

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 1662



Introduced by Hon. Jerry P. Treñas

EXPLANATORY NOTE

This proposed measure seeks to criminalize the keeping or possession of Philippine legal tender coins of any denomination exceeding the allowable aggregate value, number of pieces and weight to be determined by the Bangko Sentral ng Pilipinas (BSP) by any person, corporation, partnership, association or any other form of juridical personality.

The BSP was established as the country's central bank by Republic Act 7653 or the New Central Bank Act. Among the objectives of the BSP is to promote and maintain the monetary stability of the Philippine peso.¹ The BSP has the sole power and authority to issue currency within the territory of the Philippines, and it has the authority to investigate, make arrests, conduct searches and seizures in accordance with law for the purpose of maintaining the integrity of the currency.² The BSP is therefore the proper government agency to enforce and implement this measure.

This bill seeks to maintain the stability of the Philippine currency by discouraging private hoarding of coins and by encouraging the people to deposit their money in banking institutions. It aims to re-circulate the hoarded Philippine legal tender coins collected and kept by syndicates currently hoarding coins with impunity in the Philippines, which are in turn smelted and converted into other materials of various industrial uses. The hoarding of coins is causing an artificial shortage of small denominations of currency in the country, which is seen as the reason for the lack of small change in various establishments.

It is of paramount importance for us to ensure that our coins are properly circulated in order to maintain the stability and integrity of our currency. The unscrupulous practice of hoarding of coins is tantamount to economic sabotage and is creating an artificial shortage of coins. In view of the foregoing, the approval of this measure is highly recommended!


JERRY P. TREÑAS

¹ Section 3, Republic Act No. 7653, New Central Bank Act (June 14, 1993)

² Section 50, R.A. No. 7633

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

**AN ACT PENALIZING THE HOARDING OF LEGAL TENDER COINS OF THE
PHILIPPINE CURRENCY**

Section 1. Short Title. This Act shall be known as the “Anti-Hoarding of Philippine Legal Tender Coins Act of 2013.”

Section 2. Declaration of Policy. It is hereby declared that it is the policy of the State to protect and maintain the integrity of the Philippine currency. The State is committed to prevent coin shortage and economic sabotage in order to maintain the stability of the country’s currency.

Section 3. Definition of Terms.

- a.) “Hoarding of coins” means the keeping or possession by any person not engaged in business of legal tender coins of the Philippine currency beyond an aggregate value, number of pieces and weight to be determined by the Bangko Sentral ng Pilipinas (BSP), or the keeping or possession by any persons engaged in business of such coins beyond the aggregate value, number of pieces and weight to be determined by the BSP.
- b.) “Person” shall mean either natural or artificial persons, and shall include organizations, corporations, partnerships or any other form of juridical personality.
- c.) “Aggregate value” is the total aggregate amount in Philippine pesos of the coins kept or possessed by a person.
- d.) “Aggregate number of pieces” is the physical count of the total number of pieces of coins kept or possessed by a person.
- e.) “Aggregate weight” is the total weight in kilograms of the coins kept or possessed by a person.

Section 4. Hoarding of Legal Tender Coins. The penalty of eight (8) years imprisonment and a fine not exceeding Three Hundred Thousand Pesos shall be imposed on any person who shall hoard coins of the Philippine currency. If the offender is a corporation, partnership or association, the penalty shall be imposed upon its president, managing director, managing

1 partner, managers, or person charged with the administration thereof. In all cases, the coins
2 hoarded shall be confiscated and forfeited in favor of the government.

3
4 *Section 5. Exceptions.* This Act shall not apply to charitable institutions, private banks, banking
5 and financial institutions of the government, and government agencies and instrumentalities
6 when they hold or keep such coins in connection with their official duties. The BSP may also
7 exempt persons engaged in retail business; provided, that persons engaged in retail business must
8 not keep or hold such coins beyond the reasonable needs of the business based on its average
9 daily gross sales.

10
11 *Section 6. Determination of Aggregate Amounts and Issuance of Implementing Rules and*
12 *Regulations.* The BSP shall issue the implementing rules and regulations of this Act and shall
13 determine the aggregate value, number of pieces, and weight which would constitute as hoarding
14 of legal tender coins. Separate sets of aggregate amounts shall be determined for persons
15 engaged in business and for persons not engaged in business. The BSP is empowered to review
16 and change, if needed, the aggregate amounts every three (3) years based on the prevailing value,
17 supply and demand of legal tender coins.

18
19 *Section 7. Separability Clause.* If any provision or part hereof is held invalid or unconstitutional,
20 the remainder of the law or the provision not otherwise affected shall remain valid and
21 subsisting.

22
23 *Section 8. Repealing Clause.* Any law, presidential decree or issuance, executive order, letter of
24 instruction, administrative order, rule or regulation contrary to or inconsistent with the provisions
25 of this Act is hereby repealed, modified, or amended accordingly.

26
27 *Section 9. Effectivity Clause.* This Act shall take effect after fifteen (15) days following its
28 publication in a newspaper of general circulation, or in the Official Gazette.

29
30 Approved,