


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

SENATE
OFFICE OF THE SECRETARY

10 SEP 13 P5:45

S E N A T E

RECEIVED BY: 

COMMITTEE REPORT NO. 2

Prepared jointly by the Committees on Justice and Human Rights and
Banks, Financial Institutions and Currencies on

SEP 13 2010

Re: S. No. 107

Recommending approval with amendments

Sponsor: Senator Escudero

MR. PRESIDENT:

The Committees on Justice and Human Rights and Banks, Financial Institutions and Currencies, to which was referred S. No. 107, introduced by Senator Escudero, entitled:

**“AN ACT
REQUIRING PUBLIC OFFICIALS AND EMPLOYEES TO
SUBMIT A WRITTEN PERMISSION OR WAIVER IN FAVOR
OF THE OMBUDSMAN TO LOOK INTO ALL DEPOSITS OF
WHATEVER NATURE WITH BANKS OR BANKING
INSTITUTIONS BOTH WITHIN AND OUTSIDE THE
PHILIPPINES INCLUDING INVESTMENT BONDS ISSUED
BY THE GOVERNMENT OF THE PHILIPPINES, ITS
POLITICAL SUBDIVISIONS AND INSTRUMENTALITIES
AND PROVIDING PENALTIES THEREFOR.”**

have considered the same and have the honor to report it back to the Senate with the recommendation that it be approved with amendments, with Senators Escudero and Osmeña as authors thereof.

Below is a listing of the amendments:

- 1.) On Page 1, Section 2, “Submission of Written Permission or Waiver”, line 8, delete the words “look into” between the words “to” and “all”, and change to “**EXAMINE AND VERIFY**”;
- 2.) On the same page, section and line, insert the words “**AND INVESTMENTS**” between the words “deposits” and “of”;

- 3.) Still on page 1, Section 2, line 8, insert the phrase **“OR PURPOSE”** between the words “nature” and “with”;
- 4.) Still on the same page and section, line 9, insert the phrase **“, BUT NOT LIMITED TO ,”** between the words “including” and “investment”;
- 5.) Still on Page 1, Section 2, line 19, add the following sentence: **“THE SAID WRITTEN PERMISSION OR WAIVER SHALL THEN BE SUBSEQUENTLY SUBMITTED ON A REGULAR BASIS AS THAT OF AND TOGETHER WITH THE STATEMENT OF ASSETS, LIABILITIES AND NET WORTH (SALN), AS MANDATED BY SEC. 8 OF R.A. 6713.”**
- 6.) On the same page, Section 3, line 22, delete the word “such” between the words “submit” and “written”, and change to the word **“THE”**;
- 7.) On the same page, section and line, delete the word “as” between the words “waiver” and “required”;
- 8.) Still on the same page and section, on line 23, delete the word “her” between the words “of” and “office” and change to the word **“THE”**; and add the word **“CONCERNED”** after the word “office”;
- 9.) On Page 1, Section 4, “Limitation on Use”, line 27, change the word “date” to **“DATA”**;
- 10.) On the same page, section and line, delete the phrase “the same” after the word “that” and change to **“SAID INFORMATION OR DATA”**;
- 11.) On Page 2, Section 4, line 1, insert the phrase **“BEFORE THE OFFICE OF THE OMBUDSMAN”** after the word “complaint”;
- 12.) Still on Page, 2, Sec. 4, on line 2, delete the phrase “a case” between the words “prosecuting” and “before” and change to **“AN ACTION”**;
- 13.) Still on the same page and section, on lines 3-4, delete the phrase “or any other agency or instrumentality of the Government or any person”; still on line 4, insert the word **“OTHER”** between the words “any” and “purpose”;
- 14.) On Page 2, Sec. 5, “Promulgation of Rules and Regulations”, line 7, delete the phrase “have the primary responsibility” between the words “shall” and “for” and change to **“BE PRIMARILY RESPONSIBLE”**;

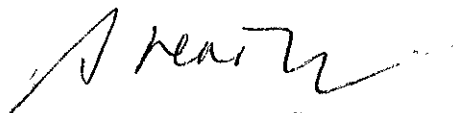
- 15.) Still on the same page and section, on line 8, insert the phrase **“AND FOR THE PROMULGATION OF THE RULES AND REGULATIONS FOR THE IMPLEMENTATION THEREOF, WHICH PROMULGATION SHALL BE NO LATER THAN THIRTY (30) DAYS FROM THE EFFECTIVITY OF THIS ACT”** after the word “act”;
- 16.) On the same page, section and line, insert the phrase **“CIVIL SERVICE COMMISSION,”** between the words “the” and “Department”;
- 17.) Still On Page 2, Section 6 (a), line 13, change the number “3” to **“2”** between the words “section” and “hereof”;
- 18.) Still on Page 2, Section 8, “Repealing Clause”, line 28, insert the numbers **“,6426, 8791”** between the number “6713” and the word “as”;
- 19.) On the same page, section and line, insert the phrase **“,RULES AND REGULATIONS, CIRCULARS AND MEMORANDA”** between the words “decrees” and “and”; *and*
- 20.) Change the title to read as follows:

