

Republic of the Philippines  
**House of Representatives**  
Quezon City, Metro Manila

**NINETEENTH CONGRESS**  
Second Regular Session

HOUSE BILL NO. **10817**



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Introduced by Representative **WOWO FORTES**

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### **EXPLANATORY NOTE**

The Development Bank of the Philippines (DBP) is a government-owned financial institution established in 1958 to provide credit and financial services to support national development efforts. One of its primary goals is to finance projects that contribute to the country's economic growth, infrastructure development, and social progress.

DBP offers various services— including loans, equity investments, and other financial products tailored to the needs of the public. Under its current charter, the DBP is classified as a development bank and may perform all other functions of a thrift bank.

It is noteworthy that DBP plays a critical role in supporting our country's national development goals. However, its current charter, as provided by Executive Order No. 81 of 1986 and amended in 1998 by Republic Act No. 8523, still limits its operations. The present charter sets the capital stock of the DBP at Thirty-Five Billion Pesos (P35,000,000,000.00). Moreover, its provisions on corporate governance are not in line with those currently being observed.

Hence, this bill aims to provide a new charter for DBP as it seeks to clarify and expand the Bank's mandate, raise its capital stock to Three-Hundred Billion Pesos (P300,000,000,000.00), ensure government representation on its board, and increase the penal provisions on conflict of interest.

In view of the foregoing, the approval of this bill is earnestly sought.

  
**ATTY. WOWO FORTES**  
*Representative*  
Second District, Province of Sorsogon

**HOUSE OF REPRESENTATIVES**

H.B. No. **10817**

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Introduced by Representative **WOWO FORTES**

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**AN ACT PROVIDING FOR A NEW CHARTER FOR THE  
DEVELOPMENT BANK OF THE PHILIPPINES, REPEALING FOR THE PURPOSE  
EXECUTIVE ORDER NO. 81, AS AMENDED**

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

SECTION. 1. *Short Title.* – This Act shall be known as “The New Development Bank of the Philippines (DBP) Act”.

SEC. 2. *Declaration of Policy.* – It is the policy of the State to strengthen the powers and functions of its premier government developmental financial institution that provides developmental financing and financial services necessary for the achievement of sustained economic growth. The State recognizes the Bank’s important role in catalyzing economic development through its financing and assistance to strategic sectors of the economy.

The State shall support the Bank in its pursuit of social progress through initiatives that enhance the welfare of the Filipino people, especially the underprivileged.

SEC. 3. *Name and Corporate Existence.* – The Development Bank of the Philippines, hereinafter referred to as the Bank, shall henceforth operate under the provisions of this Act. The Bank shall continue to exist as a body corporate and shall have perpetual existence from the date of effectivity of this Act.

SEC. 4. *Primary Objective of the Bank.* – As a government financial institution, and a partner in national development, the Bank shall support the programs of the government that propel economic growth and increase productivity such as the development of infrastructure, expansion of businesses especially micro, small and medium enterprises, and high-impact programs in education, health care, housing, other social services and those that support the protection of the environment. Provided, that this objective shall be pursued with utmost consideration of the need and responsibility to preserve and protect the financial viability of the Bank while ensuring that it remains globally competitive. It shall at all times safeguard its financial position in order that it can effectively participate in the accomplishment of the national goal of attaining meaningful and inclusive economic growth.

DBP shall serve as a national development policy bank to support and implement government policies on the direction of financial flows to priority areas, enhance competition in financial markets, and promote financial sector development leading to capital allocation improvements thereby contributing to macroeconomic stability.

SEC. 5. *Principal Office, Branches, and other Offices.* – The Bank’s principal office and place of business shall be in Metro Manila. It may open and maintain branches and agencies in accordance with applicable regulations of the *Bangko Sentral ng Pilipinas* (BSP).

