

SIXTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
Third Regular Session )



15 SEP -8 P4:41

SENATE  
P.S. Res. No. 1574

RECEIVED BY: *J.*

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Introduced by Senator **SONNY ANGARA**

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**RESOLUTION DIRECTING THE SENATE COMMITTEE  
ON WAYS AND MEANS TO CONDUCT AN INVESTIGATION, IN AID OF  
LEGISLATION, ON THE FEASIBILITY OF LIFTING THE BANK SECRECY LAW  
PROVISIONS ON SERIOUS TAX EVASION CASES WITH THE APPROPRIATE  
SAFEGUARDS TO ENSURE AND RESPECT THE PRIVACY AND SAFETY OF  
LEGITIMATE BANK DEPOSITORS**

WHEREAS, in a recent news report, Internal Revenue Commissioner Kim Henares pushed for the lifting of the bank secrecy laws for tax evasion cases and including tax evasion as a predicate crime under the Anti-Money Laundering Act of 2001, as amended, in order to mitigate the expected financial impact of updating the current tax system;

WHEREAS, Republic Act No. 1405, as amended, or the Bank Secrecy Law and Presidential Decree No. 6426 or the Foreign Currency Deposit Act of the Philippines provide for the confidentiality of bank deposits. The Bank Secrecy Law was enacted in 1955 to encourage the people to deposit their money in banking institutions and to discourage private hoarding so that the same may be properly utilized by banks in authorized loans to assist in the economic development of the country;<sup>1</sup>

WHEREAS, Richard Parry, head of OECD's Global Relations Division and the Center for Tax Policy and Administration, said in a briefing at the sidelines of the Asia-Pacific Economic Cooperation (APEC) Workshop on Fiscal Management that having enough information remains the biggest challenge for administrators in going after tax evaders, launderers and other criminals in financial areas;

WHEREAS, in 2014 the Finance ministers from over fifty-one (51) countries signed an agreement, the Multilateral Competent Authority Agreement, in a step closer to ending the dark financial underworld of tax-evasion and money-laundering. Another 30 countries pledged to join by 2018. Even those countries considered as tax havens such as the Cayman Islands, Virgin Islands and Liechtenstein have signed the agreement;

WHEREAS, the Philippines is only one of three countries, the other two being Lebanon and Switzerland, that still provides for bank secrecy as far as tax evasion cases are concerned;

WHEREAS, there is a need to carefully study the proposal to lift the bank secrecy on tax evasion cases especially those involving serious tax evasion offenses while at the same time

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<sup>1</sup> GSIS v. Court of Appeals, G.R. No. 189206, June 8, 2011.

ensure that safeguards are in place to protect the bank depositor from undue or unwarranted intrusion;

NOW, THEREFORE, BE IT RESOLVED, to direct the Senate Committee on Ways and Means to conduct an investigation, in aid of legislation, on the feasibility of lifting the bank secrecy law provisions on serious tax evasion cases with the appropriate safeguards to ensure the respect of privacy and safety of the legitimate bank depositors.

Adopted.



**SENATOR SONNY ANGARA**