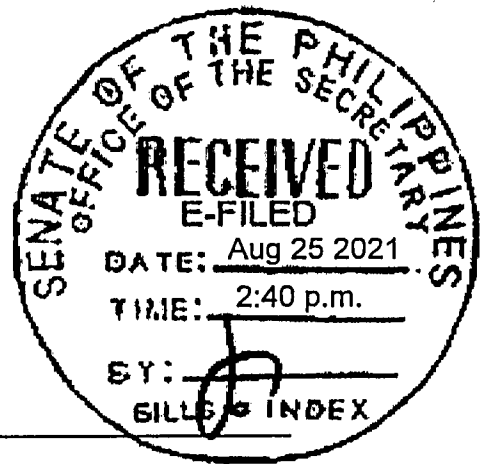


EIGHTEENTH CONGRESS OF THE  
REPUBLIC OF THE PHILIPPINES  
Third Regular Session

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)  
)

SENATE



COMMITTEE REPORT NO. 287

Submitted by the Committee on Banks, Financial Institutions and Currencies (upon the recommendation of the Subcommittee on Senate Bill No. 1260 and Senate Bill No. 2089), jointly with the Committee on Government Corporations and Public Enterprises.

Re: Senate Bill No. 2365

Recommending its approval in substitution of Senate Bill Nos. 1260 and 2089, taking into consideration House Bill No. 8818

Sponsor: **Senator Sonny Angara**

**MR. PRESIDENT:**

The Committee on Banks, Financial Institutions and Currencies (upon the recommendation of the Subcommittee on Senate Bill No. 1260 and Senate Bill No. 2089) joint with the Committee on Government Corporations and Public Enterprises to which were referred **Senate Bill No. 1260**, introduced by **Senator Ramon Bong Revilla Jr.**, entitled:

**"AN ACT**

**FURTHER INCREASING THE MAXIMUM DEPOSIT INSURANCE COVERAGE,  
AMENDING FOR THIS PURPOSE REPUBLIC ACT NO. 3591, AS AMENDED,  
OTHERWISE KNOWN AS THE PHILIPPINE DEPOSIT INSURANCE  
CORPORATION (PDIC) CHARTER"**

**Senate Bill No. 2089**, introduced by **Senator Sonny Angara**, entitled:

**"AN ACT**

**AMENDING SECTIONS 1, 3, 4, 5, 6, 8, 9, 10, 11, 18, 22, 24, 26 AND 28 OF  
REPUBLIC ACT NO. 3591, AS AMENDED, OTHERWISE KNOWN AS THE  
PHILIPPINE DEPOSIT INSURANCE CORPORATION CHARTER AND FOR OTHER  
PURPOSES"**

and taking into consideration **House Bill No. 8818** introduced by **Representatives Junie E. Cua, Luis Jose Angel N. Campos Jr., Sabiniano S. Canama and Xavier Jesus D. Romualdo**, entitled:

**"AN ACT**

**FURTHER STRENGTHENING THE REGULATORY FRAMEWORK FOR THE  
PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC), AMENDING FOR  
THE PURPOSE SECTIONS 1, 3, 4, 5, 6, 8, 9, 10, 11, 18, 22, 24, 26 AND 28 OF  
REPUBLIC ACT NO. 3591, AS AMENDED, OTHERWISE KNOWN AS THE PDIC  
CHARTER"**

have considered the same and have the honor to report them back to the Senate with the recommendation that the attached **Senate Bill No. 2365** prepared by the Committees, entitled:

**"AN ACT**

**AMENDING SECTIONS 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 18, 22, 24, 26, AND 28  
OF REPUBLIC ACT NO. 3591, AS AMENDED, OTHERWISE KNOWN AS THE  
PHILIPPINE DEPOSIT INSURANCE CORPORATION CHARTER, AND FOR OTHER  
PURPOSES."**

be approved in substitution of Senate Bill Nos. 1260 and 2089, taking into consideration House Bill No. 8818 with Senators Revilla Jr., Angara, Poe and Gordon as authors thereof

RESPECTFULLY SUBMITTED:



**SONNY ANGARA**

Chairperson  
Subcommittee on SBN 1260 and SBN 2089  
Vice-Chairperson, Committee on Banks, Financial  
Institutions and Currencies

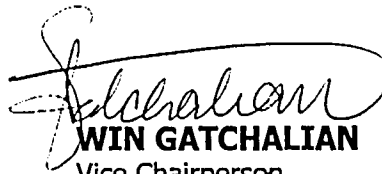


**GRACE POE**

Chairperson  
Committee on Banks, Financial  
Institutions and Currencies

**RICHARD J. GORDON**

Chairperson  
Committee on Government Corporations  
and Public Enterprises



**WIN GATCHALIAN**

Vice Chairperson  
Committees on Banks, Financial  
Institutions and Currencies, and  
Government Corporations and Public  
Enterprises

Members:

**PANFILO M. LACSON**

Committee on Banks, Financial Institutions  
and Currencies



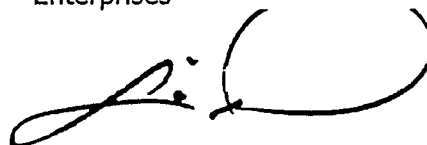
**CHRISTOPHER BONG T. GO**

Committees on Banks, Financial  
Institutions and Currencies, and  
Government Corporations and Public  
Enterprises



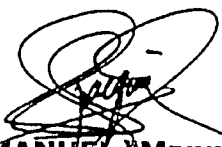
**MARIA LOURDES NANCY S. BINAY**

Committees on Banks, Financial Institutions  
and Currencies, and Government  
Corporations and Public Enterprises



**MANUEL "Lito" M. LAPID**

Committee on Banks, Financial  
Institutions and Currencies



**EMMANUEL "Manny" D. PACQUIAO**  
Committee on Government Corporations and  
Public Enterprises



**JOEL VILLANUEVA**  
Committee on Government Corporations  
and Public Enterprises

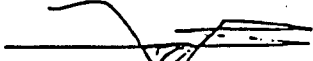
**CYNTHIA A. VILLAR**

Committee on Government Corporations and  
Financial Public Enterprises  
Currencies; and

*Risa Hontiveros*  
**RISA HONTIVEROS**

Committees on Banks,  
Institutions and

Government Corporations and  
Public Enterprises

  
**FRANCIS "Kiko" PANGILINAN**  
Committees on Banks, Financial Institutions and  
Currencies, and Government Corporations and Public  
Enterprises

Ex-Officio Members:

