



It is about time that the overseas workers be provided with a bank that they can call their own; effectively run and managed by people within their ranks; and which is expected to be operated for their greater good and benefit. This augers well for our so-called modern day heroes, as many are won't to say, which will surely give them the added aspiration to work even harder in the foreign countries they now consider as the places of their "bread and honey." But more importantly, it is a fitting recognition of their contribution in the long and arduous task at nation building.

In this light, the passage of this bill is fervently prayed.


  
JINGGOY EJERCITO ESTRADA  
Senator

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

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SENATE

S.B. No. 880

RECEIVED BY: 

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Introduced by Sen. Jinggoy Ejercito Estrada

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AN ACT  
CREATING THE PHILIPPINE OVERSEAS WORKERS BANK, AND  
FOR THE OTHER PURPOSES

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

**SECTION 1. Overseas Workers Bank.** - There is hereby created a Bank to be known as "Philippine Overseas Workers Bank" herein referred to as the "Bank".

**SECTION 2. Place of Business; Branches: Agencies and Other Offices.** - The Bank's principal office and place of business shall be in the National Capital Region, also known as Metro-Manila. It may open and maintain other branches, agencies and other offices at such places in the Philippines or abroad as its Board of Directors may deem advisable, with prior approval of the Monetary Board of the Banko Sentral ng Pilipinas.

**SECTION 3. Corporate Powers and Functions.** - The Bank shall be a corporate body and shall have the following powers and purposes:

- a. To grant loans and other financial assistance preferably to Filipino overseas workers, their spouses, or compulsory heirs, for the development of agriculture and small and medium scale commercial and industrial enterprises;
- b. To grant loans and other financial assistance to Filipino workers applying or re-applying for overseas employment to defray the payment of placement fees and other expenses thereof;
- c. To enter into agreements or contracts for such services and aid, as may be needed for the proper, efficient and stable administration of the Bank;
- d. To accept and administer trust and to carry on a general trust business;
- e. To acquire property, real or personal, which may be necessary or expedient for the proper conduct of its operations;
- f. To acquire, receive or hold, by way of purchase or otherwise, public or

private property for the purpose of undertaking housing projects preferably for the benefit of Filipino overseas workers, their spouses or compulsory heirs;

g. To receive deposits and accept property, real or personal, as collateral or security; and

h. To adopt, amend or change its by-laws; to adopt, alter and use a seal; to sue or be sued; and to exercise the general powers of a corporation as provided in Batas Pambansa No. 68, otherwise known as the "Corporation Code of the Philippines", and the powers of a bank of its category under the General Banking Act.

**SECTION 4. *Determination of Overseas Workers.*** – For purposes of this Act, the overseas workers referred to herein shall include any person or persons who have served or serving employees or workers outside the Philippines under valid employment contracts involving rendering of services in a foreign country, such as skilled and unskilled Laborers, office factory or household workers or professional employees, which shall include seamen and or workers on board vessels plying international waters, name hires, and other similar workers.

**SECTION 5. *Authorized Capital stock.*** - The capital stock of the bank shall be Two billion pesos (P2,000,000,000.00) divided into Two million (2,000,000) shares with a par value of thousand pesos (P1,000.00) per one share (51%) of the total shares provided herein, or One billion one hundred million (1,100,000,000) shall be common shares, while the remaining forty nine percent (49%) or Nine hundred million (900,000,000) shares shall be preferred.

The government of the Philippines on behalf of the Republic government shall, on behalf of the overseas contract workers, fully subscribed total common shares of bank. The amount necessary for the government's subscription shall be advanced to the Overseas Workers Welfare Administration (OWWA): Provided, That the National Government shall, within the period of three ( 3 ) years, return to OWWA the amount hereinbefore provided further, That the OWWA That shall hold and represent the shares corresponding to the amount it has advanced until it has been fully reimbursed the sale of the stocks subscribed by the National Government in favor of overseas contract workers.