SEC. 6. *Corporate Powers.* – In addition to the general powers of a corporation under Republic Act No. 11232 otherwise known as the “Revised Corporation Code of the Philippines”, the Bank shall have the power to:

- (a) Accept deposits as are allowed under existing law and BSP regulations, including but not limited to demand, savings, and time deposits;
- (b) Grant loans and other credit accommodations for the establishment, development or expansion of infrastructure, tourism, energy development and environmental projects, social services, micro, small and medium enterprises, and agencies of the government, including local government units (LGU) and government-owned and controlled corporations (GOCC), among other sectors, and exercise all such powers and services as may be necessary to carry out the business of a bank under Republic Act No. 8791 or “The General Banking Law of 2000” subject to the existing rules and regulations of the Monetary Board in order to perform its mandate under this Act;
- (c) Act as official government depository with authority to maintain deposits and deposit substitutes of the National Government, its agencies, bureaus and instrumentalities, and GOCCs, LGUs, and autonomous regions, as well as other territorial and political subdivisions, subject to such rules and regulations as the Monetary Board may prescribe;
- (d) Accept and manage trust funds and properties and carry on the business of a trust corporation;
- (e) Adopt, amend, or change its By-laws; to adopt, alter and use a seal; to lease or own real and personal property and to sell or otherwise dispose of the same; to make contracts; to sue and be sued; and to exercise the general powers of a corporation mentioned in the Revised Corporation Code of the Philippines, including the power to acquire or establish subsidiaries registered with the Securities and Exchange Commission (SEC) with the right to receive dividends from such subsidiaries in accordance with Section 33 hereof;
- (f) Obtain from the Government Service Insurance System (GSIS) or other reputable insurance companies duly accredited by the appropriate regulatory body, directors, officers and liability insurance coverage, without prejudice to the right of the Bank, as may be determined by its Board of Directors, to put up its own legal insurance fund;
- (g) Hold, purchase, acquire and own real and personal property, introduce necessary improvements thereon to enhance and develop their social and economic value, and to sell, mortgage or otherwise dispose of the same;

- (h) Dispose of its acquired assets which shall not be subject to any injunction or restraining order issued by any court, commission, tribunal or office which shall bar, impede or delay the sale and disposition thereof except on questions of ownership and national or public interest; and
- (i) Offer and issue common and preferred shares of stocks in such manner and in such quantities as approved by the Secretary of Finance upon the recommendation of the Board of Directors and in accordance with applicable laws, rules and regulations.

The holders of preferred shares shall be nonvoting. Other features of preferred shares shall be determined by the Board of Directors in accordance with applicable laws and regulations.

Unless otherwise provided for in this Act, the exercise of the above-mentioned powers shall be subject to applicable laws, rules and regulations as well as regulations promulgated by the BSP.

**SEC. 7. *Authorized Capital Stock - Par Value.*** – The capital stock of the Bank shall be Three Hundred Billion Pesos (Php300,000,000,000.00) to be divided into Three Billion (3,000,000,000) shares, with par value of One Hundred Pesos (Php100.00) per share. The Board shall determine the classification of shares, their corresponding rights, privileges, or restrictions, if any: Provided, That, the National Government shall own, at all times, seventy percent (70%) of the total outstanding capital stock of the Bank.

Thirty-Two Billion Pesos (Php32,000,000,000.00) or ten and 67/100 percent (10.67%) of the authorized capital stock of the Bank, shall be subscribed and fully paid by the National Government.

When dividends are declared for stockholders, the dividend due to the National Government shall at all times be in proportion to its ownership of the Bank.

The Board, upon the recommendation of the Secretary of Finance and with the approval of the President of the Philippines, may increase the capitalization of the Bank up to such an amount as may be necessary to attain the objectives of this Charter, and may allocate part or all of the Bank's unrestricted retained earnings towards paying for the increase in capital.

**SEC. 8. *Investment by Government-Owned or Controlled Corporations and the General Public.*** – The provisions of their respective charters to the contrary notwithstanding, all government-owned or -controlled corporations, including government financial institutions, are authorized to invest in shares of stock of the Bank.

**SEC. 9. *Voting of Shares.*** – The voting power of all the common shares of stock of the Bank owned and controlled by the government shall be vested in the President of the Philippines or in any *ex-officio* member of the Board of Directors.

**SEC. 10. *Issuance of Bonds, Eligible Capital Instruments, and other Securities.*** – The Bank may issue all kinds of bonds, notes, debentures, other evidences of indebtedness, derivatives, commodities, negotiable instruments, eligible capital

instruments and other securities, and the renewal or refunding thereof within and/or outside the Philippines, at such terms, rates, and conditions as the Board may determine, subject to compliance with the provisions of applicable laws, and rules and regulations promulgated by the Monetary Board.