  
**RALPH G. RECTO**  
Senate President Pro-Tempore

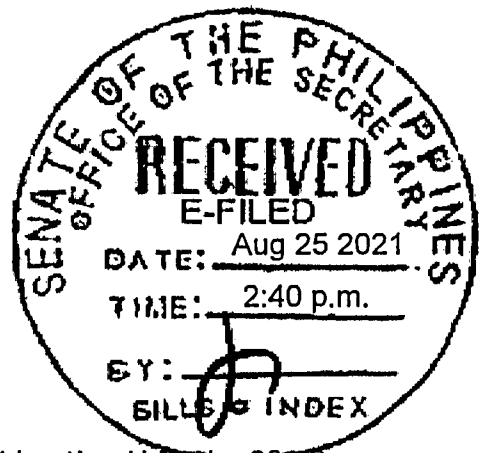
  
**JUAN MIGUEL F. ZUBIRI**  
Majority Floor Leader

  
**FRANKLIN M. DRILON**  
Minority Floor Leader

**HON. VICENTE C. SOTTO III**  
Senate President

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

**SENATE**  
**S. B. No. 2365**



(In Substitution of S.B. Nos. 1260 and 2089, and taking into consideration H.B. No. 8818)

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**Prepared by the Committees on Banks, Financial Institutions, and Currencies; Government Corporations and Public Enterprises as recommended by the Sub-Committee on S.B. Nos. 1260 and 2089 with Senators Revilla, Angara, Poe, and Gordon as authors.**

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**AN ACT**  
**AMENDING SECTIONS 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 18, 22, 24, 26, AND 28 OF REPUBLIC ACT NO. 3591, AS AMENDED, OTHERWISE KNOWN AS THE PHILIPPINE DEPOSIT INSURANCE CORPORATION CHARTER, AND FOR OTHER PURPOSES**

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

- 1       **SECTION 1.** Section 1 of Republic Act No. 3591, as amended, or "An Act  
2       Establishing the Philippine Deposit Insurance Corporation, Defining its Powers and  
3       Duties and for Other Purposes" is hereby further amended to read as follows:  
4       "THE CREATION OF THE PHILIPPINE DEPOSIT INSURANCE CORPORATION  
5       "SECTION 1. There is hereby created a Philippine Deposit Insurance  
6       Corporation hereinafter referred to as the 'Corporation' which shall insure as  
7       herein provided, the deposits of all banks which are entitled to the benefits of  
8       insurance under this Act, and which shall have the powers hereinafter granted.

The Corporation shall, as a basic policy, promote and safeguard the interests of the depositing public by providing insurance coverage on all insured deposits and helping maintain a sound and stable banking system.

**THE CORPORATION SHALL BE ATTACHED TO THE BANGKO SENTRAL NG PILIPINAS FOR POLICY AND PROGRAM COORDINATION."**

**SEC. 2.** Section 3 of the same Act is hereby further amended to read as follows:

"BOARD OF DIRECTORS: COMPOSITION AND AUTHORITY

"SEC. 3. (a) The powers and functions of the Corporation shall be vested in and exercised by a Board of Directors which shall be composed of seven (7) members as follows:

(1) The **GOVERNOR OF THE BANGKO SENTRAL NG PILIPINAS**

~~[Secretary of Finance]~~ who shall be the ex officio ~~[Chairman]~~

**CHAIRPERSON** of the Board without compensation;

(2) The ~~[Governor of the Bangko Sentral ng Pilipinas]~~ **SECRETARY OF**

**FINANCE** who shall be ex officio **VICE CHAIRPERSON AND** member of the Board without compensation;

(3) The President of the Corporation, who shall be appointed by the President of the Philippines from a shortlist prepared by the Governance Commission for Government-Owned or -Controlled Corporations pursuant to Republic Act No. 10149, **OR THE "GOCC GOVERNANCE ACT OF 2011"** to serve on a full-time basis for a term of six (6) years. ~~[The President of the Corporation shall also serve as Vice Chairman of the Board];~~

(4) Four (4) members from the private sector to be appointed by the President of the Philippines from a shortlist prepared by the Governance Commission for Government -Owned or -Controlled Corporations pursuant to Republic Act No. 10149. The appointive directors shall serve for a term of six (6) years unless sooner removed for cause and shall be subject to only one (1) reappointment: Provided, That of those first appointed, the first two (2) appointees shall serve for a period of three (3) years; Provided, however, that the appointive director shall continue to hold office until the successor is appointed. An appointive director may be nominated by the Governance Commission for Government -Owned or -Controlled Corporations for reappointment by the President only if ~~[one]~~ **THE APPOINTIVE DIRECTOR** obtains a performance score of above average or its equivalent or higher in the immediately preceding year of tenure as appointive director based on the performance criteria for appointive directors of the Corporation.

16x x x

The Secretary of Finance and the Governor of the Bangko Sentral ng Pilipinas may each designate an alternate, who shall be an official with a rank not lower than assistant secretary **OF THE DEPARTMENT OF FINANCE** or ~~[its equivalent]~~ **DEPUTY GOVERNOR OF THE BANGKO SENTRAL NG PILIPINAS** with written authority from the Secretary of Finance or the Governor of the Bangko Sentral ng Pilipinas to attend such meetings and to vote on behalf of their respective principals. Whenever the ~~[Chairman]~~ **CHAIRPERSON** of the Board is unable to attend a meeting of the Board, or

1 in the event of a vacancy in the office of the [~~Secretary of Finance~~]  
2 **GOVERNOR OF THE BANGKO SENTRAL NG PILIPINAS**, [~~and in the~~  
3 ~~absence of the Vice Chairman the members of the Board shall designate from~~  
4 ~~among themselves who~~] **HIS OR HER DESIGNATED ALTERNATE** shall [~~act~~  
5 ~~as Chairman~~] **PRESIDE. IN THE ABSENCE OF THE CHAIRPERSON AND**  
6 **HIS OR HER DESIGNATED ALTERNATE, THE SECRETARY OF FINANCE**  
7 **OR HIS OR HER REPRESENTATIVE SHALL PRESIDE.**

8xxx

9 (b) The Board of Directors shall have the authority:

10 **(1)** To approve and issue rules and regulations for banks, and the depositing  
11 public, as it considers necessary for the effective discharge of its  
12 responsibilities **UNDER THIS ACT INCLUDING THE**  
13 **ESTABLISHMENT OF SEPARATE INSURANCE FUNDS, AND**  
14 **INSURANCE ARRANGEMENTS OR STRUCTURES OR TAKAFUL,**  
15 **TAKING INTO CONSIDERATION THE PECULIAR**  
16 **CHARACTERISTICS OF ISLAMIC BANKING. THIS AUTHORITY**  
17 **INCLUDES, INCREASING OF THE INSURANCE COVERAGE,**  
18 **ELIGIBILITY OF THE INSTITUTIONS, ASSESSMENT PREMIUM**  
19 **RATE, AND OTHER IMPLEMENTATION RULES AND**  
20 **REGULATIONS;**  
21 **FOR PURPOSES OF THIS ACT, TAKAFUL SHALL BE DEFINED AS A**  
22 **MUTUAL GUARANTEE IN RETURN FOR THE COMMITMENT TO**  
23 **DONATE AN AMOUNT IN THE FORM OF A SPECIFIED**  
24 **CONTRIBUTION TO THE COVERED ENTITIES' RISK FUND,**



