
10 without any collateral for the purpose of providing liquidity to the banking system in  
11 times of need, **SUBJECT TO SUCH TERMS AND CONDITIONS AS THE**  
12 **MONETARY BOARD MAY PRESCRIBE TO MINIMIZE POSSIBLE LOSSES**  
13 **TO THE BANGKO SENTRAL.**”

14 **SEC. 30.** Section 84 of Republic Act No. 7653 is hereby amended to read as follows:

15 “**SEC. 84. Emergency Loans and Advances.** — In periods of national and/or  
16 local emergency or of imminent financial panic which directly threaten monetary and  
17 [banking] **FINANCIAL** stability, the Monetary Board may, by a vote of at least five  
18 (5) of its members, authorize the Bangko Sentral to grant extraordinary loans or  
19 advances to banking, **QUASI-BANKING AND OTHER SYSTEMICALLY**  
20 **CRITICAL BANGKO SENTRAL-SUPERVISED** institutions **TO BE** secured by  
21 assets as defined hereunder: *Provided*, That while such loans or advances are  
22 outstanding, the debtor institution shall not, except upon prior authorization by the  
23 Monetary Board, expand the total volume of its loans or investments.

24 The Monetary Board may, at its discretion, likewise authorize the Bangko  
25 Sentral to grant emergency loans or advances to [banking] **BANKS, QUASI-BANKS**  
26 **AND OTHER SYSTEMICALLY CRITICAL BANGKO SENTRAL-**  
27 **SUPERVISED** institutions, even during normal periods, for the purpose of assisting a  
28 bank in a precarious financial condition or under serious financial pressures brought by  
29 unforeseen events, or events which, though foreseeable, could not be prevented by the  
30 bank concerned: *Provided*, however, That the Monetary Board has ascertained that the  
31 bank is not insolvent and has the assets defined hereunder to secure the advances:  
32 *Provided, further*, That a concurrent vote of at least five (5) members of the Monetary  
33 Board is obtained.

34 The amount of any emergency loan or advance shall not exceed the sum of fifty  
35 percent (50%) of total [deposits and deposit substitutes] **BORROWINGS** of the  
36 [banking] institution and shall be disbursed in two (2) or more tranches. The amount  
37 of the first tranche shall be limited to twenty-five percent (25%) of the  
38 **BORROWINGS** [total deposit and deposit substitutes] of the institution and shall be

1 secured by (A) government securities [to the extent of their applicable loan values  
2 and]; **(B) ACCEPTABLE GUARANTEES BACKED UP BY THE NATIONAL**  
3 **GOVERNMENT OR ITS SECURITIES;** (C) other unencumbered first class  
4 collaterals **AND (D) PRIVATE COMMERCIAL PAPER TO THE EXTENT OF**  
5 **THEIR APPLICABLE LOAN VALUES** which the Monetary Board may approve:  
6 *Provided,* That if as determined by the Monetary Board, the circumstances  
7 surrounding the emergency warrant a loan or advance greater than the amount  
8 provided hereinabove, the amount of the first tranche may exceed twenty-five percent  
9 (25%) of the [bank's] **INSTITUTION'S** total [deposit and deposit substitutes]  
10 **BORROWINGS** if the same is adequately secured by applicable loan values of  
11 government securities and unencumbered first class collaterals **OR ACCEPTABLE**  
12 **GUARANTEES BACKED UP BY THE NATIONAL GOVERNMENT OR ITS**  
13 **SECURITIES** approved by the Monetary Board, and the principal stockholders of the  
14 institution furnish an acceptable undertaking to indemnify and hold harmless from suit  
15 a conservator whose appointment the Monetary Board may find necessary at any time.

16 Prior to the release of the first tranche, the [banking] institution shall submit to  
17 the Bangko Sentral a resolution of its board of directors authorizing the Bangko  
18 Sentral to evaluate other assets of the [banking] institution certified by its external  
19 auditor to be good and available for collateral purposes should the release of the  
20 subsequent tranche be thereafter applied for.

