

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No. **2810**



Introduced by the Hon. Ferdinand Alexander A. Marcos
1st District, Ilocos Norte

EXPLANATORY NOTE

The "Secrecy of Bank Deposits Law" (Republic Act No. 1405) was enacted in 1955 for the purpose of encouraging people to deposit their money in banking institutions and to discourage private holding so that the same may be properly utilized by banks in authorized loans to assist in the economic development of the country.

While the law has served its developmental purpose, the absolute secrecy of bank deposits has nonetheless been exploited for illicit purposes such as to launder money, evade taxes, hide illegal wealth and commit other financial crimes.

Thus, in order to promote transparency and accountability at least in the public service this bill aims to exclude government officials and employees from the ambit of strict confidentiality afforded by that law. It cannot be said that such group of officials and employees are being denied their right to privacy inasmuch as the Code of Conduct of Public Officials and Employees already require them to divulge their assets and liabilities through their SALNs. Nothing less than openness and transparency is required of public servants insofar as their financial transactions and dealings are concerned. "Public office is a public trust" is the constitutional mandate.

In the 19th Congress, similar bills were filed by Reps. Atayde and Escudero along this line.

In view of these premises, the immediate passage of this bill is earnestly recommended.

A handwritten signature in black ink, appearing to read "F. A. Marcos", written in a cursive, flowing style.

FERDINAND ALEXANDER A. MARCOS

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AN ACT

MANDATING GOVERNMENT OFFICIALS AND EMPLOYEES TO EXECUTE AND SUBMIT A WRITTEN PERMISSION TO EXAMINE, INQUIRE OR LOOK INTO ALL THEIR DEPOSITS AND INVESTMENTS THEREBY WAIVING THE BANK SECRECY LAW AS PROVIDED FOR UNDER REPUBLIC ACT NUMBERS 1405 AND 6426

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

SECTION 1. Declaration of Policy. – It is hereby declared the policy of the State for all public officials and employees to be open and transparent in all their financial transactions and dealings.

SEC. 2. Submission of Written Permission or Waiver. – All public officials and employees as defined under paragraph (b) in relation to paragraph (a), Section 3 of Republic Act No. 6713, except those who serve in an honorary capacity, shall submit to the Office of the Ombudsman a written permission or waiver in favor of the Ombudsman to examine, inquire and look into all their deposits, including foreign currency deposits, in banks and other financial institutions, both in and outside the Philippines, including investment bonds issued by the government of the Philippines, its political subdivisions and instrumentalities.

The aforesated written permission or waiver shall be submitted within thirty (30) days from the date of their assumption of office; *Provided, however,* That public officials and employees who are already exercising the functions of their respective offices upon the effectivity of this Act shall submit the same not later than thirty (30) days from the effectivity of the Rules and Regulations implementing this Act.

SEC. 3. Failure or Refusal to Submit Written Permission or Waiver. – Any public official or employee who fails or refuses to submit such written permission or waiver as mandated by this Act shall not be allowed to enter upon, or continue exercising the functions of his or her office.

SEC. 4. Limitation on Use. – Only the Office of the Ombudsman shall obtain or use the written permission or waiver, or any other information or data obtained by virtue thereof; *Provided, however,* That the same shall be used exclusively for investigating a duly verified

complaint or for prosecuting a case before the courts; *Provided, further,* That the written permission or waiver shall not be used for any other purpose.

SEC. 5. *Implementing Rules and Regulations.* – Within sixty (60) days from the effectivity of this Act, the Office of the Ombudsman, in consultation with the *Banko Sentral ng Pilipinas*, shall issue the necessary rules and regulations for the effective implementation thereof.

SEC. 6. *Separability Clause.* If any provision or section of this Act is held to be unconstitutional or invalid, the other provisions or sections hereof, which are not affected thereby shall continue to be in full force and effect.

SEC. 7. *Repealing Clause.* All laws, presidential, executive orders, rules and regulations or parts thereof which are inconsistent with the provisions of this Act, are hereby repealed or modified accordingly.

SEC. 8. *Effectivity.* This Act shall take effect fifteen (15) days following its publication in the Official Gazette or in a newspaper of general circulation.

Approved,