The Bank shall acquire, assign, or otherwise dispose of marketable securities and other debt instruments which are essential to the effective conduct of its general banking activities.

The Bank shall provide for appropriate reserves, as necessary, for the redemption or retirement of the foregoing. These bonds and other obligations shall be redeemable at the option of the Bank at or before maturity and in such manner as may be stipulated therein and shall bear such rate of interest as may be fixed by the Bank.

Such obligations shall be secured by the assets of the Bank, including the stocks, bonds, debentures, and other securities purchased or held by it under the provisions of this Act, as necessary to ensure the successful issuance of such obligations. These bonds and other obligations may be long-term, medium, or short-term, with fixed interest rate or floating interest rate.

SEC. 11. *Board of Directors, Composition, Tenure, and Per Diems.* – The powers and functions of the Bank shall be vested in and exercised by a Board of Directors which shall be composed of nine (9) members as follows:

- (a) The Secretary of Finance who shall be the *ex-officio* Chairperson of the Board, without compensation;
- (b) The Secretary of Trade and Industry, as an *ex-officio* member;
- (c) Five (5) regular directors and two (2) independent directors to be appointed by the President of the Philippines in accordance with the appointment process under RA No. 10149.

The *ex-officio* directors may each designate an alternate, who shall be an official with a rank not lower than Assistant Secretary.

The Chairperson shall preside over the meetings of the Board.

The President of the Bank shall be the Vice-Chairperson of the Board. In case the Chairperson is absent or incapacitated, the President shall act as Chairperson and preside over the meetings of the Board. In case of incapacity or absence of both the Chairperson and the Vice-Chairperson, the Board shall designate a temporary chairperson from among its members.

No person shall be elected or appointed director of the Bank unless such person is a Filipino citizen, of good moral character, and has attained proficiency, expertise and recognized competence in one or more of the following: banking, finance, economics, law, business management, governance, sustainability, digital transformation, rural economy, banking, co-operation, small-scale industry, information technology, and information security.

Except for the President, no incumbent officer or employee of the Bank may be appointed as a member of the Board; nor shall any incumbent officer of any other bank be eligible as a member of the Board.

The President and Chief Executive Officer (CEO) shall be elected annually by the members of the Board in accordance with Section 13 hereof.

The term of office of the President and the other members of the Board of Directors shall be for a period of one year or until such time that their successors are appointed and have qualified.

The compensation, per diems, allowances, incentives, and other benefits, for the members of the Board shall be subject to the provisions of RA No. 10149.

**SEC. 12. *Powers and Duties of the Board of Directors.*** – The Board shall have the following duties, powers and authority:

- (a) Formulate policies necessary to carry out effectively the provisions of this Charter and to prescribe, amend, and repeal by-laws, rules and regulations for the effective operation of the Bank, and the manner in which the general business of the Bank may be conducted, and the powers granted by law to the Bank are exercised;
- (b) Approve loans, other credit accommodations and guarantees issued or obtained by the Bank, and prescribe terms and conditions to govern the granting of the foregoing, and engage in such other financial activities under such terms and conditions as it as may be deemed necessary, consistent with the provisions of this Act and the existing banking laws and regulations promulgated by the Monetary Board: Provided, That, the Board may delegate the authority to approve loans, other credit accommodations and guarantees to such officers as may be deemed necessary;
- (c) Adopt an annual budget upon the recommendation of the President for the effective operation and administration of the Bank;
- (d) Compromise or release, in whole or in part, any claim or settled liability to the Bank regardless of the amount involved, under such terms and conditions it may impose to protect the interests of the Bank. This authority to compromise shall extend to claims against the Bank: Provided, That, the Board may delegate the authority to compromise or release any claim or settled liability to the President or such other officers of the Bank as may be deemed necessary;
- (e) Establish such branches, agencies and other offices which the Board shall determine to be necessary and convenient in accordance with applicable rules and regulations of the BSP;
- (f) Appoint, promote or remove employees and officers of the Bank, Provided, That promotions, transfers, assignments or reassignments of officers and personnel of the Bank are personnel actions deemed made in the interest of the service, any provision of the Civil Service Law to contrary notwithstanding;
- (g) Notwithstanding any law to the contrary, adopt an organizational structure, staffing pattern and personnel qualification standards of the Bank and to

reorganize, rationalize and restructure the same, or realign the various functions in the Bank to ensure effective accomplishment of its mandates and strategic goals, the alignment of its organizational structure and staffing pattern with industry standards, and its responsiveness to regulatory requirements, subject to the provisions of RA No. 10149.