21 The Monetary Board may, by a vote of at least five (5) of its members,  
22 authorize the release of a subsequent tranche on condition that the principal  
23 stockholders of the institution:

24 (a) furnish an acceptable undertaking to indemnify and hold harmless from suit  
25 a conservator whose appointment the Monetary Board may find necessary at  
26 any time; and

27 (b) provide acceptable security which, in the judgment of the Monetary Board,  
28 would be adequate to supplement, where necessary, the assets tendered by the  
29 [banking] institution to collateralize the subsequent tranche.

30 In connection with the exercise of these powers, the prohibitions in Section 128  
31 of this Act shall not apply insofar as it refers to acceptance as collateral of shares and  
32 their acquisition as a result of foreclosure proceedings, including the exercise of voting  
33 rights pertaining to said shares: *Provided,* however, That should the Bangko Sentral  
34 acquire any of the shares it has accepted as collateral as a result of foreclosure  
35 proceedings, the Bangko Sentral shall dispose of said shares by public bidding within  
36 one (1) year from the date of consolidation of title by the Bangko Sentral.

1           Whenever a financial institution incurs an overdraft in its account with the  
2           Bangko Sentral, the same shall be eliminated within the period prescribed in Section  
3           102 of this Act.”

4   **SEC. 31.** A new section entitled Section 88-A of the same Act shall be inserted between Section 88  
5   and Section 88-B which shall read as follows:

6           **“SEC. 88-A. EXEMPTION FROM ATTACHMENT. THE PROVISIONS OF**  
7           **ANY LAW TO THE CONTRARY NOTWITHSTANDING AND SECTION 31**  
8           **OF THIS ACT, COLLATERALS ON LOANS AND ADVANCES GRANTED**  
9           **BY THE BANGKO SENTRAL SHALL NOT BE SUBJECT TO**  
10          **ATTACHMENT, EXECUTION OR ANY OTHER COURT PROCESS, NOR**  
11          **SHALL THEY BE INCLUDED IN THE PROPERTY OF INSOLVENT**  
12          **PERSONS OR INSTITUTIONS, UNLESS THE SECURED LOANS AND**  
13          **ADVANCES GRANTED BY THE BANGKO SENTRAL TO INSOLVENT**  
14          **PERSONS OR INSTITUTIONS OR A CLOSED INSTITUTION HAVE**  
15          **ALREADY BEEN FULLY PAID IN WHICH CASE THE EXEMPTIONS**  
16          **UNDER THIS SECTION SHALL NO LONGER APPLY.”**

17   **SEC. 32.** A new section entitled Section 88-B of the same Act shall be inserted between Section 88-  
18   A and Section 88-C which shall read as follows:

19           **“SEC. 88-B. DEPUTIZATION OF LEGAL STAFF. – IN CASE OF AN**  
20           **EXTRAJUDICIAL FORECLOSURE OF MORTGAGE, THE BANGKO**  
21           **SENTRAL MAY, DEPUTIZE ANY OF ITS LAWYERS TO CONDUCT THE**  
22           **PUBLIC AUCTION PURSUANT TO ACT NO. 3135, AS AMENDED. IN CASE**  
23           **OF A JUDICIAL FORECLOSURE, THE BANGKO SENTRAL MAY WITH**  
24           **THE APPROVAL OF THE COURT, LIKEWISE DEPUTIZE ANY OF ITS**  
25           **LAWYERS TO ACT AS SPECIAL SHERIFF IN THE SALE OF THE**  
26           **DEBTOR’S PROPERTIES AND IN THE ENFORCEMENT OF COURT**  
27           **WRITS AND PROCESSES RELATED THERETO. THE SPECIAL SHERIFF**  
28           **OF THE BANGKO SENTRAL SHALL MAKE A REPORT TO THE PROPER**  
29           **COURT AFTER ANY ACTION HAS BEEN TAKEN BY HIM, WHICH**  
30           **COURT SHALL TREAT SUCH ACTION AS IF IT WERE AN ACT OF ITS**  
31           **OWN SHERIFF IN ALL RESPECTS.**