**WHEREBY A GROUP OF COVERED ENTITIES AGREE AMONG  
THEMSELVES TO SUPPORT ONE ANOTHER JOINTLY FOR THE  
LOSSES ARISING FROM SPECIFIED RISKS.**

4x x x

~~[(4) To approve a compensation structure as an integral component of the Corporation's human resource development program based on job evaluation studies and wage surveys, and revise the same as it may deem necessary: Provided, That all positions in the Corporation shall be governed by a compensation package, position classification system and qualification standards approved by the Board based on a comprehensive job analysis and audit of actual duties and responsibilities. The compensation structure shall be comparable to that of other financial institutions based on prevailing market standards, and shall provide for yearly merit reviews or increases based on productivity. The Corporation shall therefore be exempt from existing laws, rules and regulations on compensation package, position classification and qualification standards. It shall however endeavor to make its system conform as closely as possible with the principles under Republic Act No. 6758, as amended;]~~

~~[(5)]~~ **(4)** To appoint, ~~[establish the rank, fix the remuneration, benefits, including health care services through a Health Maintenance Organization (HMO) and medical benefits other than those provided for under Republic Act No. 7875, as amended,]~~ and remove any officer or employee of the Corporation, for cause, subject to pertinent civil service laws: Provided, That the Board of Directors may delegate this authority to the President subject to

specific guidelines: Provided, further, That in no case shall there be any diminution of existing salaries, benefits and other emoluments;

~~[(6)]~~ **(5)** To approve policy on local and foreign travel, and the corresponding expenses, allowances and per diems, of officers, employees, agents of the Corporation, which shall be comparable with the expenses, allowances and per diems of personnel of other financial institutions based on prevailing market standards, notwithstanding the provisions of Presidential Decree No. 1177, Executive Order No. 292, Executive Order No. 248, as amended, Executive Order No. 298, and similar laws;

~~[(7)]~~ **(6)** To adopt an annual budget for, and authorize such expenditures by the Corporation, as are in the interest of the effective administration and operation of the Corporation;

~~[(8)]~~ **(7)** To approve the target level of the Deposit Insurance Fund (DIF) and the methodology for determining reserves for insurance and financial assistance losses;

~~[(9)]~~ **(8)** To review the organizational set-up of the Corporation and adopt a new or revised organizational structure as it may deem necessary for the Corporation to undertake its mandate and functions;

~~[(10)]~~ **(9)** To design, adopt and revise, as it may deem necessary, an early separation plan for employees of the Corporation to ensure availability of a human resource pool qualified and capable of implementing the Corporation's authorities under this Charter in a manner responsive and attuned to market developments, and to provide incentives for all those who shall be separated from the service. Notwithstanding any law to the contrary, these incentives

1 shall be in addition to all gratuities and benefits the employee is entitled to  
2 under existing laws; and

3 ~~[(11)]~~ **(10)** To promote and sponsor the local or foreign training or study of  
4 personnel in the fields of banking, finance, management, information  
5 technology and law. Towards this end, the Corporation is hereby authorized to  
6 defray the costs of such training or study. The Board shall prescribe rules and  
7 regulations to govern the training or study programs of the Corporation."

8 **SEC. 3.** Section 4 of the same Act is hereby further amended to read as follows:

9 "PRESIDENT OF THE CORPORATION:

10 COMPENSATION, POWERS, AND DUTIES

11 SEC. 4. The President of the Corporation shall be its Chief Executive Officer  
12 ~~[and the Vice Chairman of its Board of Directors and his or her]~~ **WHOSE** salary  
13 shall be ~~[fixed by the President of the Philippines upon the recommendation~~  
14 **of]** **BASED ON THE COMPENSATION AND POSITION CLASSIFICATION**  
15 **SYSTEM DEVELOPED BY** the Governance Commission for Government-  
16 Owned or -Controlled Corporations ~~[(GCG) at a sum commensurate to the~~  
17 ~~importance and responsibility attached to the position.]~~ **AND AS APPROVED**  
18 **BY THE PRESIDENT OF THE PHILIPPINES.** The sum total of the salary,  
19 allowances, benefits and other emoluments of the President of the Corporation  
20 shall be higher than the compensation package of the next highest ranking  
21 executive of the Corporation.

22x x x

1 The President shall be assisted by a Vice President and other officials whose  
2 appointment and removal for cause shall be approved [~~and whose salary shall~~  
3 ~~be fixed~~] by the Board of Directors upon recommendation of the President of  
4 the Corporation. **THE SALARY OF THE VICE PRESIDENT AND OTHER**  
5 **OFFICIALS SHALL BE BASED ON THE COMPENSATION AND POSITION**  
6 **CLASSIFICATION SYSTEM ESTABLISHED BY THE GOVERNANCE**  
7 **COMMISSION FOR GOVERNMENT-OWNED OR -CONTROLLED**  
8 **CORPORATIONS AND AS APPROVED BY THE PRESIDENT OF THE**  
9 **PHILIPPINES."**

10 **SEC. 4.** Section 5 of the same Act is hereby further amended to read as follows:

11 "DEFINITION OF TERMS

12 "SEC. 5. As used in this Act. –

13 (a) x x x

14 (g) x x x

15 **CERTAIN PRODUCTS OR ARRANGEMENTS OF ISLAMIC BANKS SHALL**  
16 **BE DEEMED AS DEPOSIT BY THE BANGKO SENTRAL NG PILIPINAS**  
17 **FOR PURPOSES OF THIS ACT.**

18 The Corporation shall not pay deposit insurance for the following  
19 accounts or transactions:

20 (1) x x x

21 (3) Deposit accounts or transactions constituting [~~and/or emanating~~  
22 ~~from,~~] unsafe and unsound banking [~~practice/s~~], as determined by the  
23 Corporation, in consultation with the Bangko Sentral ng Pilipinas, after

1 due notice and hearing, and publication of a directive to cease and desist  
2 issued by the [Corporation] **BANGKO SENTRAL NG PILIPINAS**  
3 against such deposit accounts, transactions or [practices] **UNSAFE**  
4 **AND UNSOUND BANKING;** and

5x x x

6x x x

7 (i) The term insured bank means any bank the deposits of which are insured  
8 in accordance with the provisions of this Act.