**“AN ACT
REQUIRING PUBLIC OFFICIALS AND EMPLOYEES TO
SUBMIT A WRITTEN PERMISSION OR WAIVER IN FAVOR
OF THE OMBUDSMAN TO EXAMINE AND VERIFY ALL
DEPOSITS AND INVESTMENTS OF WHATEVER NATURE
WITH BANKS OR BANKING INSTITUTIONS BOTH WITHIN
AND OUTSIDE THE PHILIPPINES INCLUDING
INVESTMENT BONDS ISSUED BY THE GOVERNMENT OF
THE PHILIPPINES, ITS POLITICAL SUBDIVISIONS AND
INSTRUMENTALITIES AND PROVIDING PENALTIES
THEREFOR.”**

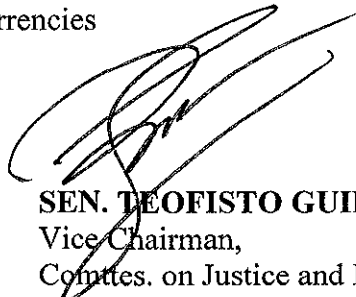
Respectfully submitted:



SEN. FRANCIS G. ESCUDERO
Chairman,
Committee on Justice and Human Rights
Member, Ctte. on Banks, Financial
Institutions and Currencies

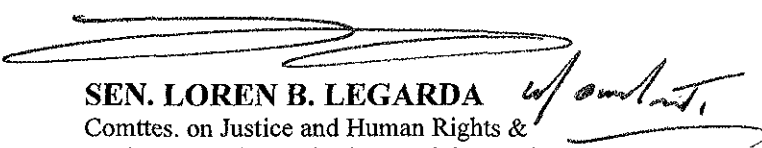


SEN. SERGIO R. OSMEÑA III
Chairman,
Committee on Banks, Financial Institutions
and Currencies
Member, Comtte. on Justice and Human Rights



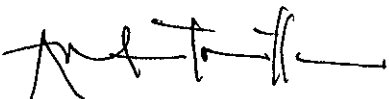
SEN. TEOFISTO GUINGONA III
Vice Chairman,
Comttes. on Justice and Human Rights
and Banks, Financial Institutions
and Currencies

MEMBERS:

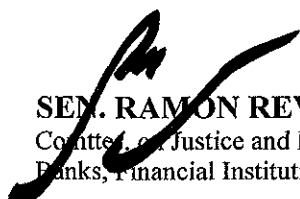


SEN. MANNY VILLAR
Comttes. on Justice and Human Rights
& Banks, Financial Institutions and Currencies

SEN. LOREN B. LEGARDA
Comttes. on Justice and Human Rights &
Banks, Financial Institutions and Currencies



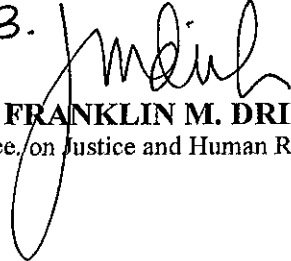
SEN. ANTONIO F. TRILLANES IV
Comttes. on Justice and Human Rights
& Banks, Financial Institutions and Currencies



SEN. RAMON REVILLA, JR.
Committee on Justice and Human Rights &
Banks, Financial Institutions and Currencies

*Will amend. Very serious
reservations on Sections 2
& 3.*

SEN. FRANKLIN M. DRILON
Comtee. on Justice and Human Rights

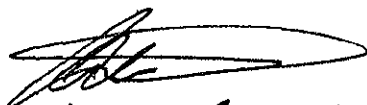


SEN. FRANCIS PANGILINAN
Committee on Banks, Financial Institutions and
Currencies

*with amend -
Officials, yes
but with reservations
as to rank
employees
outside of revenue
generating gov't
offices*

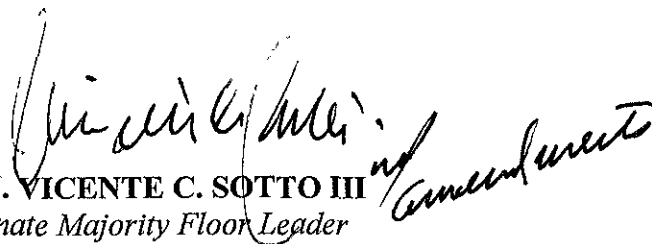
SEN. JOKER P. ARROYO
Comtee. on Justice and Human Rights
& Banks, Financial Institutions and Currencies

Ex-Officio Members:

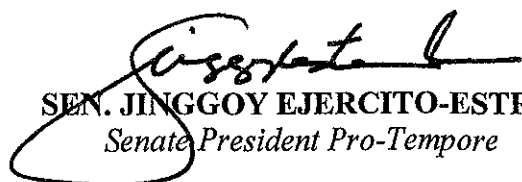


*Agree in Principle
w/ amendments*

SEN. ALAN PETER CAYETANO
Senate Minority Floor Leader



SEN. VICENTE C. SOTTO III
Senate Majority Floor Leader



SEN. JINGGOY EJERCITO-ESTRADA
Senate President Pro-Tempore

HON. JUAN PONCE ENRILE
Senate President

FIFTEENTH CONGRESS OF THE)
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OFFICE OF THE SECRETARY

10 JUL -5 P1:22

SENATE

S. B. No. 107

RECEIVED

A

Introduced by Senator FRANCIS G. ESCUDERO

EXPLANATORY NOTE

Public office is a public trust. Government officials and employees are accountable to the public. To ensure that the civil servant does not use her position to enrich herself, it is necessary that we put in place a mechanism which will enable the Government to audit the finances of the civil servant.