32           **“NO RESTRAINING ORDER OR INJUNCTION SHALL BE ISSUED**  
33           **BY THE COURT ENJOINING THE BANGKO SENTRAL FROM**  
34           **PROCEEDING WITH THE FORECLOSURE OF THE MORTGAGE UNLESS**  
35           **A BOND IS POSTED IN FAVOR OF THE BANGKO SENTRAL IN AN**  
36           **AMOUNT EQUIVALENT TO THE TOTAL CLAIM OF THE BANGKO**  
37           **SENTRAL. THE RESTRAINING ORDER OR INJUNCTION SHALL BE**  
38           **REFUSED OR, IF GRANTED, SHALL BE DISSOLVED UPON FILING BY**  
39           **THE BANGKO SENTRAL OF A BOND, WHICH SHALL BE IN THE FORM**

1 OF A BANGKO SENTRAL CHECK, IN AN AMOUNT TWICE THE AMOUNT  
2 OF THE ORIGINAL BOND POSTED CONDITIONED THAT THE BANGKO  
3 SENTRAL WILL PAY THE DAMAGES WHICH THE PARTY MAY SUFFER  
4 BY THE REFUSAL OR DISSOLUTION OF THE INJUNCTION. THE  
5 PROVISIONS OF RULE 58 OF THE NEW RULES OF COURT INSOFAR AS  
6 THEY ARE APPLICABLE AND NOT INCONSISTENT WITH THE  
7 PROVISIONS OF THIS SECTION SHALL GOVERN THE ISSUANCE AND  
8 DISSOLUTION OF THE RESTRAINING ORDER OR INJUNCTION  
9 CONTEMPLATED IN THIS SECTION.”

10 SEC. 33. A new section entitled Section 88-C of the same Act shall be inserted between Section 88-  
11 B and Section 89 which shall read as follows:

12 “SEC. 88-C. *RIGHT OF REDEMPTION OF FORECLOSED REAL*  
13 *PROPERTY; RIGHT OF POSSESSION DURING REDEMPTION PERIOD.* –  
14 THE MORTGAGOR SHALL HAVE THE RIGHT TO REDEEM THE  
15 PROPERTY WITHIN ONE YEAR FROM THE DATE OF FORECLOSURE  
16 SALE OF THE REAL ESTATE, IN CASE THE MORTGAGOR IS A  
17 NATURAL PERSON, AND WITHIN NINETY DAYS BUT NOT LATER THAN  
18 THE DATE OF REGISTRATION OF THE CERTIFICATE OF  
19 FORECLOSURE SALE, IN CASE THE MORTGAGOR IS A JURIDICAL  
20 PERSON. REDEMPTION SHALL BE EFFECTED BY PAYING THE  
21 PRINCIPAL, INTERESTS, CHARGES, COMMISSIONS AND ALL CLAIMS  
22 OF WHATEVER NATURE OF THE BANGKO SENTRAL OUTSTANDING  
23 AND DUE AS OF THE DATE OF FORECLOSURE SALE, INCLUDING ALL  
24 COSTS AND OTHER EXPENSES INCURRED BY REASON OF THE  
25 FORECLOSURE SALE AND CUSTODY OF THE PROPERTY.

26 THE BANGKO SENTRAL, AS PURCHASER IN THE FORECLOSURE  
27 SALE AND WITHOUT NEED OF POSTING A BOND, MAY TAKE  
28 POSSESSION OF THE FORECLOSED PROPERTY DURING THE  
29 REDEMPTION PERIOD. THE BANGKO SENTRAL SHALL BE ENTITLED  
30 TO THE FRUITS OF THE PROPERTY, THE SAME TO BE APPLIED  
31 AGAINST THE REDEMPTION PRICE.”