9 (j) The term insured deposit means the amount due to any bonafide depositor  
10 for legitimate deposits in an insured bank as of the date of closure but not to  
11 exceed Five hundred thousand pesos (P500,000.00). Such amount shall be  
12 determined according to such regulations as the Board of Directors may  
13 prescribe. In determining such amount due to any depositor, there shall be  
14 added together all deposits in the bank maintained in the same right and  
15 capacity for his or her benefit either in his or her own name or in the name of  
16 others. A joint account regardless of whether the conjunction 'and', 'or', 'and/or'  
17 is used, shall be insured separately from any individually-owned deposit  
18 account: Provided, That (1) if the account is held jointly by two or more natural  
19 persons, or by two or more juridical persons or entities, the maximum insured  
20 deposit shall be divided into as many equal shares as there are individuals,  
21 juridical persons or entities, unless a different sharing is stipulated in the  
22 document of deposit, and (2) if the account is held by a juridical person or  
23 entity, jointly with one or more natural persons, the maximum insured deposit  
24 shall be presumed to belong entirely to such juridical person or entity:

1 Provided, further, That the aggregate of the interest of each co-owner over  
2 several joint accounts, whether owned by the same or different combinations  
3 of individuals, juridical persons or entities, shall likewise be subject to the  
4 maximum insured deposit [~~of Five hundred thousand pesos (P500,000.00)~~]:

5 Provided, furthermore, That the provisions of any law to the contrary  
6 notwithstanding, no owner/holder of any passbook, certificate of deposit or  
7 other evidence of deposit shall be recognized as a depositor entitled to the  
8 rights provided in this Act unless the passbook, certificate of deposit or other  
9 evidence of deposit is determined by the Corporation to be an authentic  
10 document or record of the issuing bank.

11 [~~Provided, finally, That -i~~] In case [~~of~~] a condition **OCCURS** that threatens the  
12 monetary and financial stability of the banking system that may have systemic  
13 consequences, as defined in Section 22 hereof, **AND** as determined by the  
14 Monetary Board, the maximum deposit insurance cover may be adjusted in such  
15 amount, for such a period, and/or for such deposit products, as may be  
16 determined by a unanimous vote of the Board of Directors in a meeting called  
17 for the purpose and chaired by the [~~Secretary of Finance~~] **GOVERNOR OF THE**  
18 **BANGKO SENTRAL NG PILPINAS OR THE DESIGNATED ALTERNATE,**  
19 subject to the approval of the President of the Philippines.

20 **THE BOARD OF DIRECTORS MAY INCREASE THE AMOUNT OF THE**  
21 **MAXIMUM DEPOSIT INSURANCE COVERAGE TO AN AMOUNT**  
22 **INDEXED TO INFLATION OR IN CONSIDERATION OF OTHER**  
23 **ECONOMIC INDICATORS AS MAY BE DEEMED APPROPRIATE BY THE**  
24 **BOARD. THE BOARD OF DIRECTORS SHALL REVIEW THE AMOUNT OF**

1 THE MAXIMUM DEPOSIT INSURANCE COVERAGE EVERY THREE (3)  
2 YEARS AND INCREASE THE MAXIMUM DEPOSIT INSURANCE  
3 COVERAGE AS MAY BE WARRANTED. IN THE EXERCISE OF THIS  
4 AUTHORITY, THE BOARD MAY CONSIDER ECONOMIC INDICATORS  
5 OTHER THAN INFLATION. FOR THIS PURPOSE, THE BOARD MAY HIRE  
6 THE SERVICES OF INDEPENDENT ACTUARIAL CONSULTANTS AND  
7 OTHER EXPERTS TO DETERMINE THE FEASIBILITY AND  
8 ADVISABILITY OF INCREASING THE MAXIMUM DEPOSIT INSURANCE  
9 COVERAGE.

10x x x

11 (o) The term purchase of assets and assumption of liabilities refers to a  
12 transaction where an insured bank purchases any or all assets and assumes  
13 any or all liabilities of another bank under ~~[resolution or]~~ liquidation, as  
14 provided in this Act.

15x x x

16 ~~[(s) The term resolution refers to the actions undertaken by the Corporation~~  
17 ~~under Section 11 of this Act:~~

18 ~~(1) Protect depositors, creditors and the DIF;~~

19 ~~(2) Safeguard the continuity of essential banking services or maintain~~  
20 ~~financial stability; and~~

21 ~~(3) Prevent deterioration or dissipation of bank assets.]~~

22 ~~[(t)]~~ (s) The term risk-based assessment system pertains to a method for  
23 calculating an insured bank's assessment on the probability that the DIF will

1 incur a loss with respect to the bank, and the likely amount of any such loss,  
2 based on its risk rating that takes into consideration the following:

3 (1) Quality and concentration of assets;

4 (2) Categories and concentration of liabilities, both insured and uninsured,  
5 contingent and noncontingent;

6 (3) Capital position;

7 (4) Liquidity position;

8 (5) Management and governance; and

9 (6) Other factors relevant to assessing such probability, as may be  
10 determined by the Corporation.

11 ~~[(t)]~~ **(t)** The term statement of affairs refers to a report of financial condition  
12 of the closed bank at a given date, showing the: (1) estimated realizable value  
13 of assets; (2) classification of credits; and (3) estimated liabilities to be settled.

14 ~~[(u)]~~ **(u)** The term surplus dividends refers to the remaining assets of the  
15 closed bank after satisfaction in full of all the liquidation costs, fees and  
16 expenses, and valid claims. The surplus dividends shall be computed at the  
17 legal rate of interest from the date of takeover to cut-off date of the distribution  
18 plan, and shall be paid, in cash or in kind, to creditors of the closed bank in  
19 accordance with the Rules on Concurrence and Preference of Credits under the  
20 Civil Code or other laws.

21 ~~[(w)]~~ **(v)** The term takeover refers to the act of physically taking possession  
22 and control of the premises, assets and affairs of a closed bank for the purpose  
23 of liquidating the bank.



**[(\*)] (w)** The term transfer deposit means, a deposit in an insured bank made available to a depositor by the Corporation as payment of insured deposit of such depositor in a closed bank and assumed by another insured bank.

**~~[(y)]~~ (x)** The term trust funds means funds held by an insured bank in a fiduciary capacity and includes without being limited to, funds held as trustee, executor, administrator, guardian or agent.

