

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

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SENATE
S. No. 1681

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Introduced by Senator Miriam Defensor Santiago

EXPLANATORY NOTE

“Financial crimes” is one of the hardest categories of crime to enforce and prosecute. Examples of which are counterfeiting, money laundering, financial fraud. This is because it involves a deep understanding of the nuances of the financial system which only a handful of people in our country are capable of. Moreover, advances in technology have also led to more elaborate set ups that leaves our unsuspecting law enforcers clueless in catching the perpetrators.

In order to step up and enable our government to enforce our laws against financial crimes, we should establish a dedicated team who shall focus on prosecuting such crimes and be trained accordingly. As an institution, the government should set up a task force who can collate all previous efforts and use them in the fight against financial crimes. Specialization and extra-attention on catching and prosecuting such type of crimes will allow us breakthroughs in enforcing our financial laws.

This bill seeks to create a task force that will centralize all efforts in fighting financial crimes.¹

Miriam Defensor Santiago
MIRIAM DEFENSOR SANTIAGO

¹ This bill was originally filed in the Fourteenth Congress, Second Regular Session

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1 AN ACT
2 TO ESTABLISH THE TASK FORCE ON FINANCIAL CRIMES
3

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

6 SECTION 1. *Short Title.* – This Act shall be known as the “Financial Crimes Task Force
7 Act.”

8 SECTION 2. *Purpose.* – The purpose of this Act is to--

- 9 A. strengthen the efforts of the Department of Justice and national, and local
10 agencies to investigate and prosecute significant financial crimes;
11 B. recover the proceeds of such crimes; and;
12 C. ensure just and effective punishment of those who perpetrate financial crimes.

13 SECTION 3. *Special Joint Task Force on Financial Crimes.* – The Solicitor General
14 shall establish within the Department of Justice a Special Joint Task Force on Financial Crimes
15 (referred to in this Act as the “Task Force”) whose focus shall be the investigation and
16 prosecution of fraud, misrepresentation, malfeasance, or related crimes with respect to
17 development, advertising, brokerage, or sale of financial products including derivatives,
18 mortgage-backed securities, credit default swaps, and subprime loans, or related services
19 committed by public or private commercial entities and directors, officers, professional advisers,
20 and employees thereof (referred to in this Act as “financial crimes”).

21 SECTION 4. *Membership.* – The Task Force shall have the following permanent
22 members

- 1 A. Solicitor General, who shall serve as Chair;
- 2 B. Director of the National Bureau of Investigation.
- 3 C. Such other officers as the Department of Justice may designate.

4 SECTION 5. *Other Members.* – In the Task Force's performance of the functions set
5 forth in this Act, and to the extent permitted by law, the following officers of the executive
6 branch shall be members of the Task Force, as consultants, in addition to such other officers as
7 the Solicitor General deems appropriate:

- 8 A. The Secretary of the Finance;
- 9 B. The Chairman of the Securities and Exchange Commission;
- 10 C. The Governor of the Bangko Sentral ng Pilipinas;
- 11 D. The Commissioner of the Insurance Commission; and
- 12 E. The Heads of relevant agencies and departments.

13 SECTION 6. *Operation.* – The Solicitor General –

- 14 A. shall convene and direct the work of the Task Force in fulfilling all its functions
15 under this Act;
- 16 B. may permit, when he deems it appropriate, the designee of a member of the Task
17 Force to participate in lieu of the member; and
- 18 C. shall convene the first meeting of the Task Force not later than 10 days after the date
19 of enactment of this Act and shall thereafter convene the Task Force at such times as
20 he or she deems appropriate, but not less than once per month.

21 SECTION 7. *Functions.* - Consistent with the constitutional authority of the President,
22 the authorities assigned to the Solicitor General by law, and other applicable law, the Task Force
23 shall -

- 24 A. provide direction for the investigation and prosecution of cases of financial crimes
25 when such cases are determined by the Solicitor General, for purposes of this Act, to
26 be significant;

1 B. provide recommendations for allocation and reallocation of resources of the
2 Department of Justice for investigation and prosecution of significant financial
3 crimes, recovery of proceeds from such crimes to the extent permitted by law, and
4 other matters determined by the Task Force from time to time to be of the highest
5 priority in the investigation and prosecution of such crimes; and

6 C. make recommendations to the President from time to time for—

7 1. action to enhance cooperation among departments, agencies, and entities of
8 the government in the investigation and prosecution of significant financial
9 crimes;

10 2. action to enhance cooperation among national and local authorities
11 responsible for the investigation and prosecution of significant financial
12 crimes;

13 3. changes in rules, regulations, or policy to improve the effective investigation
14 and prosecution of significant financial crimes; and

15 4. recommendations to the Congress regarding such measures as the President
16 may judge necessary and expedient relating to significant financial crimes, or
17 the investigation or prosecution thereof.

18 SECTION 8. *Appropriations.* –The amount necessary for the initial implementation of
19 this Act shall be charged against the appropriations of the Department of Justice under the
20 current General Appropriations Act. Thereafter, such sum as may be necessary for its full
21 implementation shall be included in the annual General Appropriations Act as a distinct and
22 separate item.

23 SECTION 9. *Separability Clause.* – If any provision or part hereof, is held invalid or
24 unconstitutional, the remainder of the law or the provision not otherwise affected shall remain
25 valid and subsisting.

1 SECTION 10. *Repealing Clause.* – Any law, presidential decree or issuance, executive
2 order, letter of instruction, administrative order, rule or regulation contrary to or is inconsistent
3 with the provision of this Act is hereby repealed, modified, or amended accordingly.

4 SECTION 11. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its
5 publication in at least two (2) newspapers of general circulation.

6 Approved,

/apm111408