

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

'04 JUN 30 P4:53

RECEIVED BY: Osmeña

S E N A T E

S. No. 370


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Introduced by Senator S. R. Osmeña III

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### EXPLANATORY NOTE

Presidential Decree 818 was signed into law in 1975, as a deterrent to offenses of swindling with the use of bouncing checks. This law increased the penalties for estafa committed through bouncing checks as follows:

- a) If the amount of fraud is over ₱12,000 but not exceeding ₱22,000, the penalty was increased to reclusion temporal from prision correccional in its maximum period to prision mayor in its minimum period. This means an increase in the range of imprisonment to 12 years and one day to 20 years, from 4 years and 2 months and one day to 8 years;
- b) If the amount excess ₱22,000, the penalty shall be imposed in its maximum period, adding one year for each additional ₱10,000. The total penalty however not to exceed 30 years, from the original 20 years. In such cases, the penalty shall be terms reclusion perpetua from prision mayor or reclusion temporal, as the case may be;
- c) If the amount of fraud is over ₱6,000 but not exceeding ₱12,000 the penalty was increased to prision mayor in its maximum period, from prision correccional in its minimum and medium periods meaning imprisonment of 10 years and one day to 12 years, from 6 months and one day to 4 years and two months.
- d) If the amount is over ₱200 but not exceeding ₱6,000, the penalty was increased to prision mayor in its medium term from arresto mayor in its maximum period to prision correccional in its minimum period or imprisonment of 8 years and one day to 10 years, from the previous 4 months and one day to 2 years and 4 months.
- e) If the amount is less than ₱200 the penalty is prision mayor in its minimum period instead of arresto mayor in its maximum period, or imprisonment of 6 years and one day to 8 years, from the previous penalty of 4 months and one day to 6 months.

This bill seeks to repeal P.D. 818. The above penalties are clearly too harsh, classifying fraud involving ₱22,000, an offense against property within the same league as non-bailable offenses such as rape, murder and other heinous crimes. Thus has P.D. 818 lent loan sharks with an effective weapon with which to harass poor unwitting debtors, many of them micro-entrepreneurs trying to start up small business ventures.

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

*S. R. Osmeña III*  
 SERGIO R. OSMEÑA III  
 Senator

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AN ACT  
RESTORING THE ORIGINAL PENALTIES IMPOSED FOR ESTAFA  
COMMITTED THROUGH BOUNCING CHECKS UNDER ARTICLE 315 OF THE  
REVISED PENAL CODE AND REPEALING FOR THIS PURPOSE  
PRESIDENTIAL DECREE NO. 818

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

1           **SECTION 1.** - Any provision of law to the contrary notwithstanding,  
2 Presidential Decree No. 818 entitled "Amending Article 315 of the Revised Penal  
3 Code by Increasing the Penalties for Estafa Committed by Means of Bouncing  
4 Checks" is hereby repealed.

5           The original penalties imposed for estafa committed by means of bouncing  
6 checks under Article 315 of the Revised Penal Code, are hereby restored.

7           **SECTION 2.** - This Act shall take effect fifteen (15) days from the date of  
8 the completion of its publication in the Official Gazette or in at least two (2)  
9 newspapers of general circulation.

Approved,