32 SEC. 34. A new section entitled Section 89-A of the same Act shall be inserted between Section 89  
33 and Section 90 which shall read as follows:

34 “SEC. 89-A. *CREDIT FACILITIES FOR ISLAMIC BANKS.* –THE BANGKO  
35 SENTRAL MAY, TAKING INTO CONSIDERATION THE PECULIAR  
36 CHARACTERISTICS OF ISLAMIC BANKING, FORMULATE RULES AND  
37 REGULATIONS FOR THE EXTENSION OF REDISCOUNTING OR OTHER  
38 SIMILAR FACILITIES TO ISLAMIC BANKS.”

39 SEC. 35. Section 92 of Republic Act No. 7653 is hereby amended to read as follows:

1           “SEC. 92. *Issue and Negotiation of Bangko Sentral Obligations.* — In order to  
2 provide the Bangko Sentral with effective instruments for open market operations, the  
3 Bangko Sentral may, subject to such rules and regulations as the Monetary Board may  
4 prescribe and in accordance with the principles stated in Section 90 of this Act, issue,  
5 place, buy and sell freely negotiable evidences of indebtedness of the Bangko Sentral.  
6 [; *Provided*, That issuance of such certificates of indebtedness shall be made only in  
7 cases of extraordinary movement in price levels.] Said evidences of indebtedness may  
8 be issued directly against the international reserve of the Bangko Sentral or against the  
9 securities which it has acquired under the provisions of Section 91 of this Act, or may  
10 be issued without relation to specific types of assets of the Bangko Sentral.

11           The Monetary Board shall determine the interest rates, maturities and other  
12 characteristics of said obligations of the Bangko Sentral, and may, if it deems it  
13 advisable, denominate the obligations in gold or foreign currencies.

14           Subject to the principles stated in Section 90 of this Act, the evidences of  
15 indebtedness of the Bangko Sentral to which this Section refers may be acquired by the  
16 Bangko Sentral before their maturity, either through purchases in the open market or  
17 through redemptions at par and by lot if the Bangko Sentral has reserved the right to  
18 make such redemptions. The evidences of indebtedness acquired or redeemed by the  
19 Bangko Sentral shall not be included among its assets, and shall be immediately retired  
20 and cancelled.

21           **THE BANGKO SENTRAL IN PURSUIT OF ITS OPEN MARKET**  
22 **OPERATIONS, MAY ALSO ENGAGE IN THE PURCHASE AND RESALE OF**  
23 **READILY MARKETABLE COMMERCIAL PAPERS ISSUED BY**  
24 **FINANCIAL INSTITUTIONS DULY ACCREDITED UNDER SUCH RULES**  
25 **AND REGULATIONS AS THE MONETARY BOARD MAY PRESCRIBE TO**  
26 **PROVIDE LIQUIDITY TO THE FINANCIAL MARKETS FROM TIME TO**  
27 **TIME. SUCH PURCHASE AND RESALE MAY BE SUBJECT TO**  
28 **REPURCHASE OR REVERSE REPURCHASE AGREEMENTS AS THE**  
29 **BANGKO SENTRAL SHALL STIPULATE AND SUCH INSTRUMENTS ARE**  
30 **PART OF THE OPEN MARKET OPERATIONS OF THE BANGKO**  
31 **SENTRAL.”**

32 **SEC. 36.** Section 95 of Republic Act No. 7653 is hereby amended to read as follows:

33           “SEC. 95. *Definition of Deposit Substitutes.* — The term “deposit substitutes”  
34 is defined as an alternative form of obtaining funds from the public, other than  
35 deposits, through the issuance, endorsement, or acceptance of debt instruments for the  
36 borrower’s own account, for the purpose of relending or purchasing of receivables and  
37 other obligations. These instruments may include, but need not be limited to, bankers  
38 acceptances, promissory notes, participations, certificates of assignment and similar

1 instruments with recourse, [and repurchase agreements.] **PROVIDED, HOWEVER,**  
2 **THAT REPURCHASE AGREEMENTS, INCLUDING REVERSE PURCHASE**  
3 **AGREEMENTS ENTERED INTO BY THE BANGKO SENTRAL SHALL NOT**  
4 **BE CONSIDERED DEPOSIT SUBSTITUTES.**