**SECTION 6. *Authorized Loans and Investments.*** – In the exercise of its lending authority, the Bank shall give preference and priority to loan for agricultural and small and medium scale commercial industrial enterprises, particularly for overseas workers, their spouses or compulsory heirs.

Unless otherwise provided in this Act, loans and other credit accommodation granted by the Bank shall be subject to the single appropriate applicable loan limits to

any single borrower as provided under Republic Act No. 331, as amended, otherwise known as the General Banking Act.

The authority of the Bank to invest in equities of allied undertakings, financial, or non-financial; as well as in non-allied undertakings, shall be governed by the provisions of Republic Act No. 337, as amended.

**SECTION 7. *Board of Directors; Composition; Tenure; Terms.*** – Within first three (3) years from the organization of the Bank, its affairs and business shall be directed and its properties managed and preserved and its corporate exercised, unless otherwise provided in this Act, by a Board of Directors consisting (11) eleven members, composed of the Secretary of Labor of employment as ex-officio Chairman, and the respective Chairmen of the Senate and House of Representatives Committees on Labor, the Administrators of Philippine Overseas Employment Administration (POEA) and the Overseas Workers Welfare (OWWA), as ex-officio Members. The remaining six (6) members shall be selected from the officers and members of the different overseas workers associations and be appointed by of the President of the Republic Philippines: Provided, That at least one (1) member of the Board shall be ordinary overseas worker: Further, That at least on (1) member each shall come from Visayas and Mindanao.

Thereafter, the Members of the Board of Directors shall be elected in accordance with the succeeding Section.

**SECTION 8. *Election and Qualifications of Members the Board of Directors.***

- Annually on the first Tuesday in March after the transition period of three (3) mentioned in this Act, the stockholders shall meet to the members to elect the member of the Board of Directors for the current year. Each stockholder or proxy will be entitled to as many votes as he may have shares of stock registered in his name held by him one (1) week prior to the date of the election multiplied by the number of directors to be elected. In the election the members of the Board, stockholders shall have the right of cumulative voting as recognized by law.

No person shall be elected director of the Bank unless he is a natural-born citizen of the Philippines, not less than thirty five (35) years of age, of good moral character and has attained proficiency, has attained proficiency, expertise and recognized competence in one (1) or more of the following: overseas employment promotions and recruitment, banking, finance, economics, or business management; Provided, That no director, officer or employee of any other bank shall be eligible as member of Directors: Provided, further, That no less than six (6) of the members thereof are overseas workers.

Unless otherwise set by the Board, members of the Board, members of the

Board shall receive a per diem allowance of One thousand pesos (P1,000.00) for every meeting of the Board actually attended by them :Provided, finally, That the total amount of per diems for every single month shall not exceed the sum of Six thousand pesos (P6,000.00).

The Board of Directors shall by a majority of all its member, elect its Chairman, Vice-Chairman and other officers. Pending the election of its Chairman, the President of the Bank shall preside aver the meetings of the Board of Directors.

**SECTION 9. Powers of the Board of Directors.** - The Board of Directors shall have the following duties, powers and authority:

a) To formulate policies necessary to carry out effectively the provisions of its Act;

b) To adopt, amend or change the by-laws as well as such rules and regulation as may be necessary for the effective operation of the Bank, in conformity with this Act and existing laws;

c) To prescribe such terms and conditions to govern the granting of loans credits, consistent with the provisions of this Act;

d) To adopt annual budget for the effective operation and administration of the Bank;

e) To create, establish and operate a "Self-Insurance System" in order to offset possible damage or loss of cash in-transit that the Bank may suffer which may arise, among others, from irregular transfers and similar instruments, or losses arising from other forms of frauds;

f) To compromise or release, in whole or in part, any claim, liability or demand for or against the Bank regardless of the amount involved, under such terms and the conditions as it may impose to protect the interest of Bank;

g) To determine the procedure and requirements for the acquisition of properties necessary for the business of Bank;

h) To dispose of properties of the Bank, whether used in the conduct of its business or acquired as a result of its banking operations, by public bidding its negotiations;

i) To provide for the appointment and removal, as well as fix reasonable compensation, its personnel in accordance with existing laws;

j) To create and establish a Provident Fund for the benefit of its officers or employees under such term and condition as the Board of Directors may fix; and

k) To perform such other functions as may be to necessary to achieve the objectives of this Act.