**(y) THE TERM UNSAFE AND UNSOUND BANKING MAY REFER TO THE CONDUCT OF BUSINESS IN AN UNLAWFUL, UNSAFE OR UNSOUND MANNER AS MAY BE DEFINED BY THE BANGKO SENTRAL NG PILIPINAS UNDER REPUBLIC ACT NO. 7653, AS AMENDED BY REPUBLIC ACT NO. 11211, OR "THE NEW CENTRAL BANK ACT", AND REPUBLIC ACT NO. 8791 OR "THE GENERAL BANKING LAW".**

**NOTWITHSTANDING THE FOREGOING, THE CORPORATION SHALL CONTINUE TO HAVE THE AUTHORITY TO DETERMINE UNSAFE OR UNSOUND BANKING IN THE PERFORMANCE OF ITS MANDATES, IN ACCORDANCE WITH THE DEFINITION OF THE BANGKO SENTRAL NG PILIPINAS AS PROVIDED ABOVE.**

18x x x

**SEC. 5.** Section 6 of the same Act is hereby further amended to read as follows:

"DEPOSIT INSURANCE COVERAGE

SEC. 6. The deposit liabilities of any bank which is engaged in the business of receiving deposits as herein defined on the effective date of this Act, or which thereafter may engage in the business of receiving deposits, shall be insured

1 with the Corporation. **THE CORPORATION MAY ESTABLISH SEPARATE**  
2 **INSURANCE FUNDS AND INSURANCE ARRANGEMENTS OR**  
3 **STRUCTURES OR TAKAFUL THAT TAKE INTO CONSIDERATION THE**  
4 **PECULIAR CHARACTERISTICS OF ISLAMIC BANKING.**

5 Whenever a bank is determined by the Bangko Sentral ng Pilipinas to be capital  
6 deficient, the Corporation may conduct an insurance risk evaluation on the  
7 bank to enable it to assess the risks to the DIF. Such evaluation may include  
8 the determination of: (i) the fair market value of the assets and liabilities of a  
9 bank; or (ii) the risk classification of a bank [~~or (iii) possible resolution modes~~  
10 ~~under Section 11 of this Act, subject to such terms and conditions as the PDIC~~  
11 ~~Board may prescribe.].~~

12 **SEC. 6.** Section 7 of the same Act is hereby further amended to read as follows:

13 "ASSESSMENT OF MEMBER BANKS

14 SEC. 7. (a) The assessment rate shall be determined by the Board of Directors:  
15 Provided, That the assessment rate shall not exceed one-fifth (1/5) of one per  
16 centum (1%) per annum. The semi-annual assessment for each insured bank  
17 shall be in the amount of the product of one-half (1/2) the assessment rate  
18 multiplied by the assessment base but in no case shall it be less than Five  
19 thousand pesos (P5,000.00). The assessment base shall be the amount of the  
20 liability of the bank for deposits as defined under subsection (g) of Section 5  
21 without any deduction for indebtedness of depositors.

22 In addition, the Board of Directors may establish a risk-based assessment  
23 system and impose a risk-based assessment rate which shall not exceed two-

fifth (2/5) of one per centum (1%) per annum multiplied by the assessment base.

**IN CASE THERE WILL BE AN INCREASE OF MAXIMUM INSURED DEPOSIT, THE PDIC BOARD SHALL HAVE THE AUTHORITY TO ADJUST THE ASSESSMENT RATE FOR BANKS TAKING INTO CONSIDERATION THE CURRENT ECONOMIC CONDITIONS, AND THE ADEQUACY AND SUSTAINABILITY OF THE DEPOSIT INSURANCE FUND.**

xxx"

**SEC. 7.** Section 8 of the same Act is hereby further amended to read as follows:

**"SANCTIONS AGAINST UNSAFE AND UNSOUND BANKING [PRACTICES]**

SEC. 8. (a) Whenever upon examination by the Corporation into the condition of any insured bank, it shall be disclosed that an insured bank or its directors or agents have committed, are committing or about to commit unsafe or unsound ~~[practices]~~ **BANKING** ~~[in conducting the business of the bank]~~, or have violated, are violating or about to violate any provisions of any law or regulation to which the insured bank is subject. The Board of Directors shall submit the report of the examination to the Monetary Board ~~[to secure corrective action thereon. If no such corrective action is taken by the Monetary Board within forty five (45) days from the submission of the report, the Board of Directors shall, motu proprio, institute corrective action which it deems necessary. The Board of Directors may thereafter issue a cease and desist order, and require the bank or its directors or agents concerned to correct the practices or violations within forty five (45) days. However, if the practice or~~

1 ~~violation is likely to cause insolvency or substantial dissipation of assets or~~  
2 ~~earnings of the bank, or is likely to seriously weaken the condition of the bank~~  
3 ~~or otherwise seriously prejudice the interests of its depositors and the~~  
4 ~~Corporation, the period to take corrective action shall not be more than fifteen~~  
5 ~~(15) days. The order may also include the imposition of fines provided in~~  
6 ~~Section 26(g) hereof. The Board of Directors shall duly inform the Monetary~~  
7 ~~Board of the Bangko Sentral ng Pilipinas of action it has taken under this~~  
8 ~~subsection with respect to such practices or violations.]~~

9 ~~[(b) The actions and proceedings provided in the preceding subsections may~~  
10 ~~be undertaken by the Corporation if, in its opinion, an insured bank or its~~  
11 ~~directors or agents have violated, are violating or about to violate any provision~~  
12 ~~of this Act or any order, rule or instruction issued by the Corporation or any~~  
13 ~~written condition imposed by the Corporation in connection with any~~  
14 ~~transaction with or grant by the Corporation.]~~

15xxx

16 ~~[(e)]~~ **(b)** The Corporation may terminate the insured status of any bank that  
17 fails or refuses to comply, within thirty (30) days from notice, with any cease-  
18 and-desist order issued by the ~~[Corporation]~~ **BANGKO SENTRAL NG**  
19 **PILIPINAS**, ~~[or with any corrective action imposed by the Monetary Board,~~  
20 ~~under this section]~~ pertaining to a deposit-related unsafe and/or unsound  
21 banking ~~[practice]~~.

22 xxx"

23 **SEC. 8.** Section 9 of the same Act is hereby further amended to read as follows:

1 "POWERS AS CORPORATE BODY

2 "SEC. 9. The Corporation as a corporate body shall have the powers:

3xxx

4 Fifth — To appoint by its Board of Directors such officers and employees as are  
5 not otherwise provided for in this Act, to define their duties, [fix their  
6 compensation,] require bonds of them and fix penalty thereof and to dismiss  
7 such officers and employees for cause;

8xxx

9 Eighth — ~~[To conduct examination of banks with prior approval of the Monetary  
10 Board: Provided, That no examination can be conducted within twelve (12)  
11 months from the last examination date: Provided, however, That the  
12 Corporation may, in coordination with the Bangko Sentral, conduct a special  
13 examination as the Board of Directors, by an affirmative vote of a majority of  
14 all of its members, if there is a threatened or impending closure of a bank:]~~

15 **TO EXAMINE THE RECORDS AND BOOKS OF ACCOUNTS AND**  
16 **REQUIRE INFORMATION AND REPORTS FROM DEPOSITORY**  
17 **INSTITUTIONS IN CASE THERE IS A FINDING OF FRAUD OR UNSAFE**  
18 **OR UNSOUND BANKING RELATED TO DEPOSIT-TAKING,** Provided,  
19 [further,] That, notwithstanding the provisions of Republic Act No. 1405, as  
20 amended, Republic Act No. 6426, as amended, Republic Act No. 8791, and  
21 other laws, the Corporation and/or the Bangko Sentral, may inquire into or  
22 examine deposit accounts and all information related thereto in case there is a  
23 finding of unsafe or unsound banking practice: Provided, [finally] **FURTHER,**  
24 That to avoid overlapping of efforts, the examination shall maximize the

efficient use of the relevant reports, information, and findings of the Bangko Sentral, which it shall make available to the Corporation.

