

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. **6076**



Introduced by REP. Michael L. Romero

EXPLANATORY NOTE

In the Republic of the Philippines, it shall be a policy that, Any person, natural or juridical, may, in accordance with the provisions of this Act, deposit with such Philippine banks in good standing, as may, upon application, be designated by the Central Bank for the purpose, foreign currencies which are acceptable as part of the international reserve, except those which are required by the **Central Bank** to be surrendered in accordance with the provisions of **Republic Act 265**.

This House Bill seeks to foster the Security, Withdrawability and Transferability of Foreign Deposits, and to provide stiffer penalties and sanctions for violations.

Thus, the early passage of this bill is earnestly requested.


MICHAEL L. ROMERO Ph.D

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AN ACT

AMENDING REPUBLIC ACT NO. 6426 OTHERWISE KNOWN AS THE
"**FOREIGN CURRENCY DEPOSIT ACT OF THE PHILIPPINES**", TO
FOSTER A MORE EFFICIENT FOREIGN DEPOSIT POLICY THAT
WILL ENABLE FINANCIAL INSTITUTIONS TO REDUCE THEIR OVER-
ALL SECURITY RISK, TO CONTRIBUTE TO A HEALTHIER AND
MORE STABLE FINANCIAL SYSTEM, AND FOR OTHER PURPOSES.

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

SECTION 1. DECLARATION OF POLICY – it shall hereby be a policy
of the state to:

(1) To accept deposits and to accept foreign currencies in trust:

Provided, That numbered accounts for recording and servicing of
said deposits shall be allowed;

(2) To issue certificates to evidence such deposits;

(3) To discount said certificates;

(4) To accept said deposits as collateral for loans subject to such rules and regulations as may be promulgated by the Central Bank from time to time; and

(5) To pay interest in foreign currency on such deposits.

SECTION 2.

Section 10 of Republic Act No. 6426, is hereby amended to read as follows:

SECTION 10. Penal Provisions — Any willful violation of this Act or any regulation duly promulgated by the Monetary Board pursuant hereto shall subject the offender upon conviction to an imprisonment of not less than three (3) years nor more than six (6) years or a fine of not less than One hundred thousand pesos (P100,000.00) nor more than three hundred thousand pesos (P300,000.00) or both such fine and imprisonment at the discretion of the court.

SECTION 3. TRANSITORY PROVISION – Existing industries, businesses and offices affected by the implementation of this Act shall be given six (6) months transitory period from the effectivity of the IRR or such other period as may be determined, to comply with the requirements of this Act.

SECTION 4. IMPLEMENTING RULES AND REGULATIONS. – The departments and agencies charged with carrying out the provisions of this Act shall, within sixty (60) days after the effectivity of this Act, formulate the necessary rules and regulations for its effective implementation.

SECTION 5. REPEALING CLAUSE. – All laws, decrees, executive orders, rules and regulations, or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 6. SEPARABILITY CLAUSE. – If, for any reason, any section or provision of this Act is held unconstitutional or invalid, the other sections or provisions hereof shall not be affected thereby.

SECTION 7. EFFECTIVITY CLAUSE. – This Act shall take effect after fifteen (15) days from its publication in the Official Gazette or in at least two (2) national newspapers of general circulation whichever comes earlier.

Approved,