The Board shall meet as frequently as necessary and the presence of five (5) members shall constitute a quorum.

**SECTION 10. *President of the Bank.*** - The Chief Executive Officer of the Bank shall be the President who shall be elected by the Board of Directors from among themselves. No person shall be elected President of the Bank unless he is at least (40) years of age, of good moral character and reputation, with at least ten (10) years previous experience in banking, has a reputed proficiency, expertise and recognized competence in banking or financial management, and must have had experience as an overseas worker.

The President of the Bank shall, among other powers and duties, execute and administer the policies, measures, orders and resolutions approved by the Board of Directors, and direct and supervise the operations and administration of the Bank. Particularly, he shall have the power and duty;

- a) To execute all contracts and to enter into all authorized transactions in behalf of the bank;
- b) To exercise, as Chief Executive Officer, the power of supervision and control over decisions or actions of subordinates and all other powers that may be granted by the Board;
- c) To recommend to the Board the appointment, promotion or removal of all officers of the Bank with the rank of at least Vice-President;
- d) To appoint, promote or remove employees and officers below the rank of Vice-President;
- e) To transfer, reassign officers and personnel of the Bank in the interest of the service;
- f) To report periodically to the Board of Directors the operations of the Bank; and
- g) To delegate any of his powers, duties or functions to any officials of the Bank, with the approval of the Board of Directors.

**SECTION 11. *Other Officers and Employees.*** - The Board of Directors provide for an organization and staff officers and employees of the Bank and upon recommendation of the President of the Bank, fix their remuneration and other emoluments in accordance with existing laws.

No officer or employee of the Bank subject Civil Service shall be dismissed or suspended except provided by law.

**SECTION 12. *Legal Matters and Cases.*** - The Bank shall have its own Legal Department the head of which shall be appointed by the Board of Directors of the Bank

upon the recommendation of the President of the Bank.

The Bank may, subject to court approval, deputize any of its legal staff to act as Special Sheriff in the enforcement of court write and processes in cases involving the Bank.

SECTION 13. **Bank Auditor.** – The Commission on Audit shall be ex-officio auditor of the Bank and shall designate a representative to the Bank.

SECTION 14. **Examination of the Bank.** - The Bank shall be subject to supervision and examination by appropriate the department of the Bangko Sentral ng Pilipinas.

SECTION 15. **Inhibition from Board Meeting of Member with Personal Interest.** – Whenever any member attending a meeting of the Board of Directors has a personal interest, directly or indirectly in any given matter pending before the Board, said member shall not participate in the discussion or resolution of the matter and must retire from the meeting during the deliberation thereon.

SECTION 16. **Prohibition on Officers and Employees of the Bank.** - Except as required by law, or upon order of a court of competent jurisdiction, or express order of the President of the Philippines, or written permission of the client, no officer or employee of the Bank shall reveal to, nor allow to be examined, inquired or looked into by any third person, government official, bureau or office, any information relative to details on individual accounts or specific banking transaction: Provided, That in respect to deposit of whatever nature, the provisions of any existing laws shall apply.

This provision shall not apply to the exchange of confidential credit information among government financial institutions or among banks, in accordance with established banking practices or as may be allowed by law.

SECTION 17. **Borrowing of Directors, Officers, and Employees.** – No Directors, officer or employee of the Bank or any corporation, partnership or company wherein any member of the Board of Directors, officer or employee, and/or their respective relatives within the second degree of consanguinity or affinity, is a directors, officer or controlling shareholder, shall either directly or indirectly, for himself or as representative or agent of others, borrow any of the deposits of funds from the Bank, nor shall he become a guarantor, endorser or surety for loans from the Bank to others, or in any manner be an obligator for money borrowed from the Bank or loaned by it:



Provided, this prohibition or directors, officers and employee shall not be include in the form of fringe benefits granted in accordance with rules and regulations as may be prescribed by the Monetary Board the Bangko Sentral ng Pilipinas.