- (h) Design, adopt and revise, as it may deem necessary, an early separation plan for employees of the Bank to ensure the availability of a human resource pool qualified and capable of implementing the Bank's authorities under this Charter in a manner responsive and attuned to market developments, and to provide incentives for those who shall be separated from the service, subject to the provisions of RA No. 10149.
- (i) Maintain, manage, and operate the existing "Provident Fund" of the Bank, which shall consist of contributions, made both by the Bank and its officers or employees, to a common fund for the payment of benefits to such officers and employees, or their heirs, under such terms and conditions consistent with RA No. 10149 and Executive Order No. 150, s. 2021 otherwise known as the Compensation and Position Classification System (CPCS) and Index of Occupational Services, Position Titles, and Job Grades for GOCCs (IOS-G) Framework; and
- (j) Perform other functions, duties and responsibilities necessary, related and incidental to the above-mentioned powers and functions.

The Board shall exercise its powers in a manner consistent with the principles of transparency, fairness and accountability: Provided, That, the Board may delegate its powers to the President as may be deemed necessary.

**SEC. 13. *President and Chief Executive Officer.*** – The President of the Bank shall be the Chief Executive Officer who shall be elected by the Board from among themselves with the written advice and consent of the President of the Philippines. No person shall be appointed President of the Bank unless of good moral character and reputation, with at least ten (10) years of previous experience in banking, and has a reputed proficiency, expertise and recognized competence in banking or financial management.

The President shall, among other powers and duties, execute, carry out, and administer the policies, measures, orders and resolutions approved by the Board; direct and supervise the operation and administration of the Bank; and exercise such other powers and perform such other function or duty as may be directed or assigned by law, regulations, executive issuances or by the Board from time to time.

The President shall be assisted by Vice Presidents and other officials whose appointment and removal for cause shall be approved by the Board of Directors upon recommendation of the President of the Bank. The salary of the President, Vice President, and other officials shall be subject to the provisions of RA No. 10149. During the absence or temporary incapacity of the President, or in case of vacancy or permanent Incapacity and pending appointment of a new President of the Bank, the Board of Directors shall designate the officer-in-charge of the Bank.

The President shall have the following powers and duties to:

- (a) Sign and execute all contracts concluded by the Bank and enter into all necessary obligations required or permitted by this Act; and sign all notes, securities certificates, and other major documents of the Bank;
- (b) Exercise, as Chief Executive Officer of the Bank, the powers of control and supervision over decisions and actions of subordinate officers, and all other powers that may be granted by the Board;
- (c) Report to the Board the main facts concerning the operations of the Bank and to recommend changes in policies which one may deem advisable;
- (d) Submit an annual report to the President of the Philippines on the result of the operations of the Bank; and
- (e) As required by circumstances, delegate any of the powers, duties or functions to any officer or director of the Bank.

SEC. 14. *Qualifications of Executive Officers.* – No person shall be appointed to any executive position in the Bank mentioned in the preceding section unless that person is of good moral character and of unquestionable integrity and responsibility, and who is of recognized competence in the field of economics, agriculture, industry, law, banking or finance, information technology, information security, and possessed of demonstrated administrative skill and ability.

SEC. 15. *Legal Matters and Cases.* – Any provision of existing law or executive order to the contrary notwithstanding, the Bank shall have its own Legal Department which shall have the power to represent the Bank in cases filed before courts, tribunals, and quasi-judicial bodies, render opinions, prepare and review contracts/agreements. The Head and members of the Legal Department shall be appointed by the Board of Directors.

In appropriate cases, the Bank may also avail of the legal services of external counsel, subject to the approval of the Board and the Office of the Government Corporate Counsel (OGCC): Provided, however, That the present Legal Services Group in the Bank shall serve as its in-house legal counsel.