3xxx

~~[Fourteenth — To determine the appropriate resolution method and to implement the same for a bank subject of resolution; and]~~

~~[Fifteenth]~~ **FOURTEENTH** — To determine the appropriate mode of liquidation of a closed bank and to implement the same.”

**SEC. 9.** Section 10 of the same Act is hereby further amended to read as follows:

“POWERS, ~~[AND]~~ RESPONSIBILITY, AND PROHIBITIONS

“SEC. 10. xxx

**(b) WHENEVER THE BANGKO SENTRAL NG PILIPINAS DEEMS IT APPROPRIATE AND NECESSARY FOR PDIC TO JOIN THE CONDUCT OF THE EXAMINATION OF A BANK, [¶] The Board of Directors shall appoint examiners who shall have power, on behalf of the Corporation to examine any insured bank. Each examiner shall have the power to make a thorough examination of all the affairs of the bank and in doing so, he shall have the power to administer oaths, to examine and take and preserve the testimony of any the officers and agents thereof, and to compel the presentation of books, documents, papers or records necessary in his judgment to ascertain the facts relative to the condition of the bank: and shall make a full and detailed report of the condition of the bank to the Corporation. The Board of Directors in like manner shall appoint claim agents who shall have the power to investigate and**

1 examine all claims for insured deposits and transferred deposits. Each claim  
2 agent shall have the power to administer oaths and examine under oath and  
3 take and preserve testimony of any person relating to such claim.

4xxx

5 (d) The [Corporation] **BANGKO SENTRAL NG PILIPINAS** shall have access  
6 to ~~[reports of examination]~~ **BANK EXAMINATION REPORTS** made by **THE**  
7 **CORPORATION**, ~~[and reports of condition made to the Bangko Sentral ng~~  
8 ~~Pilipinas or its appropriate supervising departments, and the Bangko Sentral ng~~  
9 ~~Pilipinas shall also have access to reports of examination made by, and reports~~  
10 ~~of condition made to the Corporation: Provided, That the provisions of any law~~  
11 ~~to the contrary notwithstanding, the Corporation shall likewise have access to~~  
12 ~~reports, findings and any other information derived from any special or general~~  
13 ~~examination of inquiry conducted by the Bangko Sentral in respect to bank~~  
14 ~~fraud or serious irregularity in an insured bank:]~~ **AND TO SUCH OTHER**  
15 **REPORTS OR INFORMATION AS MAY BE AGREED UPON BY THE**  
16 **CORPORATION AND THE BANGKO SENTRAL NG PILIPINAS. THE**  
17 **BANGKO SENTRAL NG PILIPINAS SHALL SHARE TO THE**  
18 **CORPORATION ITS REPORTS OF EXAMINATION ON BANKS, AND**  
19 **SUCH OTHER REPORTS OR INFORMATION AS MAY BE AGREED UPON**  
20 **BY THEM.** ~~Provided, [t] That, [the Corporation shall use such reports and~~  
21 ~~findings under similar terms and conditions prescribed by applicable laws on~~  
22 ~~the Bangko Sentral]~~ **THE USE OF SUCH REPORTS OR INFORMATION ARE**  
23 **IN ACCORDANCE WITH THE TERMS AND CONDITIONS AGREED UPON**

1 BY THE CORPORATION AND THE BANGKO SENTRAL NG PILIPINAS  
2 AND PRESCRIBED BY APPLICABLE LAWS AND REGULATIONS.

3 (e) x x x"

4 **SEC. 10.** Section 11 of the same Act is hereby amended to read as follows:

5 **"[BANK RESOLUTION] AUTHORITY TO EXAMINE DEPOSIT RECORDS**

6 SEC. 11. ~~[(a) The Corporation, in coordination with the Bangko Sentral ng~~  
7 ~~Pilipinas, may commence the resolution of a bank under this section upon:]~~

8 ~~[(1) Failure of prompt corrective action as declared by the Monetary Board;~~  
9 ~~or]~~

10 ~~[(2) Request by a bank to be placed under resolution:]~~

11 ~~[The Corporation shall inform the bank of its eligibility for entry into~~  
12 ~~resolution:]~~

13 ~~[(b) The Bangko Sentral ng Pilipinas shall inform the Corporation of the initiation~~  
14 ~~of prompt corrective action on any bank and shall be authorized to share with~~  
15 ~~the Corporation all information, agreements or documents, including any order~~  
16 ~~of the Monetary Board, in relation to the prompt corrective action. The~~  
17 ~~Corporation shall have the authority to inquire and monitor the status of banks~~  
18 ~~under prompt corrective action:]~~

19 ~~[(c)]~~ When there is a failure of prompt corrective action as declared by the  
20 Monetary Board due to capital deficiency, the Corporation ~~[, its duly authorized~~  
21 ~~officers or employees,]~~ **AND THE BANGKO SENTRAL NG PILIPINAS** may  
22 examine, inquire or look into the deposit records of a bank: Provided, That such  
23 authority may not be exercised when the failure of prompt corrective action is



1 due to grounds other than capital deficiency. For this purpose, banks, their  
2 officers and employees are hereby mandated to disclose and report to the  
3 Corporation **AND THE BANGKO SENTRAL NG PILIPINAS** or [its] **THEIR**  
4 duly authorized officers and employees, **THE REQUIRED** deposit account  
5 information [~~in said bank~~].

6 The Corporation, its duly authorized officers or employees are prohibited from  
7 disclosing information obtained under this section to any person, government  
8 official, bureau or office. Any act done pursuant to this section shall not be  
9 deemed as a violation of Republic Act No. 1405, as amended, Republic Act No.  
10 6426, as amended, Republic Act No. 8791, and other similar laws protecting or  
11 safeguarding the secrecy or confidentiality of bank deposits. [~~÷ Provided, That~~  
12 a] Any unauthorized disclosure of the information under this section shall be  
13 subject to the same penalty under the [~~foregoing~~] laws protecting the secrecy  
14 or confidentiality of bank deposits.

