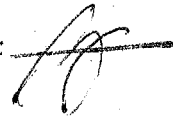


13th Congress of the Republic)
of the Philippines)
First Regular Session)

04 JUN 30 P10 55

SENATE

RECEIVED BY:



S. No. 1132

Introduced by Senator Aquilino Q. Pimentel, Jr.

EXPLANATORY NOTE

From 1965 to 1986 or for 21 years long, Ferdinand E. Marcos ruled the country as its president. In the last 13 years of his presidency, he ruled the country with martial law powers.

Although his widow, Imelda Romualdez Marcos, idolizes Mr. Marcos as an "economic genius", the irony is that his presidency is widely perceived to have impoverished the country. The reason is that billions of US dollars have reportedly been siphoned off for his benefit or that of his immediate family to hidden Swiss and other foreign - and even local - bank accounts in the names of fictitious persons, relatives, cronies, trustees or agents. Or hidden in layers upon layers of foundation or trust accounts that serve as formidable legal covers for the beneficial owner, Mr. Marcos, himself, or the immediate members of his family.

That is the reason why the very first executive orders No. 1 and No. 2 - of the Aquino administration were issued to organize and mandate the Presidential Commission on Good Government to search for and recover the hidden or ill-gotten Marcos wealth. It was hoped that the retrieval of the hidden or ill-gotten Marcos wealth of the Marcoses would hasten the economic recovery of the nation.

To this day, 18 years after the fall of the Marcos regime in 1986, the search for his so-called hidden or ill-gotten wealth has brought in only minimal results in relation to the amount(s) sought to be recovered.

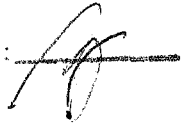
By adopting a system of reward for those who provide the government with credible and relevant information on the whereabouts of the Marcos hidden or ill-gotten wealth, the people might just get their hands on it sooner than later.

The early passage of this bill is, thus, requested.


AQUILINO Q. PIMENTEL, JR.

13th Congress of the Republic)
of the Philippines)
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04 JUN 30 10:55

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SENATE

S. No. 1132

Introduced by Senator Aquilino Q. Pimentel, Jr.

AN ACT
TO REWARD INFORMANTS WHO HELP IDENTIFY, LOCATE AND RECOVER ANY ILL-GOTTEN WEALTH OF THE LATE PRESIDENT FERDINAND E. MARCOS, AND HIS WIDOW, IMELDA R. MARCOS AND OTHER DEFENDANTS OR RESPONDENTS IN ILL-GOTTEN WEALTH CASES WHEREVER LOCATED AND BY WHOMSOEVER HELD AND FOR OTHER PURPOSES

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

SECTION 1. Declaration of Policy. - It is hereby declared a policy of the State to encourage persons natural or juridical to help locate, identify and recover in favor of the government any ill-gotten wealth of the late President Ferdinand E. Marcos and his widow, Imelda R. Marcos, and other defendants or respondents in ill-gotten wealth cases filed by the government wherever located and by whomsoever held.

SEC. 2. Definition. - For purposes of this Act, "Ill-Gotten Wealth" is defined as any asset, property, business enterprise or material possession of persons within the purview of Executive Order Nos. 1 and 2, and the rules and regulations of the Presidential Commission on Good Government (PCGG).

SEC. 3. Disclosure Requirement. - All banks, financial institutions, foundations, companies, corporations, partnerships or firms and their officers and

such ill-gotten wealth shall inform the PCGG within six (6) months from the effectivity of this Act of the existence and whereabouts of such assets or properties of the Marcoses or other defendants or respondents in ill-gotten wealth cases being held, possessed, controlled or managed at present or in the past by the said banks, financial institutions, foundations, companies, corporations, partnerships, firms or persons.

SEC. 4. *Qualified Informants.* - Natural or juridical persons, local or foreign, whose information under oath or whose action had led to the recovery of such ill-gotten wealth shall be entitled to financial and other rewards under the provisions of this Act.

SEC. 5. *Disqualified Informants.* - The estate of the late Ferdinand E. Marcos and Imelda R. Marcos, the Marcos children - Imee R. Marcos, Irene M. Araneta, Ferdinand R. Marcos, Jr., and Aimee Marcos, defendants in other ill-gotten wealth cases, and relatives up to the third civil degree of all the aforementioned, are disqualified from availing of the financial and other rewards provided in this Act. Notwithstanding the above disqualification, the PCGG may accept, in behalf of the government, the whole or a part of such wealth offered or voluntarily surrendered by the estate of the late President Ferdinand E. Marcos, his widow, Imelda R. Marcos, their children, other defendants or their relatives as enumerated above.

SEC. 6. *Rewards for Informants.* - The qualified informants specified in Section 4, above, shall receive financial and other rewards provided in this Act under the following conditions:

(a) that they had furnished or acted upon relevant information that led to the recovery of such wealth; and

(b) that the information had not been previously submitted to or

acquired by the PCGG from sources other than the informant.

