

9 MAY -7 AM 39

SENATE
P.S. RES. NO. 1055

INTRODUCED BY SENATOR LOREN LEGARDA

**A RESOLUTION
DIRECTING THE COMMITTEE ON BANKS AND FINANCIAL
INSTITUTIONS AND CURRENCIES AND THE COMMITTEE ON
CONSTITUTIONAL AMENDMENTS, REVISIONS OF CODES AND LAWS TO
CONDUCT A JOINT INQUIRY, IN AID OF LEGISLATION, ON THE
PRACTICES AND ACTIVITIES OF PAWNSHOPS AND FINANCIAL AGENTS**

WHEREAS, the global economic crisis has a significant impact on the financial system in the Philippines which, in turn, affects the country's growth, employment, and overall standard of living;

WHEREAS, it is of utmost importance to instill stability and confidence in the financial system in the Philippines;

WHEREAS, the financial system includes not only banks, investment houses, investment companies and pre-need entities but also pawnshops, financial agents and brokers;

WHEREAS, pawnshops and other financial intermediaries provide easy access to credit and investment opportunities in more flexible forms other than cash to small borrowers and investors;

WHEREAS, pawnshops and other similar financial intermediaries, being very similar to the activities of the informal sector, serve mostly the informal sector and the masses;

WHEREAS, the masses, the small investors and the informal sector, which constitute the bigger segment of the society, are the most vulnerable to malpractices, abuses and nefarious activities of pawnshops and other financial agents;

WHEREAS, there exist syndicates and persons organized to perpetrate certain malpractices, abuses and swindles;

WHEREAS, these syndicates and persons are alleged to be connected to influential individuals and personalities in high-society and the political spectrum;

NOW THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the Senate direct the Committee on Committee on Banks and Financial Institutions and Currencies and the Committee on Constitutional Amendments, Revisions of Codes and Laws to conduct an inquiry in aid of legislation on:

1. The practices and standard operating procedures of pawnshops and financial agents and brokers with the end in view of facilitating a review and amendment of the Pawnshop Law, the Anti-Fencing Law and other pertinent laws, rules and regulations that will prevent, and protect the public from, malpractices, abuses and other nefarious activities;
2. The activities and modus operandi engaged in by certain syndicates, headed by persons, representing themselves as financial agents and intermediaries,

who swindle investors and legitimate business people of their hard-earned savings and assets, including cash, jewelry and other personal properties;

3. The activities and practices of the pawnshops who, knowingly or unknowingly, have allegedly become collaborators and facilitators of the abuses and malpractices of these swindlers;

Adopted,



LOREN LEGARDA
Senator