The Bank may, upon the recommendation of its chief legal counsel, depute any member of its legal staff to act as special sheriff in foreclosure cases, in the sale or attachment of the debtor's properties and in the enforcement of court writs and processes in cases involving the Bank. The special sheriff of the Bank shall make a report to the proper court after any action taken by him, which shall treat such action as if it were an act of its own sheriffs in all respects.

The sale of mortgaged properties under the provisions of existing laws or of this Act shall be conducted under the direction of the sheriff of the province or any special sheriff of the Bank, or of a municipal judge or notary public of the city or municipality where the sale is to be made, who shall be entitled to collect the fees provided for in the Rules of Court with respect to sale of properties under execution.

SEC. 16. *Disposal of Real Estate and Other Properties in the Collection of Debt.* – Real estate and other properties acquired by the Bank in the collection of debts or investment by way of foreclosure or other means shall be sold or disposed of in accordance with law, within five (5) years after their respective dates of acquisition.

For this purpose, the Board of Directors shall be the appropriate regulatory authority and promulgate the necessary implementing rules and regulations.

**SEC. 17. *Exemption from Attachment.*** – The provisions of any law to the contrary notwithstanding, collaterals, securities on loans or other credit accommodations and guarantees granted by the Bank or its predecessors-in-interest shall not be subject to attachment, execution, stay order or any other court process, nor shall they be included in the property of insolvent persons or institutions, unless all debts and obligations of the debtor to the Bank and its predecessors-in-interest have been previously paid, including accrued interest, penalties, collection expenses, and other charges.

No attachment or execution shall be issued against the Bank or its property before final judgment in any suit, action or proceeding in any court.

Moreover, there shall also be no restraining order, temporary or permanent injunction, and/or stay order issued by the court against the Bank in any action taken to foreclose the collateral or security for the loan, whether such a restraining order, temporary or permanent injunction, and/or stay order is sought by the borrower(s) or any third party or parties, except after a due hearing in which it is established by the borrower and admitted by the Bank that at least twenty percent (20%) of the total loan obligations have been paid after the filing of foreclosure proceedings.

**SEC. 18. *Right of Redemption.*** – Any individual or juridical mortgagor of the Bank whose real property has been judicially sold at public auction, or any individual mortgagor of the Bank whose real property has been extra-judicially sold at public auction shall, within one (1) year counted from the date of registration of the certificate of foreclosure sale with the applicable Register of Deeds, have the right to redeem the real property by paying to the Bank all of the latter's claims as determined by the Bank.

Notwithstanding the provisions of Act No. 3135 entitled “An Act to Regulate the Sale of Property Under Special Powers Inserting In or Annexed to Real Estate Mortgage”, as amended, juridical mortgagors whose real property has been extrajudicially sold at public auction shall have the right to redeem the property until, but not after, the registration of the certificate of foreclosure sale with the applicable Register of Deeds, which registration shall in no case be more than three (3) months from the date of foreclosure, whichever is earlier.

The Bank may take possession of the foreclosed property during the redemption period. When the Bank takes possession during such period, it shall be entitled to the fruits of the property with no obligation to account for them, the same being considered compensation for the interest that would otherwise accrue on the account. Neither shall the Bank be obliged to post a bond for the purpose of such possession.

**SEC. 19. *Human Resource.*** – The Board shall provide for an organization and staff of officers and employees of the Bank and upon the recommendation of the President.

All positions in the Bank shall be governed by the provisions of RA No. 10149.

The Bank officers and employees, including all members of the Board, shall not engage directly or indirectly in partisan political activities or take part in any election except to vote.

No officer or employee of the Bank subject to Civil Service Law shall be dismissed except as provided by law.

*SEC. 20. Environmental, Social, and Governance Principles.* – As an integral part of the National Government, the Bank is inherently mandated to be socially responsible, to act and operate as good corporate citizens. The Governing Board of the Bank shall recognize and perform obligations that the Bank has towards the National Government, its majority stockholder, as well as the minority stockholders when existing, together with the employees, suppliers, customers and other stakeholders, and the communities in which it operates.