5 **IN THE COMPUTATION OF THE RESERVES AGAINST DEPOSIT**  
6 **SUBSTITUTES UNDER SECTION 94 OF THIS ACT, THE MONETARY**  
7 **BOARD SHALL DETERMINE WHAT SHALL BE CONSIDERED AS**  
8 **DEPOSIT SUBSTITUTES SUBJECT TO RESERVE REQUIREMENTS.**

9 **FINANCIAL INSTRUMENTS ISSUED BY THE NATIONAL GOVERNMENT**  
10 **AND THE BANGKO SENTRAL AND INTERBANK BORROWINGS SHALL**  
11 **NOT BE CONSTRUED AS DEPOSIT SUBSTITUTES.**

12 The Monetary Board shall determine what specific instruments shall be  
13 considered as deposit substitutes for the purposes of Section 94 of this Act[:]. **THE**  
14 **MONETARY BOARD MAY ALSO EXCLUDE FUNDS OBTAINED OR**  
15 **BORROWED FROM CERTAIN INSTITUTIONAL LENDERS FROM THIS**  
16 **SECTION: *Provided,* however, That deposit substitutes of commercial, industrial and**  
17 **other non-financial companies for the limited purpose of financing their own needs or**  
18 **the needs of their agents or dealers shall not be covered by the provisions of Section 94**  
19 **of this Act.”**

20 **SEC. 37.** Section 99 of Republic Act No. 7653 is hereby amended to read as follows:

21 “SEC. 99. *Adjustment [Increase] in Reserve Requirements.* — Whenever in the  
22 opinion of the Monetary Board it becomes necessary to **ADJUST [increase]** reserve  
23 requirements against existing liabilities, the [increase] **CHANGE** shall be made in a  
24 [gradual] manner [and shall not exceed four percentage points in any thirty-day  
25 period] **CONSISTENT WITH THE MONETARY POLICY DETERMINED BY**  
26 **THE MONETARY BOARD.** Banks and other affected financial institutions shall be  
27 notified reasonably in advance of the date on which such [increase] **CHANGE** is to  
28 become effective.”

29 **SEC. 38.** Section 113 of Republic Act No. 7653 is hereby amended to read as follows:

30 “SEC. 113. *Official Deposits.* — The Bangko Sentral shall be the official  
31 depository of the Government, its political subdivisions and instrumentalities as well  
32 as of government-owned or controlled corporations. [and, as a general policy, their  
33 cash balances should be deposited with the Bangko Sentral, with only minimum  
34 working balances to be held by government-owned banks and such other banks  
35 incorporated in the Philippines as the Monetary Board may designate, subject to such  
36 rules and regulations as the Board may prescribe: *Provided,* That such banks may hold  
37 deposits of the political subdivisions and instrumentalities of the Government beyond



1 their minimum working balances whenever such subdivisions or instrumentalities have  
2 outstanding loans with said banks.]

3 **EXCEPT FOR DEMAND DEPOSITS**, the Bangko Sentral [may] SHALL pay  
4 interest on deposits of the Government or 'of its political subdivisions and  
5 instrumentalities, as well as on deposits of banks with the Bangko Sentral.”

6 **SEC. 39.** Section 117 of Republic Act No. 7653 is hereby amended to read as follows:

7 “SEC. 117. *Issue of Government Obligations.* — The issue of securities  
8 representing obligations of the Government, its political subdivisions or  
9 instrumentalities, may be made through the Bangko Sentral, which may act as agent of,  
10 and for the account of, the Government or its respective subdivisions or  
11 instrumentality, as the case may be: *Provided*, however, That the Bangko Sentral shall  
12 not guarantee the placement of said securities, and shall not subscribe to their issue  
13 except to replace its maturing holdings of securities with the same type as the maturing  
14 securities.

