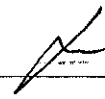


9 JUNE 19 11:0

SENATE
P. S. R. No. 1296

RECEIVED



Introduced by Senator Miriam Defensor Santiago

RESOLUTION

DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE REPORTED NEED TO AUDIT THE RESERVE FUND OF THE BANGKO SENTRAL NG PILIPINAS AMOUNTING TO BILLIONS OF PESOS, WHICH IS NOT ALLEGEDLY REMITTED TO THE NATIONAL TREASURY

WHEREAS, the Constitution, Article 2, Section 27 states: "The State shall maintain honesty and integrity in the public service and take positive and effective measures against graft and corruption";

WHEREAS, the Constitution, Article 2, Section 28 states: "Subject to reasonable conditions prescribed by law, the State adopts and implements a policy of full public disclosure of all its transactions involving public interest";

WHEREAS, a complaint by various non-government organizations stated that the Bangko Sentral ng Pilipinas (BSP) has allegedly withheld for the last six to seven years at least, a certain portion of its earnings, which are supposed annual dividends, as a form of reserve fund for a variety of purposes not specified by the BSP;

WHEREAS, these supposed annual dividends allegedly amount to billions of pesos;

WHEREAS, the complaint also stated that the BSP's reserve fund is not audited by the Commission on Audit;

WHEREAS, according to the complaint, the annual dividends are misdeclared and are not remitted to the National Treasury, instead, these are retained and mostly used to hire big private law firms for cases involving the BSP and/or its officers, and cases involving the closure of thrift and rural banks;

WHEREAS, it was also alleged that about 468 rural banks were closed by the BSP because these banks were unable to pay their loans due to the worsening economic crisis, but the BSP was able to allocate billions of pesos to bail out troubled commercial banks last year;

WHEREAS, should have been used to rehabilitate these small banks, especially since these banks allegedly service the needs of farmers, fishermen, and small entrepreneurs mostly in the countryside;

WHEREAS, if the BSP has indeed understated its annual dividends, and has remitted it to the National Treasury, then the BSP has cheated the government of billions of pesos, which could have been used for government projects;

WHEREFORE, be it hereby resolved by the Philippine Senate, to direct the proper Senate Committee to conduct an inquiry in aid of legislation, on the reported need to audit the reserve fund of the Bangko Sentral ng Pilipinas amounting to billions of pesos, which is not allegedly remitted to the national treasury.

Adopted,


MIRIAM DEFENSOR SANTIAGO

/mat