*SEC. 21. Inhibition from Board Meeting of Member with Personal Interest.* – Whenever any member attending a meeting of the Board of Directors, or any of one's relatives within the second civil degree of consanguinity or affinity has a personal or pecuniary interest, direct or indirectly, in any matter in the agenda of the Board meeting or in the discussion or resolution of any given matter, said member shall disclose said interest to the Board and shall not participate in the discussion or resolution of the matter and must retire from the meeting during the deliberation thereon. The members of the Board of Directors present in the meeting should still constitute a quorum despite the inhibition of the member with personal or pecuniary interest in any matter, discussion or resolution in the same meeting.

The minutes of the meeting, which shall note the subject matter, the fact that a member had a personal interest in it, and the withdrawal of the member concerned, may be made available to the public.

For this purpose, the members of the Board shall, at the beginning of their respective terms, disclose to the Board any and all interests they may have in any corporation, partnership, or association and shall, thereafter, disclose to the Board, any change thereto.

*SEC. 22. Prohibition on Persons with Personal/Pecuniary Interest.* – No member of the Board, officer, attorney, agent, or employee of the Bank shall in any manner, directly or indirectly participate in the deliberation upon or the determination of any question affecting one's direct personal interest or the personal interests of relatives within the second civil degree of consanguinity or affinity, or of any corporation, partnership, or association in which the member, officer, attorney, agent, or employee has a direct interest. Any person violating the provision of this section shall be removed from office and shall upon conviction be punished with a fine of not less than Fifty Thousand pesos (P50,000) nor more than Two Million pesos (P2,000,000) or by imprisonment of not less than two (2) years nor more than ten (10) years, or by both fine and imprisonment at the discretion of the court.

*SEC. 23. Borrowing by Directors, Officers and Employees; Restriction and Limitation.* – No (1) director or officer or employee of the Bank; or (2) any corporation, partnership, or company wherein any member of the Bank's Board of Directors, officer or employee,

or their relatives within the first civil degree of consanguinity or affinity is a director, officer or controlling shareholder either directly or indirectly, for one's self or as representative or agent of others, borrow any of the deposits of funds from the Bank, nor shall he become a guarantor, or in any manner be an obligor for money borrowed from the Bank or loaned by it: *Provided*, That this prohibition on loans to directors, officers and employees shall not include loans allowed in the form of fringe benefits granted in accordance with rules and regulations as may be prescribed by the Monetary Board: *Provided, further*, That this prohibition shall not apply to loans to corporations wherein the director, officer or employee of the Bank sits on the board of the borrower corporation to represent the interest of the Bank.

SEC. 24. *Rules and Regulations on Conflict of Interest.* – The Board of Directors is hereby authorized to issue rules and regulations for the purposes of determining and resolving conflict of interest questions, which rules shall, in particular, include the requirement on all officers and employees of the Bank to disclose any shareholdings they, or their relatives within the second civil degree of consanguinity or affinity, may have in any corporation, partnership, or company in excess of two percent (2%) of the equity of said corporation, partnership, or company or in any related party transactions defined by the Monetary Board of the BSP and the Board of Directors of the Bank.

SEC. 26. *Exaction of Fee, Commission, Gift or Charge.* – No unauthorized fee, commission, gift, or charge of any kind shall be exacted, demanded, or paid, for obtaining loans from the Bank, and any officer, employee, or agent of the Bank found guilty of exacting, demanding, or receiving any fee services in obtaining any service or transaction from the Bank, shall be punished by a fine of not less than Fifty Thousand pesos (P50,000) nor more than Two Million pesos (P2,000,000), imprisonment for not less than six (6) years and one (1) month nor more than fifteen (15) years, and perpetual disqualification from public office and confiscation or forfeiture in favor of the government of any prohibited interest and unexplained wealth.

SEC. 27. *Examination of the Bank.* – The Bank shall be subject to supervision and examination by the appropriate department of the BSP. *Provided*, That in conducting the said examination, the BSP shall duly consider the Bank's risk-taking activities in furtherance of its mandate and may warrant relaxation of the regulatory ratios.

SEC. 28. *General Penal Provisions.* – Any director, officer or employee of the Bank who violates, or permits any of the officers, employees or agents of said Bank or any other person to violate, any of the provision of this Act not specifically punished in the preceding sections and any person violating any provision of this Act or aiding and abetting the violation thereof, shall be punished with a fine not less than Fifty Thousand pesos (P50,000) nor more than Two Million pesos (P2,000,000) or by imprisonment for not less than two (2) years nor more than ten (10) years, or both, at the discretion of the court.

