

SENATE

Senate Bill No. 539 '19 JUL 16 A11:46

Introduced by Senator Juan Miguel F. Zubiri

**AN ACT
EXEMPTING GOVERNMENT OFFICIALS AND EMPLOYEES FROM THE PROHIBITION
AGAINST DISCLOSURE OF OR INQUIRY INTO DEPOSITS WITH ANY BANKING
INSTITUTION, AMENDING FOR THE PURPOSE CERTAIN PROVISIONS OF
REPUBLIC ACT NO. 1405, OTHERWISE KNOWN AS THE "SECRECY OF BANK
DEPOSITS LAW"**


EXPLANATORY NOTE

The Bank Secrecy Law was enacted to safeguard the depositors and encourage them to entrust their money in bank institutions to be used and invested by the latter in economic activities that will help our country. However, the law on bank secrecy is not absolute and admits of certain exceptions such as in cases of impeachment, or by virtue of a court order in cases of bribery or dereliction of duty of public officials to expedite investigations relating to erring public officials.

The President named several local government heads allegedly involved in illegal drug activities, making them subject to public scrutiny and inquiry as to the sources of their assets and wealth. These public officials have eroded the people's trust and respect. Their unexplained wealth also casts doubt over the use of public funds entrusted to them.

It is thus the position of this representation, that if we follow the money, we will find the culprits, or the erring officials in this case. This bill, hence, proposes to amend the current Bank Secrecy Law by excluding government officials and employees from the Bank Secrecy Law. This will promote accountability and transparency and allow law enforcement authorities to go after corrupt and greedy people in the government.

In view thereof, the early passage of this bill is earnestly recommended.


JUAN MIGUEL F. ZUBIRI

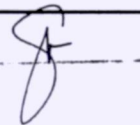
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Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

1 **SECTION 1.** Section 2 of Republic Act No. 1405, otherwise known as the "*Secrecy of Bank*
2 *Deposits Law*" is hereby amended to read as follows:

3 "Section 2. All deposits of whatever nature with banks or banking institutions in the Philippines
4 including investments in bonds issued by the Government of the Philippines, its political
5 subdivisions and its instrumentalities, are hereby considered as of an absolutely confidential
6 nature and may not be examined, inquired, or looked into by any person, government official,
7 bureau or office, except upon written permission of the depositor, or in the cases of
8 impeachment, or upon order of a competent court in cases of bribery or dereliction of duty of
9 public officials, or in cases where the money deposited or invested is the subject matter of the
10 litigation; OR WHEN THE DEPOSITOR HOLDS ANY PUBLIC OFFICE IN THE GOVERNMENT OF
11 THE PHILIPPINES BY VIRTUE OF AN APPOINTMENT, ELECTION OR CONTRACT, IN ANY STATE-
12 OWNED OR CONTROLLED CORPORATION OR ENTERPRISE, PERMANENT OR TEMPORARY,
13 WHETHER IN THE CAREER OR NON-CAREER SERVICE, INCLUDING THOSE IN THE MILITARY
14 SERVICE, WHETHER CIVILIAN OR UNIFORMED PERSONNEL, AND THOSE IN THE POLICE
15 FORCE, WHETHER OR NOT THEY RECEIVE COMPENSATION, REGARDLESS OF AMOUNT:
16 PROVIDED, THAT THE EXEMPTIONS ABOVE-MENTIONED SHALL INCLUDE FOREIGN CURRENCY
17 DEPOSITS IN PHILIPPINE BANKS OPERATING IN THE PHILIPPINES, FOREIGN AND OFF-SHORE
18 BANKS OPERATING IN THE PHILIPPINES, AND SUCH OTHER KIND OF DEPOSIT SUBSTITUTES."

19 **SEC. 2. Separability Clause.** – if any part or provision of this Act herein be declared
20 unconstitutional or invalid, the other provisions which are not affected shall continue to be in full force
21 and effect.

22 **SEC. 3. Repealing Clause.** - All laws, executive orders, decrees, rules, and regulations or any
23 parts thereof inconsistent with the provisions of this Act are deemed repealed, amended, or modified
24 accordingly.

1 **SEC.4. Effectivity Clause.** - This Act shall take effect fifteen (15) days after its publication in
2 the Official Gazette or in any two (2) newspapers of general circulation in the Philippines.

Approved,