SEC. 7. Amounts of Financial Rewards. - Financial rewards shall be granted to qualified informants as follows:

(a) For individual informants:

(i) Ten percent (10%) of any amount recovered of less than a million US dollars (US\$100,000,000.00) or its equivalent in pesos;

(ii) Seven percent (7%) of any amount recovered that is One hundred million US dollars (US\$100,000,000.00) or more but is less than Five hundred million US dollars (US\$500,000,000.00) or its equivalent in pesos; and

(iii) Five percent (5%) of any amount recovered that is Five hundred million dollars (US\$500,000,000.00) or more, or its equivalent in pesos.

(b) For juridical informants, Fifteen percent (15%) of any amount recovered.

SEC. 8. Tax-Free Rewards. - No central or local government tax of any kind shall be imposed on the financial rewards granted to qualified informants.

SEC. 9. Additional Rewards. - To honor a natural person whose information or action led to the recovery of such wealth either in whole or in part, a barangay, municipality, city or province may, by ordinance, 1) proclaim a special local government public celebration, or 2) authorize the construction of a suitable monument in his or her honor, or 3) as an exception to Section 13(d) of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, name a local government-owned street, plaza, market, school, hospital, building or place after him or her.

The central government or the local government units concerned may deposit funds with the bank or financial institution whose information led to the recovery of such wealth either in whole or in part, upon the latter's request.

SEC. 10. *Recovery Cases; Venue.* – Cases for the recovery of such ill-gotten wealth may be filed by qualified informants with any regional trial court or with the *Sandiganbayan*, at their option.

SEC. 11. *Informants' Right to Counsel; file Recovery Cases.* - Informants may secure the services of counsel to represent their interests in the recovery of such wealth. They may file and pursue an appropriate recovery case or several recovery cases with any regional trial court as specified above. In the event that several recovery cases alleging diverse causes of action or circumstances are filed with various regional trial courts, no motion to dismiss for improper venue or for forum shopping may be entertained. For this purpose, the informant-plaintiffs or complainants need not certify in their pleading that they are not engaged in forum shopping.

The informant-plaintiffs or complainants shall notify the PCGG of the filing of recovery cases by furnishing said office with copies thereof on the very day of their filing either by personal delivery or by registered mail.

Failure to do so may be a ground for the dismissal of the cases. Upon request of the informant-plaintiffs or complainants in writing, the PCGG shall extend assistance to the former or intervene in the prosecution of the recovery cases at any time prior to the individual promulgation of judgments thereon.

SEC. 12. *Nominal Filing Fee.* - The provisions of any law to the contrary notwithstanding, a nominal filing fee of Ten thousand pesos (₱10,000.00) shall be required by the proper court for each recovery case regardless of the amount involved.

SEC. 13. *Sheriff's and Stenographic Notes Fees.* - No sheriff's fees for service of summonses, pleading, court orders and the like in recovery cases shall be collected by the clerk of court before judgment thereon becomes final. Upon

finality of its judgment for recovery, the court shall order the deduction of the sheriff's fees from the amount recovered. Sheriff's fees shall be fixed at not less than one-tenth of one percent of the amounts recovered or not more than Five hundred thousand pesos (₱500,000.00), whichever is lower.

The transcripts of stenographic notes in recovery cases shall be furnished free of charge to and upon demand of a private plaintiff or complainant. Upon finality of its judgment for recovery, however, the court shall order the deduction of an amount not less than one-tenth of one percent from the amount recovered but in no case shall exceed Two hundred thousand pesos (₱200,000.00) for the payment of the transcript.

All amounts recovered from the recovery cases shall accrue to the government minus the amounts of the rewards to which an informant is entitled and the fees for the sheriff and the transcript of stenographic notes under this Act. No other deductions from the amounts recovered shall be made.

Upon finality of judgment, the court shall immediately order the amounts of the reward deducted and delivered to the informant or his heirs and the payment of the sheriff's fees and the transcript of stenographic notes without delay.

SEC. 14. *Priority Trial of Recovery Cases.* - Recovery cases shall be calendared and tried by the proper regional trial courts without delay. Trial of the cases shall be terminated within one year from the date of their filing. Only when the calendar of a regional trial court is, in fact, so full that it cannot finish the trial of a recovery case within one year, may it inhibit itself and cause the case to be reassigned to another regional trial court within the region but in no case outside the province of its location unless the written consent of the plaintiff or complainant is first obtained.

SEC. 15. *Immunity from Suit; Other Privileges.* - (a) No action, counter complaints or claims - civil, criminal or administrative or in any form whatsoever -

to hold informants accountable for any reason connected with any information they might have submitted to the PCGG or any action they might have taken in recovery cases as provided in this Act shall be allowed. Any such counter-complaints or claims shall be dismissed *motu proprio* by the court or upon motion of the informant-plaintiffs or-complaints for being against public policy.