SEC. 29. *Other Liability of Guilty Officer or Employee.* – Any member of the Board of Directors or officer or employee of the Bank who willfully violates any of the provisions of this Act shall, in addition to the criminal and administrative liability resulting from such act, be held liable for any loss or injury suffered by the Bank as a result of such violation.

SEC. 30. *Liability of Directors, Officers or Partners of Offending Corporation or Partnership.* – If the violation of the provisions of this Act is committed by a corporation or partnership, the directors, officers or partners hereof who participated in the violation shall be criminally liable for such violation.

SEC. 31. *Applicability of Banking Laws.* – The provisions of RA No. 7653, otherwise known as the New Central Bank Act, as amended by RA No. 11211, RA No. 8791, and other applicable banking laws, insofar as they are not in conflict with any provision of this Act, shall apply to the Bank.

The penal provisions of Section 66 RA No. 8791, in relation to Sections 34, 35, 36 and 37 of RA No. 7653, as amended by RA No. 11211 shall be applicable to directors, officers, employees and borrowers of the Bank.

SEC. 32. *Transitory Provision.* – Nothing in this Act shall operate to abolish the Bank and affect the validity or legality of any right, duty, or obligation created by or in respect of the Bank prior to the effectivity this Act.

Within one hundred eighty (180) days after the effectivity of this Act, the Bank is authorized to reorganize and/or rationalize the Bank's organizational structure to attract fresh and critical talents to join the Bank's workforce in response to dynamic industry trends, incentivize early separation of tenured employees and those with medical conditions who will be considered for retirement before the optional retirement age of sixty (60) years old, and improve headcount management and succession planning.

All those who shall retire from the service or are separated therefrom on account of the reorganization of the Bank under the provisions of this Charter shall be entitled to all gratuities and benefits provided for under existing laws and/or supplementary retirement plans adopted by and effective in the Bank.

SEC. 33. *Control Over Subsidiaries and Dividends from Subsidiaries.* – Pursuant to Section 6(e) of this Act and notwithstanding any law, rule, regulation or practice to the contrary, the Bank, thru its President and CEO, shall have control over its subsidiaries and shall appoint the members of its board of directors based on the number of shares of stock standing in the Bank's own name in the stock books of the subsidiaries: Provided, That the Bank may temporarily appoint directors to its subsidiaries in cases where urgent action is needed from the subsidiaries' board and the present number of directors does not constitute a quorum. Every subsidiary shall declare and remit at least fifty percent (50%) of its annual net earnings as cash, stock or property dividends, without impairing its viability and the purposes for which it has been established, to DBP as the parent corporation: Provided, That the percentage of annual net earnings that shall be declared by such subsidiary may be adjusted by the President and CEO.

SEC. 34. *Transfer of Assets and Liabilities of the Development Bank of the Philippines.* – The Bank shall transfer to the National Government its assets and liabilities as may be necessary to commence its operations under this Act on a viable basis, as determined by the appropriate authorities. Such assets to include, but need not be limited to its acquired assets and non-performing accounts, and such liabilities, to include real as well as contingent liabilities. The National Government is hereby

authorized to accept the same under terms and conditions as may be mutually acceptable to the Bank and the National Government, and shall be subject to applicable laws, rules and regulations.

SEC. 35. *Maintenance, Care and Preservation of Assets Transferred to the National Government.* – The Bank is hereby authorized to enter into an agreement with the National Government as transferee of assets from the Bank as herein provided, either as an interim arrangement or otherwise and under such terms and conditions as may be necessary to preserve, maintain and/or to dispose of such assets transferred to the National Government.

SEC. 36. *Separability Clause.* – In the event that any provision of this Act or the applicability of such provisions to any person or circumstances is declared invalid, the remainder of the Act or the application of said provision to other persons or circumstances shall not be affected by such declaration.

SEC. 37. *Repealing Clause.* – Executive Order No. 81, as amended, and Republic Act No. 8523 are hereby repealed. and Any other laws, rules and regulations which may be inconsistent with any of the provisions of this Act, are hereby amended accordingly.

SEC. 38. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation in the Philippines.

Approved,