15 [~~(d) The stockholders, directors, officers or employees of the bank shall have~~  
16 ~~the following obligations:~~]

17 [~~(1) Ensure bank compliance with the terms and conditions prescribed by~~  
18 ~~the Corporation for the resolution of the bank;~~]

19 [~~(2) Cause the engagement, with the consent of the Corporation, of an~~  
20 ~~independent appraiser or auditor for the purpose of determining the~~  
21 ~~valuation of the bank consistent with generally accepted valuation~~  
22 ~~standards;~~]

23 [~~(3) Ensure prudent management and administration of the bank's assets,~~  
24 ~~liabilities and records; and]~~

1           ~~[(4) Cooperate with the Corporation in the conduct or exercise of any or~~  
2           ~~all of its authorities under this Act and honor in good faith its commitment~~  
3           ~~or undertaking with the Corporation on the resolution of the bank.]~~

4           ~~[(e) Within a period of one hundred eighty (180) days from a bank's entry into~~  
5           ~~resolution, the Corporation, through the affirmative vote of at least five (5)~~  
6           ~~members of the PDIC Board, shall determine whether the bank may be resolved~~  
7           ~~through the purchase of all its assets and assumption of all its liabilities, or~~  
8           ~~merger or consolidation with, or its acquisition, by a qualified investor.]~~

9           ~~[For this purpose, the Corporation may:~~

10           ~~(1) Determine a resolution package for the bank;~~

11           ~~(2) Identify and, with the approval of the Monetary Board, pre-qualify~~  
12           ~~possible acquirers or investors;~~

13           ~~(3) Authorize pre-qualified acquirers or investors to conduct due diligence~~  
14           ~~on the bank, for purposes of determining the valuation of a bank through~~  
15           ~~an objective and thorough review and appraisal of its assets and liabilities,~~  
16           ~~and assessment of risks or events that may affect its valuation; and~~

17           ~~(4) Conduct a bidding to determine the acquirer of the bank.]~~

18           ~~[(f) In determining the appropriate resolution method for a bank, the~~  
19           ~~Corporation shall consider the:]~~

20           ~~[(1) Fair market value of the assets of the bank, its franchise, as well as~~  
21           ~~the amount of its liabilities;~~

22           ~~(2) Availability of a qualified investor;~~

23           ~~(3) Least cost to the DIF; and~~

24           ~~(4) Interest of the depositing public.]~~

1 ~~[(g) The Corporation may appoint or hire persons or entities of recognized~~  
2 ~~competence in banking, finance, asset management or remedial management,~~  
3 ~~as its agents, to perform such powers and functions of the Corporation in the~~  
4 ~~resolution of a bank, or assist in the performance thereof.]~~

5 ~~[(h) The PDIC Board shall prescribe the guidelines or criteria for a bank to be~~  
6 ~~placed under resolution.]~~

7 ~~[(i) Upon a determination by the Corporation that the bank may not be~~  
8 ~~resolved, the Monetary Board may act in accordance with Section 30 of~~  
9 ~~Republic Act No. 7653 or the New Central Bank Act.]~~

10 ~~[(j) Bank resolution involving the purchase of all assets and assumption of all~~  
11 ~~liabilities of a bank shall be exempt from the provisions of Act No. 3952,~~  
12 ~~otherwise known as 'The Bulk Sales Law'.]~~

13 ~~[(k)] The provisions of this section [are without prejudice to any action that]~~

14 **NOTWITHSTANDING**, the Monetary Board may take **OTHER ACTIONS**  
15 under existing laws **THAT IT MAY DEEM NECESSARY.**

16 **SEC. 11.** Section 13 of the same Act is hereby amended to read as follows:

17 "AUTHORITIES OF A RECEIVER AND EFFECTS OF

18 PLACEMENT OF A BANK UNDER LIQUIDATION

19 "SEC. 13. (a) The receiver is authorized to adopt and implement, without need  
20 of consent of the stockholders, board of directors, creditors or depositors of  
21 the closed bank, any or a combination of the following modes of liquidation:

- 22 1. Conventional liquidation; and
- 23 2. Purchase of assets and/or assumption of liabilities.

(b) In addition to the powers of a receiver provided under existing laws, the Corporation, as receiver of a closed bank, is empowered to:

1. Represent and act for and on behalf of the closed bank;
2. Gather and take charge of all the assets, records and affairs of the closed bank, and administer the same for the benefit of its creditors;
3. Convert the assets of the closed bank to cash or other forms of liquid

assets, as far as practicable[?], **PROVIDED, THAT THE CORPORATION IS AUTHORIZED TO SELL ASSETS OF CLOSED BANKS, WHICH ARE HELD BY THE CORPORATION AS RECEIVER, TO A FINANCIAL INSTITUTIONS STRATEGIC TRANSFER CORPORATION (FISTC), IN ACCORDANCE WITH THE PROVISIONS OF REPUBLIC ACT NO. 11523 OR THE "FINANCIAL INSTITUTIONS STRATEGIC TRANSFER (FIST) ACT". FOR THIS PURPOSE, THE BOARD OF DIRECTORS SHALL BE THE APPROPRIATE REGULATORY AUTHORITY AND SHALL PROMULGATE THE NECESSARY IMPLEMENTING RULES AND REGULATIONS.**

18xxx

**SEC. 12.** Section 18 of the same Act is hereby amended to read as follows:

**"DIVIDEND DECLARATION**

"SEC. 18. Consistent with the policy of the State to generate, preserve, maintain faith and confidence in the country's banking system, the Corporation shall build up and maintain the DIF at the target level set by the PDIC Board

1 of Directors. Such target level shall be subject to periodic review and may be  
2 adjusted as necessary.

3 The Corporation ~~[is exempt from Republic Act No. 7656; instead, the~~  
4 ~~Corporation]~~ shall **DECLARE AND** remit **CASH** dividends to the ~~[n]~~ **National**  
5 ~~[g]~~ **Government** ~~[only if the target DIF level for the applicable year has been~~  
6 ~~reached.]~~ **IN ACCORDANCE WITH REPUBLIC ACT NO. 7656,**  
7 **PROVIDED, THAT SECTION 2(D) ON THE DETERMINATION OF THE**  
8 **DIVIDEND BASE AND SECTION 3 WITH RESPECT TO DIVIDEND BASE**  
9 **AND THE MANNER OF PAYMENT SHALL NOT APPLY. IN LIEU**  
10 **THEREOF, THE SUCCEEDING PARAGRAPHS SHALL BE APPLICABLE.**