(b) Neither may any official or employee of any bank, financial institution, foundation, company, corporation, partnership or firm that furnishes information to the PCGG on the existence and location of any such wealth in the form of deposits, trust funds, or investment of any kind or nature with or for safekeeping in any such bank, financial institution, foundation, company, corporation, partnership or firm be subjected to any suit, case, or acts of reprisal of any kind or form by their employers or any government official. Any such suit or case shall be dismissed *motu proprio* by the court or upon motion of the informant-plaintiffs or-complainants for being against public policy. The concerned official or employee may file a suitable criminal, civil or administrative complaint with the proper regional trial court or administrative body for appropriate relief. The civil action, if proven, shall entitle the complainant to damages in the amount of not less than One million pesos (₱1,000,000,000.00).

SEC. 16. *Retroactive Benefits.* - The benefits granted under this Act shall accrue to informants who, prior to its approval, gave information to the PCGG under the conditions required.

SEC. 17. *Penal Clause.* - (a) The following penalties shall be imposed upon any bank, financial institution, foundation, company, corporation, partnership or firm or any of its officers and employees or any other person who violates Section 3 or any other provision of this Act:

(i) Revocation of its license to do business;

(ii) A fine of not less than Five hundred thousand pesos (₱500,000.00) but

not more than One million pesos (₱1,000,000.00) or imprisonment for the concerned officer or employee of not less than six (6) months but not more than one (1) year, or both at the discretion of the court; and

(iii) Forfeiture in favor of the government of the amount which the concerned entity or person has failed to disclose plus legal interests, surcharges and other penalties.

(b) Any judicial or public official who unduly withholds or delays the payment of the rewards to which an informant is entitled shall be punished with imprisonment of not less than six (6) months but not more than one (1) year or a fine ranging from One hundred thousand pesos (₱100,000.00) to Five hundred thousand pesos (₱500,000.00) or both, at the discretion of the court. Upon the filing of the information with the *Sandiganbayan* charging the judicial or public official concerned for unduly withholding or delaying the above-mentioned payment, he or she shall also be suspended without pay for the duration of the trial of the case or cases;

(c) Any judge, public prosecutor, public official or employee who asks for or receives from an informant any percentage of the latter's reward shall be punished with imprisonment of not less than five (5) years but not more than ten (10) years. He or she shall also be sentenced to perpetual absolute disqualification from public office and loss of his or her government retirement or pension benefits without prejudice to his or her ability under other laws. The informant concerned who testifies as a state witness against the said public official shall be exempt from *criminal, civil or administrative prosecution in connection therewith*;

(d) Any sheriff, bailiff, court official or employee who delays or refuses to serve any *summons, subpoena*, pleading or court order of any kind in connection with recovery cases filed under this Act may be cited for contempt and if found guilty, may be imprisoned for not less than six (6) months or may be dismissed from the service;

(e) Any court stenographer who unduly delays or refuses to furnish the

stenographic notes demanded by the informant-plaintiffs or-complainants may be cited for contempt and if found guilty, may either be suspended for two months without pay or dismissed from the service and may further suffer imprisonment for not less than six (6) months at the discretion of the court. The contempt citation and the suspension shall form an integral part of the government employment records of the stenographer concerned; and

(f) Any person who connives or conspires with any public official or employee to violate any provision of this Act shall be imprisoned for not less than six (6) months but not more than one (1) year and pay a fine of not less than Ten thousand pesos (₱10,000.00) or more than Fifty thousand pesos (₱50,000.00).

SEC. 18. *Repealing Clause.* - (a) The provisions of Executive order Nos. 1, 2, 14, 14-A and the Rules and Regulations promulgated by the PCGG that are inconsistent with the provisions of this Act are hereby modified or repealed accordingly;

(b) The provisions of Sections 2 and 3 of Republic Act 1405, the Bank Secrecy Act, as amended, are likewise amended insofar as they are inconsistent with this Act;

(c) The provisions of the Rules of Court regarding the scheduling and trial of cases by the regional trial courts, venue and forum shopping and the Rules of the *Sandiganbayan* regarding the suspension of public officials or employees who are facing charges before it that are inconsistent with the provisions of this Act are hereby modified or repealed;

(d) Section 13(d) of Republic Act No. 7160 otherwise known as the Local Government Code of 1991 is modified in relation to Section 9 of this Act; and

(e) All other laws, executive orders, rules and regulations contrary to the provisions of this Act are hereby repealed or modified accordingly.

SEC. 19. *Separability Clause.* - If any provision of this Act is declared

unconstitutional or invalid, the other provisions not affected thereby shall remain in full force and effect.

SEC. 20. *Effectivity Clause.* - This Act shall take effect immediately following its publication in two (2) national newspapers of general circulation or in the *Official Gazette*, whichever takes place earlier.

Approved,