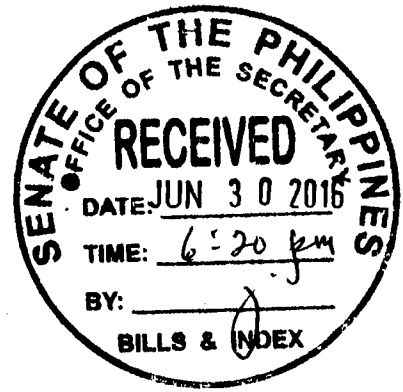


SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



SENATE

SENATE BILL NO. 196

Introduced by SENATOR LEILA M. DE LIMA

**AN ACT AMENDING REPUBLIC ACT NO. 1405, ALSO KNOWN AS THE
BANK SECRECY LAW, AS AMENDED, BY REMOVING FROM ITS
COVERAGE, GOVERNMENT OFFICIALS AND EMPLOYEES, AND FOR
OTHER PURPOSES**

EXPLANATORY NOTE

The 1987 Constitution provides in Article XI Section 1 that, "[p]ublic office is a public trust". No person who serves in government shall breach or abuse this mandate, or be promised a shield from accountability in the commission of crimes.

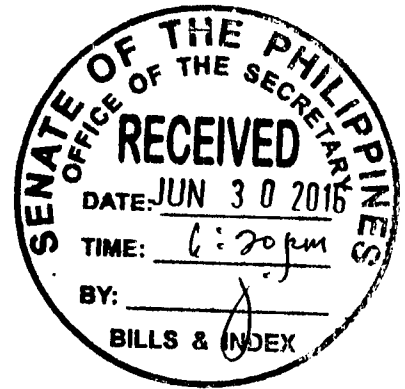
This anti-corruption thrust and Constitutional mandate for accountability and integrity is defeated when government officials and employees are able to hide their ill-gotten wealth and anomalous funds by invoking the absolute confidentiality to bank deposits as provided in Republic Act No. 1405, also known as the Bank Secrecy Law.

By removing the bank confidentiality privilege of those in public office, this bill will promote transparency in governance, and shall bring to the level of domestic implementation our commitment under the United Nations Convention Against Corruption to strengthen legislative measures in preventing and combating corruption.

It is for this reason that the early approval of this bill is earnestly sought.


LEILA M. DE LIMA

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



SENATE

SENATE BILL No. 196

Introduced by SENATOR LEILA M. DE LIMA

**AN ACT AMENDING REPUBLIC ACT NO. 1405, ALSO KNOWN AS THE
BANK SECRECY LAW, AS AMENDED, BY REMOVING FROM ITS
COVERAGE, GOVERNMENT OFFICIALS AND EMPLOYEES, AND FOR
OTHER PURPOSES**

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

1 SECTION 1. Section 2 of Republic Act (RA) No. 1405 as amended; is hereby further
2 amended to read as follows:

3
4 "Section 2. All deposits of whatever nature with banks or banking
5 institutions in the Philippines including investments in bonds issued by
6 the 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; PROVIDED, HOWEVER, THAT BANK ACCOUNTS AND
14 DEPOSITS OF GOVERNMENT OFFICIALS AND EMPLOYEES,
15 APPOINTIVE OR ELECTIVE REGARDLESS OF RANK, INCLUDING

1 MEMBERS OF THE MILITARY, DO NOT ENJOY THE PRIVILEGE OF
2 CONFIDENTIALITY. THIS INCLUDES FOREIGN CURRENCY
3 DEPOSITS.
4

5 Sec. 2. RA 1405, as amended, is hereby further amended by inserting a new
6 provision to be known as Section 2- A thereof, which reads:
7

8 INQUIRY INTO BANK DEPOSITS OF GOVERNMENT OFFICIALS
9 AND EMPLOYEES - WITHOUT NEED OF COURT ORDER OR
10 INFORMATION FILED, INVESTIGATIVE BODIES OR OFFICIALS WITH
11 APPROPRIATE AUTHORITY OR MANDATE, IN PROCESSES ALLOWED
12 UNDER PHILIPPINE LAWS, ARE AUTHORIZED TO INQUIRE INTO BANK
13 DEPOSITS OF GOVERNMENT OFFICIALS AND EMPLOYEES WHERE
14 THERE IS GROUND THAT ENGENDERS REASONABLE BELIEF THAT
15 THE FUNDS INVOLVED ARE PART OR PROCEEDS IN THE COMMISSION
16 OF A CRIMINAL OFFENSE.
17

18 Sec. 3. RA 1405, as amended, is hereby further amended by inserting a new
19 provision to be known as Section 3-A thereof, which reads:
20

21 "PENALTY. - ANY EMPLOYEE OR OFFICER OF THE BANK, WHO
22 IMPEDES, OBSTRUCTS, OR OTHERWISE REFUSES TO PROVIDE THE
23 REQUIRED INFORMATION UNDER SECTION 2 HEREOF, SHALL SUFFER
24 THE PENALTY OF IMPRISONMENT OF NOT MORE THAN FIVE (5) YEARS
25 OR A FINE NOT MORE THAN ONE HUNDRED THOUSAND PESOS
26 (100,000 Php) OR BOTH, UPON THE DISCRETION OF THE COURT.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15

Sec. 4. All remaining sections of RA 1405, as amended, are hereby renumbered accordingly.

Sec 5. Separability Clause. - If, for any reason, a provision is declared invalid, other provisions not affected thereby shall remain in full force and effect.

SEC. 6. Repealing Clause. - All laws, decrees, executive orders, rules and regulations contrary to or inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 7. Effectivity. - This Act shall take effect fifteen (15) day after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,