

TWENTIETH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF REPRESENTATIVES

*Introduced by Representative Rufus B. Rodriguez and
Representative Maximo B. Rodriguez, Jr.*

House Bill No. **2155**

EXPLANATORY NOTE

Batas Pambansa Blg. 22 otherwise known as “An Act Penalizing the Making or Drawing and Issuance of a Check without Sufficient Funds or Credit,” was passed to curb the issuance of bouncing checks. However, despite the passage of the said law, bouncing checks continue to proliferate the market. What is worse, bouncing checks were likewise used by persons engaged in pyramid scams as payments for the recruited investors either as a return of their investments or commissions for recruiting other investors. Our people have been defrauded by different pyramid scams.

Under the Negotiable Instruments Law which governs the issuance of checks, it is not required that the name of the drawer should appear on the face of the checks. Only the signature of the drawer is required. However, the victims of the pyramid scams had difficulty in filing cases for bouncing checks because they did not know who were the signatories/drawers of the checks especially in cases of corporations. This bill seeks to address this problem by requiring the drawer/s of the checks to legibly print his/her/their name/s before signing the check.

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


RUFUS B. RODRIGUEZ


MAXIMO B. RODRIGUEZ, JR.

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AN ACT

AMENDING ACT NO. 2031, OTHERWISE KNOWN AS THE NEGOTIABLE INSTRUMENTS LAW, BY REQUIRING THE DRAWER OF THE CHECK TO LEGIBLY PRINT HIS/HER NAME BEFORE SIGNING THE SAME

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

Section 1. Declaration of Policy. – It is the declared policy of the state to protect its people and economy from the proliferation or worthless or bouncing checks.

Section 2. Amendment.- Section 1 of Act No. 2031, otherwise known as The Negotiable Instruments Law, is hereby amended to read as follows:

“Section 1. Form of negotiable instruments. - An instrument to be negotiable must conform to the following requirements:

- (a) It must be in writing and signed by the maker or drawer;*
- (b) Must contain an unconditional promise or order to pay a sum certain in money;*
- (c) Must be payable on demand, or at a fixed or determinable future time;*
- (d) Must be payable to order or to bearer; and*
- (e) Where the instrument is addressed to a drawee, he must be named or otherwise indicated therein with reasonable certainty.*

IN CASE OF A CHECK, THE DRAWER MUST LEGIBLY PRINT HIS OR HER NAME BEFORE SIGNING THE SAME.”

Section 3. Repealing Clause. - All laws, orders, issuances, rules and regulations or parts thereof inconsistent with this Act are hereby repealed or modified accordingly.

Section 4. Effectivity. - This Act shall take effect fifteen (15) days after its complete publication in at least two (2) newspapers of general circulation.

Approved,