

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 8766



Introduced by Honorable Michael L. Romero

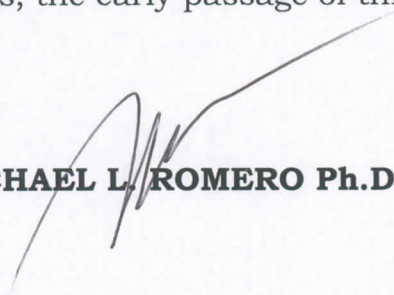
EXPLANATORY NOTE

The republic of the Philippines is cognizant that it is imperative that the State justifies the rules, regulations, and laws that impact upon the securitization process, *particularly on matters of taxation and sale of real estate on installment.*

Likewise, the State shall pursue the development of a secondary market, particularly for residential mortgage-backed securities and other housing-related financial instruments, as essential to its goal of generating investment and accelerating the growth of the housing finance sector, *especially for socialized and low-income housing.*

This House Bill seeks to foster the development of the capital market by supporting securitization, by providing a legal and regulatory framework for securitization and by creating a favorable market environment for a range of asset-backed securities, thus providing stiffer penalties and sanctions.

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


MICHAEL L. ROMERO Ph.D.

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AN ACT

AMENDING **SECTION 48 OF REPUBLIC ACT 9267**, "OTHERWISE
KNOWN AS THE **SECURITIZATION ACT OF 2004**", PROVIDING
FOR STIFFER PENALTIES AND SANCTIONS, AND FOR OTHER
PURPOSES

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

SECTION 1. Section 48 of Article VII of RA 9267, is hereby amended to
read:

ARTICLE VII

PENAL PROVISIONS

SEC. 48. *Penalties.* — Any person who violates any of the provisions
of this Act, or the rules and regulations promulgated by the
Commission under authority hereof, or any person who, in a
registration statement, notice, or Plan filed under this Act, makes
any untrue statement of a material fact or omits to state any

material fact required to be stated therein or necessary to make the statements therein not misleading, shall, upon conviction, suffer a fine of not less than **Five Hundred Thousand pesos (P500,000.00)** nor more than Five million pesos (P5,000,000.00) or imprisonment of not less than six (6) years and one (1) day nor more than twenty-one (21) years, or both in the discretion of the court.

If the offender is a corporation, partnership or association or other juridical entity, the penalty may in the discretion of the court be imposed upon such juridical entity and upon the officer or officers of the corporation, partnership, association or entity responsible for the violation, and if such officer is an alien, he shall in addition to the penalties prescribed, be deported without further proceedings after service of sentence.

SECTION 2. 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 3. 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 4. 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 5. 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 6. 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,