

SIXTEENTH CONGRESS OF THE REPUBLIC  
OF THE PHILIPPINES  
First Regular Session



Senate *ok*  
Office of the Secretary

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SENATE  
S. No. 239

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Introduced by Senator Manuel "Lito" M. Lapid

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EXPLANATORY NOTE

The circulation of small currency values through coins allows a government to make economic undertakings more efficient. The failure to circulate coins already released by the Bangko Sentral ng Pilipinas (BSP) is felt more significantly in the macro setting rather than in individual circumstances. Thus, while individuals may claim that there is no danger in hoarding or saving up coins, businesses and communities will feel a loss or shortage of coins as these cease to actually circulate and are reposed instead in private savings containers.

In recent years there has been a pattern of complaints regarding the availability of coins. There have even been repeated rumors of a coin shortage in the Philippine market. In a recent statement, the BSP denied the threat of shortage but observed that any seeming shortage is due largely to hoarding in households (i.e. in piggy banks, drawers, etc.), in bank vaults, in churches, and in small-scale gambling activities. In response, the BSP launched a campaign encouraging citizens to use coins they keep hidden away.

Apart from causing inefficiencies in market transactions, coin hoarding is problematic because it facilitates the melting and selling of coins for their metallic value. The issue of seigniorage, the difference between the value of the money and the cost to produce it, is key to this discussion. Enterprising individuals are aware that coins are more costly to produce than their actual monetary value, particularly because of the value of the metal used in making coins. Thus, by selling coins for their metal value, greater income is obtained compared to the use of the same as currency.

The present legislation proposes to criminalize the act of coin hoarding in order to avoid the problems encountered thereby. The proposed bill will ensure the integrity of our currency and promote facility in day-to-day transactions with the continuous circulation of our coinage.

  
MANUEL "LITO" M. LAPID  
Senator



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AN ACT  
DEFINING THE CRIME OF COIN HOARDING AND  
PROVIDING PENALTIES THEREFOR

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

1        **Section 1. Coin Hoarding.** - Coin hoarding is understood to be committed  
2 when:

3        (a) Persons or entities are in possession of coins of legal tender issued  
4 by the Bangko Sentral ng Pilipinas (BSP), in an amount or in volume beyond the  
5 requirements of their or its regular business, as may be determined by the BSP.

6        (b) Businesses that are required by BSP circulars on legal tender to  
7 transact only with the use of coins perform transactions contrary to or in  
8 violation of such circulars.

9        (c) Persons fail to comply with the requirement to surrender  
10 accumulated coins, as provided in Section 3 hereof.

11  
12        **SEC. 2. Coin Shortage.** - There is coin shortage when there is a deficiency  
13 in the supply of coins in Philippine currency as demanded by the prevailing  
14 condition of the monetary system.

15  
16        **SEC. 3. Allowable accumulation of coins.** - Persons engaged in coin  
17 collecting, those who save coins in piggy banks, and other persons engaged in  
18 similar practices shall be allowed to accumulate coins, provided that they shall  
19 be required to surrender such coins within a period of one (1) month after a  
20 determination by the BSP that there exists a condition of coin shortage.

21  
22        **SEC. 4. Penalty** - Any person guilty of coin hoarding shall be penalized  
23 with *ONE (1) YEAR IMPRISONMENT* and a fine of *ONE HUNDRED*

1 THOUSAND PESOS (P100,000.00) for every one thousand pieces (1,000) of coins  
2 hoarded or a fraction thereof.

3  
4 Coins confiscated or surrendered as a result of coin hoarding shall be  
5 forfeited in favor of the government.

6  
7 **SEC. 5. Appropriation Clause** - The amount necessary to carry out the  
8 provisions of this Act shall be provided in a supplemental budget or included in  
9 the General Appropriations Act of the year of its enactment into law. Thereafter,  
10 the expenses for its continued implementation shall be included in the  
11 subsequent General Appropriations Act.

12  
13 **SEC. 6. Repealing Clause.** - All laws, presidential decrees, executive  
14 orders, rules, and regulations, or parts thereof which are inconsistent with the  
15 provisions of this Act are hereby repealed or modified accordingly.

16  
17 **SEC. 7. Separability Clause.** - If any part or provision of this Act shall be  
18 held unconstitutional or invalid, other provisions hereof which are not affected  
19 thereby shall continue to be in full force and effect.

20  
21 **SEC. 8. Effectivity Clause.** - This Act shall take effect fifteen (15) days  
22 after its publication in the Official Gazette or in at least two (2) newspapers of  
23 general circulation.

*Approved,*