

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



THIRTEENTH CONGRESS

First Regular Session

House Bill No. 3270

Introduced by REP. BENJAMIN DC. ABALOS, JR.

EXPLANATORY NOTE

Twenty-five years after the enactment of Batas Pambansa Bilang 22 in 1979, the proliferation of bouncing checks continues to rise in an unprecedented level which threatened commerce in general.

Statistics revealed that most of the cases filed with the Metropolitan Trial Court, Municipal Trial Court and Municipal Circuit Trial Court involves the prosecution of violations of Batas Pambansa Blg. No. 22. Ironically, according to reports, most of the cases filed for BP 22 were not judicially pursued and were dismissed on grounds of non-compliance of mere technical requirements.

In the *Betty King vs. People of the Philippines* case, the Supreme Court ruled that the prosecution for violation of BP 22 must prove not only that the accused issued a check that was subsequently dishonored but it must also establish that the accused *was actually notified* that the check was dishonored, and that he or she failed, within five banking days from receipt of the notice, to pay the holder of the of the check the amount due thereon or to make arrangement for its payment. According to the Supreme Court, absence of proof that the accused received such notice, a prosecution for violation of the Bouncing Checks Law will not prosper.

In *Lina Lim Lao vs. Court of Appeals*, the high court pointed out that procedural due process clearly enjoins that a notice of dishonor be actually served on petitioner who has a right to demand that the notice of dishonor be actually sent to and received by her to afford her the opportunity to avert prosecution under BP 22. Thus, in order to create the *prima facie* presumption that the issuer knew of the insufficiency of funds, it must be shown that he or she received a notice of dishonor and, within five banking days thereafter, failed to satisfy the amount of the check or make arrange for its payment.

This proposed measure seeks to reinforce the prosecution against rampant cases of bouncing checks by amending Sections 2 of Batas Pambansa Bilang 22 otherwise known as the Bouncing Check Law.

This bill puts forward that personal receipt of a notice of dishonor and/or a notice of demand to pay is not necessary for the conviction of the maker, drawer, or endorser of the check, provided, the notice of dishonor and/or demand to pay is address to the last known office and/or residential address of the maker, drawer, or endorser. Notice of dishonor and/or notice of demand to pay when made through *registered mail* shall be sufficient notice to the maker, drawer and endorser of such dishonored check.

In view of the foregoing, immediate consideration and passage of this bill is earnestly sought in order to end the proliferation of bouncing checks.



BENJAMIN DC. ABALOS, JR.

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS

First Regular Session

House Bill No. 3270

Introduced by REP. BENJAMIN DC. ABALOS, JR.

AN ACT
AMENDING BATAS PAMBANSA BILANG 22, OTHERWISE KNOWN AS THE
BOUNCING CHECK LAW, AND FOR OTHER PURPOSES

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

Sec. 1. Section 2 of Batas Pambansa Bilang 22 is hereby amended to be read as follows:

Sec. 2. Evidence of knowledge of insufficient funds.— The making, drawing, endorsing and issuance of a check payment of which is refused by the drawee because of insufficient funds in or credit with such bank, when presented within ninety (90) days from the date of the check, OR PRESENTED EVEN BEYOND NINETY (90) DAYS BUT NOT MORE THAN ONE HUNDRED EIGHTY (180) DAYS FROM THE DATE OF THE CHECK, shall be prima facie evidence of knowledge of such insufficiency of funds or credit unless such maker, endorser or drawer pays the holder thereof the amount due thereon, or makes arrangements for payment in full by the drawee of such check within (5) banking days after receiving notice FROM THE DRAWEE BANK/COLLECTING BANK that such check has not been paid by the drawee. THE FACT OF THE DISHONOR OF THE CHECK WHEN PRESENTED FOR PAYMENT SHALL BE EVIDENCE OF NOTICE TO THE MAKER, ENDORSER OR DRAWER OF THE CHECK OF SUCH DISHONOR AND THE DEMAND FOR PAYMENT THEREOF WITHIN FIVE (5) DAYS FROM SUCH DISHONOR.

NOTICE OF DISHONOR AND/OR NOTICE OF DEMAND TO PAY WHEN MADE THROUGH REGISTERED MAIL SHALL BE SUFFICIENT NOTICE TO THE MAKER, DRAWER AND ENDORSER OF SUCH DISHONORED CHECK. PERSONAL RECEIPT OF THE NOTICE OF DISHONOR AND/OR THE NOTICE OF DEMAND TO PAY IS NOT NECESSARY FOR THE CONVICTION OF THE MAKER, DRAWER, OR ENDORSER OF THE CHECK PROVIDED THE NOTICE OF DISHONOR AND/OR DEMAND TO PAY IS ADDRESS TO THE LAST KNOWN OFFICE AND/OR RESIDENTIAL ADDRESS OF THE MAKER, DRAWER, OR ENDORSER.

Sec. 2. This Act shall take effect fifteen (15) days after its publication in two (2) national newspapers of general circulation. The publication shall not be later than seven (7) days after approval hereof.

Approved,