The Bank shall not grant, directly or indirectly, any loans, or credit accommodations to the head or any officer personnel directly exercising supervisory or regulatory authority over the activities of the Bank such as those of the Bangko Sentral ng Pilipinas or Commission on Audit.

**SECTION 18. *Disposal of Real Estate and other Properties.*** - Real and other properties acquired by the Bank in the collection of debts, receivables or by way of foreclosure or other means shall be sold or otherwise disposed of in accordance with the policies and guidelines by the Board of Directors within three (3) years after the date of their acquisition.

**SECTION 19. *Right of Redemption of Foreclosed Property and Possession During the Redemption Period.*** - Within one (1) year from the registration of the foreclosure or sale real property, the mortgagor shall have the right to redeem the property by paying the principal, interest, charges, commissions and all claims of whatever nature of Bank outstanding and due as of the date of the sale including all the cost and other expenses incurred by reason of the foreclosure sale and custody of the property, as well as charges and accrued interests.

The Bank may take possession of the foreclosed property during the redemption period. When the Bank takes possession during such period, it shall be entitled to the fruits of the property with no obligation to account for the, them the same being considered compensation for the interest that would otherwise accrue on the account. Neither the Bank be obliged to post a bond for the purpose of such possession.

**SECTION 20. *Depository of Overseas Workers Funds.*** - The provisions of the existing laws to the contrary notwithstanding, the Bank shall act as official government depository with authority to maintain government, particularly with respect to fund intended for or due to overseas workers, subject to rules and regulations as the Monetary Board of the Bangko Sentral ng Pilipinas may prescribe.

**SECTION 21. *Tax and Duty Exemptions.*** - The Bank shall be exempted from the payment of all kinds of taxes and duties imposed by the Government, or any subdivision, agency or instrumentality thereof, on any its income, real or personal property acquisitions, or importation of equipment, machinery and other items be

needed in its operations, within a period of five (5) years from the date of the establishment of the Bank.

SECTION 22. **Term.** – The legal existence under this Act shall be for a period of fifty (50) years from and after the date of the effectivity of this Act.

SECTION 23. **Articles of Incorporation of Charter.** – This Act upon its effectivity, shall be deemed and accepted for all legal intents and purposes as the statutory articles of incorporation or charter of the Philippine Overseas Workers Bank. Pursuant thereto, the bank shall be deemed registered and duly authorized to do business and operate to as a commercial Bank as of the date of effectivity of this Act.

SECTION 24. **By-Laws.** - The By-Laws of the Bank for its organizational, functional, and operational government and procedures shall be adopted by the affirmative vote of The stockholders representing a majority of all the subscribed capital stock and entitled to vote, whether paid or unpaid, within one (1) month after the effectivity of this Act. The said By-Laws shall be subject certifications by the Monetary Board pursuant to the provisions of Republic Act No. 337 as amended.

SECTION 25. **Penalties.** – Any director, officer, or employee of the Bank who violates or knowingly permits the violation and any person aiding or abetting any violations any of the provisions of this Act, shall be punished by a fine to exceed Ten thousand pesos (P10,000.00) or by not exceed of not more than five (5) years or both fine and imprisonment.

SECTION 26. **Separability Clause.** - If any provision, or part of this Act or the application thereof to any person, association circumstances is held the other invalid, the other pertinent application to such person, association or circumstances shall not be affected thereby.

SECTION 27. **Repealing Clause.** - All other laws, decrees, executive orders, proclamation, rule and regulations or parts thereof inconsistent with any of the provisions of this Act are hereby repealed or modified accordingly.

SECTION 28. **Effectivity.** - This Act shall take effect fifteen (15) days from its publication Official Gazette or in a newspaper of general circulation.

Approved ,