Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS

FIRST REGULAR SESSION

HOUSE BILL NO 1565



Introduced by Representatives JAIME C. LOPEZ and PROSPERO NOGRALES

EXPLANATORY NOTE

The overseas Filipino workers have been heralded as the new Filipino Heroes, an accolade very aptly bestowed on them, in recognition of their significant contributions to the upliftment of the Philippine economy.

There are at present more than eight million Filipino migrants scattered over more than 130 countries, who have demonstrated the innate Filipino talents and ingenuity and in the process earning the much-needed foreign currencies which they remit to our country at an estimated amount of over eight billion U. S. dollars annually.

Accordingly, there is a need for the state to extend the necessary assistance to the overseas Filipino workers abroad and to their families here in the country to enable them to prudently handle their hard-earned incomes by providing the proper guidance and the financial institution that will safekeep and professionally manage their funds.

It is considered that a particular banking institution that could concentrate and would specifically be authorized to address the banking, economic, financial and related needs of the overseas Filipinos would be in the best position to handle and manage their remittances.

Hence, the passage of this Bill is urgently requested.

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AN ACT
PROVIDING FOR THE ESTABLISHMENT OF THE OVERSEAS FILIPINO BANK AND FOR OTHER PURPOSES.

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

SECTION 1. Title – This Act shall be known as "An Act Establishing the Overseas Filipino Bank"

SECTION 2. Name – There is hereby created a Bank which shall be known as the "Overseas Filipino Bank".

SECTION 3. Principal Place of business branches and Remittance Centers – The Bank shall have its principal office in Metro Manila, and in order to effectively address the banking needs of the overseas workers, their families and the banking public in general, shall establish branches all over the country and to service the remittance requirements of the migrant workers, remittance centers shall be established in strategic locations where there are concentrations of overseas Filipinos.

SECTION 4. Purposes. The purposes in establishing the Overseas Filipino Bank are:

1. To encourage the overseas Filipinos to remit their foreign earnings through the banking system;

2. To assist the overseas workers in providing for the efficient channels in the remittance of their earnings from their foreign work stations to their local beneficiaries in the Philippines;

3. To encourage savings among the overseas Filipino workers and their families from their earnings abroad, and at the same time extend credit facilities to them; and

4. To enable the country derive the maximum benefit from the foreign income of the Filipino migrant workers.

SECTION 5. Capitalization - The Bank shall have an authorized capital of ONE BILLION PESOS (P 1.0 BILLION) Philippine currency. This amount shall be divided in ten million shares (10,000,000) at ONE HUNDRED PESOS (P100,000) par value per share; Provided, the amount of FIVE HUNDRED MILLION PESOS (P500,000,000.00) representing five million shares shall be subscribed and fully paid by the government; and Provided further, the remaining FIVE HUNDRED MILLION PESOS (P500,000,000) capital shall be made available for subscription to the overseas Filipino workers, and their beneficiaries.

SECTION 6. Board of Directors – The Bank shall be governed by a Board of Directors, consisting of a Chairman and nine (9) members four of which including the Chairman shall be appointed by the President of the Philippines and the remaining five shall be elected by the stockholders at each annual meeting.

The Board of Directors shall exercises such powers which shall be so granted of them by the stockholders in accordance with the applicable laws and government regulations. The Board of Directors shall adopt such rules as will effectively carry out the objectives and purposes of this Act."

Only natural born Filipino citizens may be qualified to become a director of the Bank.

SECTION 7. Officers - The affairs of the Bank shall be managed by a President, and Executive Vice President who shall be appointed by the President of the Philippine and a set of officers who shall be appointed by the Board of Directors and who should qualify under existing regulations of the Bangko Sentral ng Pilipinas and the applicable law.

The specific duties and responsibilities of each officer shall be so defined in the By-Laws.

Only natural born Filipino citizens may be qualified to be officers of the Bank.

SECTION 8. Term of Existence - The Bank shall have a term of Fifty (50) years.

SECTION 9. Supervisory and Regulatory Powers of the Bangko Sentral ng Pilipinas - The Bank shall be under the supervision and regulation of the Bangko Sentral ng Pilipinas.

All deposits of the Bank shall be covered by the Philippine Deposit Insurance Corporation.

SECTION 10. By-Laws - Within thirty (30) days from the approval of this Act, the Board of Directors shall adopt the By-Laws which shall govern the functional and administrative operation of the Bank.

SECTION 11. Effectivity - This Act shall take effect fifteen (15) days after its publication in a newspaper of general circulation.

Adopted.