



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

13th Congress
1st Regular Session

House Bill No. 3775

Introduced by Representative Tomas M. Dumpit

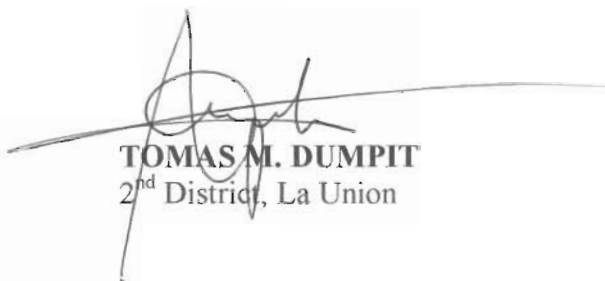
EXPLANATORY NOTE

This bill aims to limit ownership of number of shares to 1,000 per veteran, widow or compulsory heir and extend ownership to veterans other than WWII veterans. Shares which were subscribed or owned in excess of 1,000 shall be sold back to the Bank or to other veterans by the present holders at its fair market value.

Unsubscribed preferred shares shall be offered first to veterans as defined in Section 4(a) of Republic Act No. 3518 and unsubscribed shares shall be offered to other veterans as defined by Republic Act No. 6948 for subscription with the same 1,000 limit in number of shares and the same amount of 100 pesos per share. By the passage of this Act, new veterans shall become eligible stockholders of the Veterans Bank by paying and subscribing for the shares. As we are aware, World War II veterans, their widows or heirs are given at most 20 shares by the government. These WWII veterans can now purchase additional shares should they wish to own more than what the government has provided for them.

This amendment will certainly be a welcome change to majority of the veterans. This is believed to be a more democratic ownership and management of the Veterans Bank.

Your support for the passage of this bill is earnestly sought.


TOMAS M. DUMPIT
2nd District, La Union

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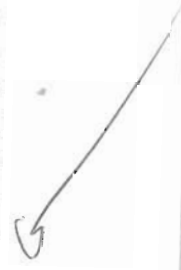
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AN ACT
AMENDING SECTION 3 (B) OF REPUBLIC ACT NO. 3518,
AS AMENDED BY REPUBLIC ACT NO. 7169, ENTITLED "AN ACT
CREATING THE PHILIPPINE VETERANS BANK AND FOR OTHER PURPOSES"

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

SECTION 1. Section 3 (b) of Republic Act No. 3518 is hereby amended to read as follows:

SEC. 3. Authorized capital stock – Par value-

- (b) At least fifty-one percent (51%) of the capital stock of the Veterans Bank shall be divided into common shares which shall be fully subscribed by the government of the Republic of the Philippines for and in behalf of the veterans, their widows, orphans, or compulsory heirs as defined and determined under Section 4, subsection (e) of this Act, and shall be initially paid from the Veterans Trust Fund provided for in Section 2 subsection (d) of Republic Act Numbered Seventeen Hundred and Eighty Nine as amended, and from or out of earnings, dividends or profits from the operations of the Veterans Bank, and for the payment of said subscription, all the available cash deposits with the Philippine National Bank and/or any other banks to credit of the Veterans Trust Fund shall be transferred immediately to the Veterans Bank; ***Provided, That*** after the approval of this Act and notwithstanding the provisions of any existing law and/or executive orders, rules and regulations to the contrary, every and all addition cash payments on account of the said Veterans' Trust Fund shall be remitted and paid directly and exclusively to the said Veterans Bank to be applied as additional paid-up payments of the aforesaid common shares subscription; ***Provided further, That*** nothing shall be transferred to, or received by, the said Veterans' Bank representing any portions of the proceeds of the aforesaid Veterans' Trust Fund except cash payments only of the peso equivalent thereof at the prevailing rate of exchange; And ***Provided, finally, That*** within five years from the organization of the Bank, all shares of stock equivalent to fifty-one percent subscription of the capital stock held by the government of the Republic of the Philippines for and in behalf of the veterans, their widows, orphans, or compulsory heirs shall be transferred to and in the name of the veterans who shall thereafter vote said common shares. The shares shall be divided equally among the veterans at the rate of one share of one hundred pesos for each veteran or fraction thereof. The balance of about forty nine (49%) percent shall be divided into preferred shares which shall be opened for subscription by any recognized veteran DEFINED IN
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SECTION 4, SUBSECTION (a) OF THIS ACT, widow, orphans or compulsory heirs of said veteran at the rate of one (1) preferred share per veteran; **Provided, That** in case of failure of any particular veteran, DEFINED IN SEC. 4 (a) OF THIS ACT, to subscribe to any preferred share of stock so offered to him as herein provided, within thirty (30) days from the date of receipt of notice, said share of stock shall be available for subscription to other veterans AS DEFINED IN SECTION 2, SUBSECTION (a) OF REPUBLIC ACT NUMBERED SIXTY NINE HUNDRED FORTY-EIGHT, AS AMENDED. [in accordance with such rules or regulations as may promulgated by the Board of Directors.] PROVIDED FURTHER THAT, ALL VETERAN STOCKHOLDERS CAN ONLY OWN SHARES OF STOCKS NOT EXCEEDING ONE THOUSAND (1,000) SHARES. PROVIDED FINALLY THAT, ALL SHARES OF STOCK PRESENTLY SUBSCRIBED IN EXCESS OF ONE THOUSAND (1,000) SHARES SHALL BE SOLD TO OTHER VETERANS OR SOLD BACK TO THE VETERANS BANK AT FAIR MARKET VALUE. Any share of stock corresponding to the capital stock subscribed and paid by the Republic of the Philippines in the manner aforementioned, shall be issued in the name of the Republic of the Philippines, in trust for the benefit of the veterans DEFINED IN SEC. 4. (a) OF THIS ACT, their widows, orphans or compulsory heirs as determined in this Act, and any share of stock subscribed and paid by individual veterans shall be issued in the name of the individual veteran, his widow, orphan or compulsory heir. The sale or transfer of a share of stock of a veteran, widow, orphan or compulsory heir of a veteran to a party not a veteran, widow, orphan, or compulsory heir of a veteran shall not be allowed under any circumstances. Any share may be sold or transferred to the Bank which shall issue the same to the stockholders who are veterans DEFINED IN SEC. 4 (a) OF THIS ACT, their widows, orphans or compulsory heirs; Provided, That no SUCH veteran, widow, orphan or compulsory heir shall be issued a total of more than twenty shares.

SEC. 2. All laws, decrees, executive orders, rules and regulations, or parts thereof, inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 3. This Act shall take effect upon approval.

Approved,

A handwritten signature in dark ink, consisting of a stylized 'U' followed by a long diagonal stroke.