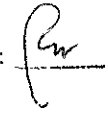


Office of the Secretary  
of the Senate

Republic of the Philippines  
**SENATE OF THE PHILIPPINES**  
Pasay City

12 MAY 22 3 58

FIFTEENTH CONGRESS  
Second Regular Session

RF: 

Senate Bill No. **3205**

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Introduced by Senator Manuel "Lito" M. Lapid

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**EXPLANATORY NOTE**

The country's banking and financial sector belong to the most important institutions that act as engines of national development. Not only must it remain strong and steadfast so as the nation may continue to enjoy a sound economic environment, it should more importantly stay committed to its promise of being safe havens to client's hard earned money.

However, recent experiences revealed several cracks in existing policies regarding banking that economic saboteurs capitalize on schemes calculated to plunder outrageous amounts of deposits in banks. Worse, most of the victims are depositors of rural and thrift banks that belong to the poorer sector of society. Much worst is the fact that it is the government through the Philippine Deposit and Insurance Commission (PDIC) which is forced to be subrogated to the obligation to return the deposits within the amounts insured.

This treacherous act of plundering must end but efforts to address this menace seem to lack the efficacy to do just that. Thus, this measure is proposing the revision of the law now existing to underscore the need to equate a severe punishment to this dastardly act of raiding the coffers of unsuspecting depositors. Not only does this measure insulate the depositors from these plunderers cum economic saboteurs but likewise it will help maintain the confidence and trust of the people to the nation's banking sector.

Early passage of this bill is earnestly sought.

  
MANUEL "LITO" M. LAPID

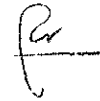
Republic of the Philippines  
SENATE OF THE PHILIPPINES  
Pasay City

Secretary of the Senate

MAY 22 1959

FIFTEENTH CONGRESS  
Second Regular Session

Senate Bill No. 3205

RECEIVED BY: 

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Introduced by Senator Manuel "Lito" M. Lapid

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1 AN ACT

2 EXPANDING THE SCOPE OF THE CRIME OF ECONOMIC SABOTAGE  
3 AMENDING FOR THAT PURPOSE PRESIDENTIAL DECREE NO. 1689  
4  
5

6 *Be it enacted by the Senate and House of Representatives of the Philippines in Congress*  
7 *assembled:*  
8

9 **Section 1.** Section 1 of Presidential Decree No. 1689 is hereby amended to read as  
10 follows:

11 "Section 1. Any person [or persons] who, BY HIMSELF OR IN  
12 CONNIVANCE WITH MEMBERS OF HIS FAMILY, RELATIVES BY  
13 AFFINITY OR CONSANGUINITY, BUSINESS ASSOCIATES,  
14 SUBORDINATES OR OTHER PERSONS, shall DEFRAUD OR  
15 MISAPPROPRIATE MONEY CONTRIBUTED BY STOCKHOLDERS,  
16 OR MEMBERS OF RURAL BANKS, COOPERATIVE, "SAMAHANG  
17 NAYON(S)", OR FARMERS ASSOCIATION, OR OF FUNDS  
18 SOLICITED BY CORPORATIONS/ASSOCIATIONS FROM THE  
19 GENERAL PUBLIC THROUGH AN ACT OR ACTS CONSTITUTING  
20 estafa or other forms of swindling as defined in Article 315 and 316 of  
21 the Revised Penal Code, as amended, shall be punished by life  
22 imprisonment to death. [if the swindling (estafa) is committed by a  
23 syndicate consisting of five or more persons formed with the intention  
24 of carrying out the unlawful or illegal act, transaction, enterprise or  
25 scheme, and the defraudation results in the misappropriation of money  
26 contributed by stockholders, or members of rural banks, cooperative,  
27 "samahang nayon(s)", or farmers association, or of funds solicited by  
28 corporations/associations from the general public.]

1 ANY PERSON WHO PARTICIPATED IN THE COMMISSION  
2 OF THE CRIME SHALL LIKEWISE BE PUNISHED. IN THE  
3 IMPOSITION OF PENALTIES, THE DEGREE OF PARTICIPATION  
4 AND THE ATTENDANCE OF MITIGATING AND EXTENUATING  
5 CIRCUMSTANCES SHALL BE CONSIDERED BY THE COURT.  
6

7 [When not committed by a syndicate as above defined, the penalty  
8 imposable shall be reclusion temporal to reclusion perpetua if the  
9 amount of the fraud exceeds 100,000 pesos.]”  
10

11 **Sec. 2. Separability Clause.** - If any provision of this Act is declared unconstitutional or  
12 invalid, the other provisions not affected by such declaration shall remain in full force  
13 and effect.  
14

15 **Sec. 3. Repealing Clause.** - Any law, decree, ordinance or administrative circular not  
16 consistent with any provision of this Act is hereby amended, repealed or modified  
17 accordingly.  
18

19 **Sec. 4. Effectivity Clause.** - This Act shall take effect fifteen (15) days after its complete  
20 publication in the Official Gazette or in two (2) newspapers of general circulation.  
21

22 Approved,  
23  
24