11 For purposes of computing the amount of dividends to be declared and  
12 remitted to the ~~[n]~~ **National** ~~[g]~~ **Government**, ~~[all assessment collections shall~~  
13 ~~not be considered as income]~~ **THE DIVIDEND BASE SHALL BE THE SUM**  
14 **OF ALL INCOME, BUT EXCLUDING ALL ASSESSMENT INCOME. NO**  
15 **OTHER DEDUCTIONS FROM THE DIVIDEND BASE SHALL BE**  
16 **ALLOWED.** ~~[The dividend rate shall be at least fifty percent (50%) of the~~  
17 ~~income from other sources only.]~~ **SUCH CASH DIVIDENDS ACCRUING TO**  
18 **THE NATIONAL GOVERNMENT SHALL BE RECEIVED BY THE**  
19 **NATIONAL TREASURY AND RECORDED AS INCOME OF THE GENERAL**  
20 **FUND.**

21 **SEC. 13.** Section 22 of the same Act is hereby further amended to read as  
22 follows:

23 "CORPORATE FUNDS AND ASSETS

1 "SEC. 22. (a) x x x

2 "FINANCIAL ASSISTANCE

3 (e) ~~["In the exercise of its authorities under Section 11 of this Act, t]~~ The  
4 Corporation is authorized to make loans to, or purchase the assets of, or  
5 assume liabilities of, or make deposits in:

6 (1) A bank in danger of closing, upon its acquisition by a qualified investor;

7 or

8 (2) A qualified investor, upon its purchase of all assets and assumption of  
9 all liabilities of a bank in danger of closing; or

10 (3) A surviving or consolidated institution that has merged or consolidated  
11 with a bank in danger of closing; upon such terms and conditions as  
12 the Board of Directors may prescribe, when in the opinion of the Board  
13 of Directors, such acquisition, purchase of assets, assumption of  
14 liabilities, merger or consolidation, is essential to provide adequate  
15 banking service in the community or maintain financial stability in the  
16 economy.

17 **THE CORPORATION MAY, TAKING INTO CONSIDERATION THE**  
18 **PECULIAR CHARACTERISTICS OF ISLAMIC BANKS, FORMULATE**  
19 **RULES AND REGULATIONS FOR THE EXTENSION OF FINANCIAL**  
20 **ASSISTANCE UNDER THIS SECTION.**

21 The Corporation, prior to the exercise of the powers under this section, shall  
22 determine that actual payoff and liquidation thereof will be more expensive  
23 than the exercise of this power: Provided, That when the Monetary Board has  
24 determined that there are systemic consequences of a probable failure or

1 closure of an insured bank, the Corporation may grant financial assistance to  
2 such insured bank in such amount as may be necessary to prevent its failure  
3 or closure and/or restore the insured bank to viable operations, under such  
4 terms and condition as may be deemed necessary by the Board of Directors,  
5 subjected to concurrence by the Monetary Board and without additional cost  
6 to the DIF **AT THE TIME OF GRANTING THE FINANCIAL ASSISTANCE.**

7xxx

8 **SEC. 14.** Section 24 of the same Act is hereby further amended to read as  
9 follows:

10 "ISSUANCE OF BONDS, DEBENTURES, AND OTHER OBLIGATIONS

11 "SEC. 24. With the approval of the President of the Philippines, upon the  
12 recommendation of the Department of Finance, the Corporation is authorized  
13 to issue bonds, debentures, and other obligations, both local or foreign, as  
14 may be necessary for purposes of providing liquidity for settlement of insured  
15 deposits in closed banks[~~7~~] **OR** to facilitate the implementation of [~~bank~~  
16 ~~resolution under Section 11 of this Act, as well as for~~] financial assistance as  
17 provided herein: Provided, That the Board of Directors shall determine the  
18 interest rates, maturity and other requirements of said obligations: Provided,  
19 further, That the Corporation may provide for appropriate reserves for the  
20 redemption or retirement of said obligation.

21xxx

**SEC. 15.** Section 26 (c) of the same Act is hereby deleted and renumbered accordingly:

**"SANCTIONS AND PENALTIES**

**"SEC. 26.**

xxx

~~[(c) Without prior written consent of the Corporation, no insured bank shall (1) merge or consolidate with any bank or institution or (2) assume liability to pay any deposits made in, or similar liabilities of, any bank or institution or (3) transfer of assets to any bank or institution in consideration of the assumption of liabilities for any portion of the deposits made in such insured banks.]~~

xxx

**SEC. 16.** Section 28 of the same Act is hereby deleted and replaced as follows:

~~[SEC. 28. Exempting Clause. — The Corporation shall be exempt from Presidential Decree No. 985, Presidential Decree No. 1597, Republic Act No. 6758, as amended, Joint Resolution No. 4 (2009) and other laws on salary standardization, Presidential Decree No. 1177, Executive Order No. 248, as amended, Executive Order No. 298 and the provisions of Republic Act No. 10149 with regard to position classification, qualification standards, and the compensation package of the employees of the Corporation: Provided, That the PDIC shall be subject to all other policies under Republic Act No. 10149, including, but not limited to, performance evaluation by the Governance Commission for Government-Owned or Controlled Corporations, selection and nomination of appointive directors, and limitations on the creation of~~



1        ~~subsidiaries and the acquisition of affiliates except in the case of acquisition of~~  
2        ~~shares in the grant of financial assistance under this Act.]~~

3        **SEC. 28. EXEMPTION FROM THE BULK SALES LAW. - BANK**  
4        **LIQUIDATION INVOLVING THE PURCHASE OF ALL ASSETS AND**  
5        **ASSUMPTION OF ALL LIABILITIES OF A BANK TO A THIRD PARTY**  
6        **SHALL BE EXEMPT FROM THE PROVISIONS OF ACT NO. 3952,**  
7        **OTHERWISE KNOWN AS 'THE BULK SALES LAW'.**

8        **SEC. 17. Implementing Rules and Regulations.** – The Bangko Sentral ng  
9        Pilipinas, the Department of Finance, the Philippine Deposit Insurance Corporation,  
10       and other concerned government agencies shall promulgate the necessary  
11       implementing rules and regulations within sixty (60) days upon the effectivity of this  
12       Act.

13       **SEC. 18. Separability Clause.** – If any provision of this Act is subsequently  
14       declared invalid or unconstitutional, the other provisions hereof which are not affected  
15       thereby shall remain in full force and effect.

16       **SEC. 19. Repealing Clause.** – Section 17(c) of Republic Act No. 11439 on  
17       the Non-Applicability of Republic Act No. 3591, as amended, is hereby amended  
18       insofar as certain products or arrangements of Islamic Banks which may be deemed  
19       as deposit by the Bangko Sentral ng Pilipinas for purposes of this Act.

1 All other laws, decrees, resolutions, instructions, and rules and regulations, or  
2 parts thereof which are inconsistent with this Act are hereby deemed repealed or  
3 modified accordingly.

4 **SEC. 20. Effectivity Clause.** – This Act shall take effect fifteen (15) days  
5 after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,