

HOUSE OF REPRESENTATIVES
Batasang Pambansa, Quezon City

FIFTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 5858



INTRODUCED BY REP. JOSEPH VICTOR G. EJERCITO

EXPLANATORY NOTE

Republic Act 6426 otherwise known as the "Foreign Currency Deposit Act of the Philippines" has an opaque blanket of secrecy on bank deposits, which prohibits disclosure of or on inquiry into, deposits of clients with any banking institution and providing penalty thereof except upon written permission of the depositor or if the foreign currency account is covered by the Anti-Money Laundering Act of 2001.

With the most recent developments and issues raised on the secrecy of foreign currency deposits with financial and banking institutions, there is an urgent need to amend the law on Foreign Currency Deposits. This law is being used as an excuse and as a refuge to hide alleged illegally acquired wealth of public officials and employees.

This bill seeks to amend Republic act No. 6426, entitled "An Act Instituting a Foreign Currency Deposit System in the Philippines and For Other Purposes" otherwise known as the Foreign Currency Deposit Act, in order to promote and enhance transparency and accountability in the government. Thus, the proposed measure shall cover all public officials, including those in the 1987 Philippine Constitution as impeachable officers who may have engaged in corrupt and other criminal activities.

In the same vein, this bill intends to discourage private individuals who may intend to hide their unlawful activities by converting their illegal income into foreign currency deposits.

In view of the foregoing premises, immediate passage of this bill is earnestly sought.

JOSEPH VICTOR G. EJERCITO

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**AN ACT AMENDING REPUBLIC ACT NO. 6426, OTHERWISE KNOWN
AS "FOREIGN CURRENCY DEPOSIT ACT OF THE PHILIPPINES", AND
FOR OTHER PURPOSES**

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

SECTION 1. Section 8 of Republic Act No. 6426, otherwise known as Foreign Currency Deposit Act of the Philippines, is hereby amended to read as follows:

"Section 8. Secrecy of foreign currency deposits. – All foreign currency deposits authorized under this Act, as amended by PD No. 1035, as well as foreign currency deposits authorized under PD No. 1034 AND REPUBLIC ACT NO. 6426, are hereby declared as and considered of an absolutely confidential in nature and, except upon the written permission of the depositor **AND/OR UPON ORDER OF AN IMPEACHMENT COURT OR ANY COMPETENT COURT ON CASES INVOLVING PUBLIC OFFICIALS CHARGED WITH THE VIOLATION OF RA 3019 OTHERWISE KNOWN AS THE ANTI-GRAFT AND CORRUPT PRACTICES ACT, UPON MOTION, AND AFTER PARTIES THERETO ARE GIVEN PROPER NOTICE AND HEARING. PROVIDED FURTHER, THAT PROBABLE CAUSE BE ESTABLISHED THAT THE FOREIGN CURRENCY DEPOSIT INVOLVED IS DIRECTLY RELATED TO THE CAUSE OF ACTION IN THE COMPLAINT, OTHERWISE,** in no instance shall foreign currency be examined, inquired or looked into by any person, government official, bureau or office whether judicial or administrative or legislative, or any other entity whether public or private; *Provided, however,* That said foreign currency deposits shall be exempt from attachment, levy or garnishment, or any other order or process of any court, legislative body, government agency or any administrative body whatsoever. (As amended by PD No. 1035, and further amended by PD No. 1246, prom. Nov. 21, 1977.)"

THE FOREGOING SHALL CONTINUE TO BE SUBJECT TO FURTHER EXCEPTIONS PROVIDED FOR UNDER RA 9160, OTHERWISE KNOWN AS THE ANTI-MONEY LAUNDERING ACT OF 2001."

SECTION 2. Repealing Clause. All laws or regulations inconsistent with the provisions of this Act are hereby amended or repealed accordingly.

SECTION 3. This Act shall take effect after the fifteen (15) days following its publication in at least two (2) newspapers of general circulation.

Approved,