

SENATE
S.B. NO. 1172

*19 NOV 13 P5 :33

Introduced by Senator Maria Lourdes Nancy S. Binay

AN ACT
CLARIFYING THE RULE ON IMPOSITION OF INTEREST ON
OBLIGATIONS CONSISTING OF LOAN OR FORBEARANCE OF MONEY

EXPLANATORY NOTE

In *Nacar vs. Gallery Frames and/or Felipe Bordey, Jr.* (G.R. No. 189871, August 13, 2013) the Supreme Court modified the landmark case of *Eastern Shipping Lines, Inc. v. Court of Appeals* (G.R. No. 97414, July 12, 1994) to embody *Bangko Sentral ng Pilipinas* ("BSP") Monetary Board ("MB") Circular No. 799 by imposing that the rate of interest for the loan or forbearance of any money, goods or credits and the rate allowed in judgments, in the absence of an express contract as to such rate of interest, shall be six percent (6%) *per annum*.

On the other hand, Article 1956 of the New Civil Code provides that no interest shall be due, unless it has been expressly stipulated in writing, thus:

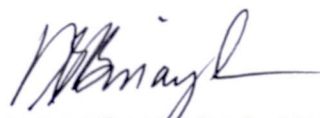
Art. 1956. No interest shall be due unless it has been expressly stipulated in writing.

In order provide a definite legislative clarification on what would seem to be conflicting provisions of the BSP-MP Circular and the New Civil Code, this bill seeks to clarify the rule on interest on loan or forbearance of money by providing that there shall be no interest due on loan or forbearance of money unless it has been expressly stipulated in writing. The rate of interest shall be that is

stipulated by the parties in writing, in the absence of a written agreement, the legal rate of interest shall be 6% per annum.

The proposed bill seeks to provide stability to commercial undertakings by providing a clear rule on obligations of parties as to payment of interest, as well as the rate thereof in the absence of stipulation.

The passage of this bill is therefore earnestly requested.



MARIA LOURDES NANCY S. BINAY
Senator



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AN ACT
CLARIFYING THE RULE ON IMPOSITION OF INTEREST ON
OBLIGATIONS CONSISTING OF LOAN OR FORBEARANCE OF MONEY

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

1 Section 1. No interest shall be due on obligations consisting of loans or
2 forbearance of money unless it has been expressly stipulated in writing. The rate
3 of interest for the loan or forbearance of any money, goods or credits and the
4 rate allowed in judgments, in the absence of an express written agreement as to
5 such rate of interest, shall be six percent (6%) *per annum*.

6

7 Sec. 2. *Repealing Clause.* – All laws, decrees, orders, rules and
8 regulations, other issuances, or parts thereof inconsistent with the provisions of
9 this Act are hereby repealed or modified accordingly.

10

11 Sec. 3. *Effectivity Clause.* – This Act shall take effect fifteen (15) days
12 after its publication in at least two (2) newspapers of general circulation.

Approved,

SENATE
S.B. NO. 1173

'19 NOV 13 P5:34

Introduced by Senator Maria Lourdes Nancy S. Binay



AN ACT
ENSURING THE FUNDAMENTAL EQUALITY OF MEN AND WOMEN
UNDER THE LAWS ON MARRIAGE AND FAMILY RELATIONS, AMENDING
FOR THIS PURPOSE EXECUTIVE ORDER NO. 209, OTHERWISE KNOWN
AS THE FAMILY CODE OF THE PHILIPPINES, AND FOR OTHER
PURPOSES

EXPLANATORY NOTE

The 1987 Philippine Constitution affirmed the role of women in nation-building and endeavors to ensure the fundamental equality before the law of men and women. Thus, reforms to the patently discriminatory provisions of the Civil Code of the Philippines were removed with the introduction of the Family Code of the Philippines. Under the Civil Code of the Philippines the authority of the husband over family relations was persistent. For instance, the husband was designated as the administrator of the conjugal properties and had the right to object to the exercise by the wife of her profession if his income is sufficient to support the family. The Family Code of the Philippines eliminated these inequalities, among many other provisions which are bias against women.

Despite major reforms to our law on marriage and family relations, there are still a number of provisions in the Family Code of the Philippines which prejudice against women. The Family Code of the Philippines still recognizes the supremacy of the husband's decisions in case of disagreement with the wife involving property administration and exercise of parental authority over the common children.

These provisions have no place in our law and serve no purpose other than to perpetuate discrimination. Consistent with the declaration in Republic Act No. 9710, or the Magna Carta of Women, provisions of law which engender inequality should be abolished.

There have been, in the past, series of proposals to amend these anti-women provisions in the Family Code of the Philippines. Regrettably to date, none have been enacted into law. It is therefore strongly urged that the passing of this bill be granted utmost importance.

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

A handwritten signature in black ink, appearing to read 'ML Binay', with a stylized flourish extending to the right.

MARIA LOURDES NANCY S. BINAY
Senator