15 **THE PRIMARY SALE OF GOVERNMENT SECURITIES MAY ALSO**  
16 **BE PUBLICLY UNDERWRITTEN BY, OR PRIVATELY PLACED IN,**  
17 **FINANCIAL INSTITUTIONS ACCREDITED BY THE DEPARTMENT OF**  
18 **FINANCE OF THE NATIONAL GOVERNMENT.**

19 **THE DIRECT PURCHASE AND SALE OF GOVERNMENT**  
20 **SECURITIES BY AND BETWEEN AND AMONG ACCREDITED FINANCIAL**  
21 **INSTITUTIONS SHALL BE DEEMED EXEMPT TRANSACTIONS UNDER**  
22 **REPUBLIC ACT NO. 8799, OTHERWISE KNOWN AS THE SECURITIES**  
23 **REGULATION CODE. THE SECRETARY OF FINANCE, IN**  
24 **CONSULTATION WITH THE BANGKO SENTRAL, SHALL PROMULGATE**  
25 **SUCH RULES AND REGULATIONS, ORDERS OR INSTRUCTIONS WHICH**  
26 **SHALL PROTECT FROM FRAUD THE REPUBLIC OF THE PHILIPPINES,**  
27 **AS ISSUER AND THE ACCREDITED FINANCIAL INSTITUTIONS AS**  
28 **INVESTORS OR TRADERS OF SAID GOVERNMENT SECURITIES.**

29 **IN ORDER TO INSURE THAT SAID ACCREDITED FINANCIAL**  
30 **INSTITUTIONS SHALL OPERATE UNDER FAIR AND UNIFORM**  
31 **TRADING RULES, THEY SHALL, AS PART OF THE GUIDELINES OF**  
32 **ACCREDITATION, BE REQUIRED TO JOIN AN ASSOCIATION OF**  
33 **ACCREDITED FINANCIAL INSTITUTIONS TO BE GOVERNED BY**  
34 **INTERNAL RULES OF CONDUCT APPROVED BY THE SECRETARY OF**  
35 **FINANCE, THE LATTER BEING THE OFFICIAL REPRESENTATIVE OF**  
36 **THE REPUBLIC OF THE PHILIPPINES, THE PRIMARY OBLIGOR IN THE**  
37 **ISSUANCE OF SAID GOVERNMENT SECURITIES; PROVIDED, HOWEVER,**  
38 **THAT THE DIRECT PARTICIPATION OF ACCREDITED FINANCIAL**

1           **INSTITUTIONS IN THE OPEN MARKET OPERATIONS OF THE BANGKO**  
2           **SENTRAL AS PROVIDED IN SECTIONS 90 AND 91 HEREIN SHALL BE**  
3           **SUBJECT TO SUCH RULES AND REGULATIONS AS MAY BE**  
4           **PRESCRIBED BY THE MONETARY BOARD, IN CONSULTATION WITH**  
5           **THE SECRETARY OF FINANCE.”**

6   **SEC. 40.** Section 118 of Republic Act No. 7653 is hereby amended to read as follows:

7           “*SEC. 118. Methods of Placing Government Securities.* — The Bangko Sentral  
8           may place the securities to which the **FIRST PARAGRAPH OF THE** preceding  
9           Section refers through direct sale to financial institutions [and the public].

10          The Bangko Sentral shall not be a member of any stock exchange or syndicate, but  
11          may intervene therein, **IN COORDINATION WITH THE DEPARTMENT OF**  
12          **FINANCE**, for the sole purpose of regulating their operations in the placing of  
13          government securities.

14          The Government, or its political subdivisions or instrumentalities, shall  
15          reimburse the Bangko Sentral for the expenses incurred in the placing of the aforesaid  
16          securities.”

17   **SEC. 41.** Section 119 of Republic Act No. 7653 is hereby amended to read as follows:

18          “*SEC. 119. Servicing and Redemption of the Public Debt.* — The servicing and  
19          redemption of the public debt shall also **BE DONE UNDER THE AUTHORITY OF**  
20          **THE DEPARTMENT OF FINANCE. IT MAY** also be effected through the Bangko  
21          Sentral.