One such instrument is the signing of a waiver in favor of the Government which will allow the examination of the civil servant's bank accounts and investments in government bonds. This will aid the Government to recover ill-gotten funds.

With the passage of this bill, transparency of the financial standing of the civil servant will serve as a deterrent to graft and corruption.

Approval of this bill is earnestly sought.



FRANCIS G. ESCUDERO

10 JUL -5 P1:22

SENATE

S. B. No. 107

RECORDED

Introduced by Senator FRANCIS G. ESCUDERO

AN ACT
REQUIRING PUBLIC OFFICIALS AND EMPLOYEES TO
SUBMIT A WRITTEN PERMISSION OR WAIVER IN FAVOR OF THE
OMBUDSMAN TO LOOK INTO ALL DEPOSITS OF WHATEVER NATURE
WITH BANKS OR BANKING INSTITUTIONS BOTH WITHIN AND
OUTSIDE THE PHILIPPINES INCLUDING INVESTMENT BONDS ISSUED
BY THE GOVERNMENT OF THE PHILIPPINES, ITS POLITICAL
SUBDIVISIONS AND INSTRUMENTALITIES AND PROVIDING
PENALTIES THEREFOR

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

1 Section 1. *Declaration of Policy.* It is hereby declared a policy of the State
2 for all public officials and employees to be open and transparent in all of their
3 financial transactions and dealings.
4

5 Section 2. *Submission of Written Permission or Waiver.* All public officials
6 and employees, except those who serve in an honorary capacity, shall submit
7 with the office of the Ombudsman a written permission or waiver in favor of the
8 Ombudsman to look into all deposits of whatever nature with banks or banking
9 institutions, both within and outside the Philippines, including investment bonds
10 issued by the government of the Philippines, its political subdivisions and
11 instrumentalities.
12

13 The aforestated written permission or waiver shall be submitted within
14 thirty (30) days from the date of their assumption of office; Provided, however,
15 that public officials and employees who are already exercising the functions of
16 their respective offices upon the effectivity of this Act shall submit the same not
17 later than thirty (30) days from the effectivity of the Rules and Regulations
18 implementing the provisions of this Act.
19

20 Section 3. *Prohibition in Case of Failure or Refusal to Submit Written*
21 *Permission or Waiver.* Any public official or employee who fails or refuses to
22 submit such written permission or waiver as required by this Act shall not be
23 allowed to enter upon, or continue exercising, the functions of her office.
24

25 Section 4. *Limitation on Use.* Only the Office of the Ombudsman may
26 obtain or use the written permission or waiver filed under this Act, or any other
27 information or data obtained as a result thereof; *Provided, however,* that the same

1 shall be used exclusively for investigating a duly signed and verified complaint
2 and/or prosecuting a case before the Sandiganbayan; *Provided further*, that the
3 Office of the Ombudsman or any other agency or instrumentality of the
4 Government or any person may not use the same for any purpose.

5
6 **Section 5. *Promulgation of Rules and Regulations.*** The Office of the
7 Ombudsman shall have the primary responsibility for the administration of this
8 Act; *Provided, however*, that it shall enlist the advice of the Department of Justice
9 and the Banko Sentral ng Pilipinas in drafting the form of the written permission
10 or waiver as required by the provisions of this Act.

11
12 **Section 6. *Penalties.***

13 (a) Any person who violates the provisions of Section 3 hereof shall be
14 punished with a fine not exceeding the equivalent of one (1) year salary or
15 suspension not exceeding one (1) year, or removal from office and, upon the
16 discretion of a court of competent jurisdiction, disqualification to hold public
17 office.

18
19 (b) Any person who violates the provisions of Section 4 hereof shall be
20 punished with imprisonment of not exceeding six (6) years or a fine not
21 exceeding One Hundred Thousand Pesos (P 100,000.00) or both.

22
23 **Section 7. *Separability Clause.*** In the event any portion or provision of this
24 Act is declared unconstitutional, the remainder of this Act or any provisions not
25 affected thereby shall remain in force and in effect.

26
27 **Section 8. *Repealing Clause.*** The relevant provisions of Republic Act Nos.
28 1405, 3019, 6713 as well as all laws, decrees and orders or parts thereof
29 inconsistent herewith are deemed repealed or modified accordingly.

30
31 **Section 9. *Effectivity.*** This Act shall take effect 15 days after its complete
32 publication in at least two (2) newspapers of national circulation.

Approved,