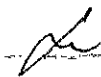


FOURTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

8 OCT 16 24 00

SENATE
Senate Bill No. 2687

RECEIVED BY: 

Introduced by SENATOR EDGARDO J. ANGARA

EXPLANATORY NOTE

Despite assurances from monetary and banking officials that the Philippine banking system is in a better position to absorb shock from the global credit crisis and financial turbulence, the Philippine financial market and economy is not entirely insulated from the Global Financial Turbulence.

Past reforms introduced by the Central Bank, which involves increase of capital and provision, and the several laws also enacted by Congress that will push the prudential supervision of the banks, have buttressed our country's position to withstand the crisis.

These financial reforms, however, must be sustained in order to cushion the perceived impacts of the Global Financial Turbulence.

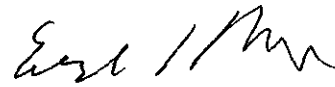
Our purpose is to allay fears of the investing public and to restore confidence in the Philippine banking system and the Philippine economy. This can be done by instituting protective or remedial measures to ensure that the Philippine financial market is resilient enough to weather the crisis.

In the Philippines, the Philippine Deposit and Insurance (PDIC) is a vital institution that acts as a deposit insurer, statutory receiver and co-regulator of banks in order to safeguard the interest of the depositing public and thereby contributing to the promotion of financial stability in the market.

Its capacity, however, is limited by the statutory provisions which cap PDIC's insurance coverage.

Hence, this bill seeks to increase the maximum deposit insurance coverage of PDIC which translates to enhanced depositor protection, depositor confidence, and a stronger banking system.

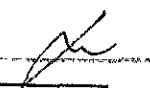
The approval of this bill is earnestly sought.


EDGARDO J. ANGARA
Senator

FOURTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

8 OCT 16 P4 00

Senate Bill No. 2687

RECEIVED BY: 

Introduced by SENATOR EDGARDO J. ANGARA

AN ACT AMENDING FURTHER REPUBLIC ACT NUMBERED THREE THOUSAND FIVE HUNDRED NINETY-ONE, AS AMENDED, OTHERWISE KNOWN AS THE "CHARTER OF THE PHILIPPINE DEPOSIT INSURANCE CORPORATION" AND FOR OTHER PURPOSES

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

SECTION 1. Section 4 of the same Act is hereby re-numbered as Section 1 and subsection (g) thereof is further amended to read as follows:

"g) The term "insured deposit" means the amount due to any depositor for deposits in an insured bank net of any obligation of the depositor to the insured bank as of the date of closure, but not to exceed [two hundred fifty thousand pesos] **FIVE HUNDRED THOUSAND PESOS** [P 250, 000.00] **P500,000.00**. x x x

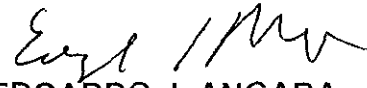
Provided, further, That the aggregate of the interests of each co-owner over several joint accounts, whether owned by the same or different combinations of individuals juridical persons or entities, shall likewise be subject to the maximum insured deposit [Two hundred fifty thousand pesos] **FIVE HUNDRED THOUSAND PESOS** [P250,000.00] **P500,000.00.**"

SEC. 2. *Separability Clause* – If any provision or section of this Act or the application thereof to any person or circumstances is held invalid, the other provisions or sections of this Act, in the application of such provision or section to other persons or circumstances, shall not be affected thereby.

SEC. 3. *Repealing Clause* – All acts or parts of acts and executive orders administrative orders, or parts thereof which are inconsistent with the provisions of this Act are hereby repealed.

SEC. 4. *Effectivity Clause* – This Act shall take effect fifteen (15) days following the completion of its publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved,


EDGARDO J. ANGARA
Chairman
Committee on Banks, Financial
Institutions and Currencies