22   **SEC. 42.** Section 125 of Republic Act No. 7653 is hereby amended to read as follows:

23          “*SEC. 125. Tax Exemptions.* — **THE PROVISIONS OF ANY GENERAL**  
24          **OR SPECIAL LAW TO THE CONTRARY NOTWITHSTANDING,**  
25          **FINANCIAL TRANSACTIONS OF** the Bangko Sentral **ARISING FROM ITS**  
26          **OPEN MARKET OPERATIONS** shall be exempt [for a period of five (5) years  
27          from the approval of this Act] from all national, **AND LOCAL** [provincial, municipal  
28          and city] taxes, fees, charges and assessments.

29          [The exemption authorized in the preceding paragraph of this Section shall  
30          apply to all property of the Bangko Sentral, to the resources, receipts, expenditures,  
31          profits and income of the Bangko Sentral, as well as to all contracts, deeds, documents  
32          and transactions related to the conduct of the business of the Bangko Sentral:  
33          *Provided*, however, That said exemptions shall apply only to such taxes, fees, charges  
34          and assessments for which the Bangko Sentral itself would otherwise be liable, and  
35          shall not apply to taxes, fees, charges, or assessments payable by persons or other  
36          entities doing business with the Bangko Sentral: *Provided, further*, That foreign loans  
37          and other obligations of the Bangko Sentral shall be exempt, both as to principal and

1 interest, from any and all taxes if the payment of such taxes has been assumed by the  
2 Bangko Sentral.]”

3 **SEC. 43.** Section 126 of Republic Act No. 7653 is hereby amended to read as follows:

4 “SEC. 126. *Exemption from Customs Duties.* — The provision of any general  
5 or special law to the contrary notwithstanding, the importation and exportation by the  
6 Bangko Sentral of notes and coins, and of gold and other metals to be used for  
7 purposes authorized under this Act, and the importation of all [equipment]  
8 **SUPPLIES** needed [for] **BY THE BANGKO SENTRAL FOR** bank note  
9 production, minting of coins, metal refining and other security printing operations  
10 **AND TRANSPORT OF CURRENCY** shall be fully exempt from all customs duties  
11 and consular fees and from all other taxes, assessments and charges related to such  
12 importation or exportation.

13 **THE IMPORTATION OF MACHINERY OR EQUIPMENT REQUIRED**  
14 **BY THE BANGKO SENTRAL FOR THE PRINTING OF NOTES AND THE**  
15 **MINTING OF COINS SHALL BE SUBJECT TO CUSTOMS DUTIES AND**  
16 **OTHER RELATED ASSESSMENTS AND CHARGES RELATED TO THE**  
17 **IMPORTATION OF ANY SUCH MACHINERY OR EQUIPMENT.”**

18 **SEC. 44.** A new section entitled Section 126-A of Republic Act No. 7653 shall be inserted between  
19 Section 126 and Section 127 which shall read as follows:

20 “SEC. 126-A. *ACQUISITIONS SUBJECT TO PROCUREMENT LAW.* —  
21 **ANY AND ALL ACQUISITION OF GOODS AND SERVICES BY THE**  
22 **BANGKO SENTRAL SHALL BE SUBJECT TO THE PROCUREMENTS**  
23 **LAWS.”**

24 **SEC. 45.** *Separability Clause.* - If any part or provision of this Act shall be held to be  
25 unconstitutional or invalid, other parts or provisions hereof which are not affected thereby shall  
26 continue to be in full force and effect.

27 **SEC. 46.** *Repealing Clause.* - All laws, decrees, executive orders, rules and regulations, or parts  
28 thereof which are inconsistent with this Act are hereby repealed, amended or modified accordingly.

29 **SEC. 47.** *Effectivity.* - This Act shall take effect fifteen days (15) days following its publication in  
30 at least two (2) newspapers of general circulation or the Official Gazette.

*Approved,*