

SENATE

S. No. 369

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Introduced by Senator Antonio "Sonny" F. Trillanes IV

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**Explanatory Note**

Public office is a public trust. The Constitution puts emphasis in promoting and maintaining integrity and honesty in public service, and the repression of acts of public officers and private persons which constitute or lead to graft and corrupt practices. This implies government's responsibility to take positive and effective measures against graft and corruption.

In spite of the existence of several laws to fight corruption in this country, the Philippines ranks consistently in the bottom third of all countries surveyed for Transparency International's Corruption Perception Index. This sad reality sets forth the need to re-evaluate existing anti-graft related laws to make them more responsive.

The "Bank Secrecy Deposits Law", otherwise known as Republic Act No. 1405 was enacted in 1955, for purposes of encouraging people to deposit their finances in banking institutions and discourage private holding so that the same may be properly managed and utilized by the financial sector for the growth and development of the country's economic activity. Under this law, all deposits are absolutely confidential and may not be inquired or looked into except upon permission of the depositor, in cases of impeachment, upon order of a competent court in cases of bribery or dereliction of duty, and in cases where the money deposited or invested is the subject matter of litigation.

This bill aims to expand the enumerations of said exemptions by compelling government officials and employees to sign a waiver that will exclude them from the coverage of the Bank Secrecy Law to open themselves up for graft related investigations.

To promote the high standard of moral principles, public officials and employees must be at all times accountable to the people and discharge their duties with utmost responsibility and competency, and more importantly, uphold public interest over personal interest.

In view thereof, the early passage of this bill is earnestly sought.

  
ANTONIO "SONNY" F. TRILLANES IV  
Senator

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AN ACT  
INCLUDING GOVERNMENT OFFICIALS AND EMPLOYEES IN THE  
EXCEPTIONS FROM THE PROHIBITION AGAINST DISCLOSURE OF OR  
INQUIRY INTO DEPOSITS WITH ANY BANKING INSTITUTION AMENDING  
FOR THIS PURPOSE CERTAIN PROVISION OF REPUBLIC ACT NO. 1405  
OTHERWISE KNOWN AS THE "SECRECY OF BANK DEPOSITS LAW"

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

1           SECTION 1. Section 2 of Republic Act No. 1405, otherwise known as the  
2 "Secrecy of Bank Deposits Law" is hereby amended to read as follows:

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4           *"Section 2. All deposits of whatever nature with banks or banking*  
5           *institutions in the Philippines including investments in bonds issued by the*  
6           *Government of the Philippines, its political subdivisions and its*  
7           *instrumentalities, are hereby considered as of an absolutely confidential*  
8           *nature and may not be examined, inquired or looked into by any person,*  
9           *government official, bureau or office, except upon written permission of*  
10           *the depositor, or in cases of impeachment, or upon order of a competent*  
11           *court in cases of bribery or dereliction of duty of public officials, or in*  
12           *cases where the money deposited or invested is the subject matter of the*  
13           *litigation;* OR WHEN THE DEPOSITOR HOLDS ANY PUBLIC  
14 OFFICE IN THE GOVERNMENT IN THE PHILIPPINES BY VIRTUE  
15 OF AN APPOINTMENT, ELECTION OR CONTRACT, IN ANY  
16 STATE-OWNED OR CONTROLLED CORPORATION OR  
17 ENTERPRISE, PERMANENT OR TEMPORARY, WHETHER IN THE

1 CAREER OR NON-CAREER SERVICE, INCLUDING MILITIA, AND  
2 POLICE PERSONNEL, WHETHER OR NOT THEY RECEIVE  
3 COMPENSATION, REGARDLESS OF AMOUNT.”

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5 **SECTION 2. *Separability Clause.*** - If any part of the provision of this Act is  
6 hereby declared unconstitutional or invalid, other provisions hereof which are not  
7 affected thereby shall continue to be in full force and effect.

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9 **SECTION 3. *Repealing Clause.*** - All law, executive orders, decrees, rules and  
10 regulations, or any part thereof inconsistent with the provision of this Act are deemed  
11 repealed or modified accordingly.

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13 **SECTION 4. *Effectivity.*** - This Act shall take effect fifteen (15) days after its  
14 complete publication in at least two (2) national newspapers of general circulation.

Approved,