

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Twentieth Congress
First Regular Session

HOUSE BILL NO. 4235



Introduced by **Representative RAYMOND ADRIAN SALCEDA**

AN ACT
RELAXING BANK SECRECY LAWS FOR ELECTED AND APPOINTED
GOVERNMENT OFFICIALS, AMENDING FOR THE PURPOSE REPUBLIC ACT
NO. 1405, OTHERWISE KNOWN AS THE "SECRECY OF BANK DEPOSITS
LAW," AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The Philippines is one of the very few countries in the world where bank secrecy laws remain among the strictest. Republic Act No. 1405, enacted in 1955, continues to provide near-absolute confidentiality over bank deposits. While this policy was originally intended to encourage savings and build confidence in the banking system, it has also had the unintended effect of shielding illicit wealth and hampering efforts to detect corruption.

In particular, the exemption for public officials is narrow and inadequate. Investigations into graft, plunder, and other forms of corruption are often stymied because investigators are unable to verify whether public officers' bank accounts match their declared Statements of Assets, Liabilities, and Net Worth (SALNs). The inability of the State to promptly access financial information of those entrusted with public funds undermines transparency and accountability.

The Philippines has also faced repeated scrutiny from the Financial Action Task Force (FATF), which monitors countries' compliance with international anti-money laundering standards. Bank secrecy provisions that shield public officials from legitimate inquiries expose the country to risks of being grey-listed, which in turn could harm the economy and investor confidence.

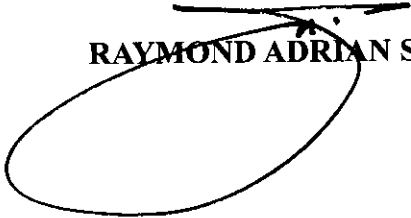
This measure seeks to amend Republic Act No. 1405 by carving out a specific and limited exception for elected and appointed officials, including members of the Armed Forces of the Philippines and the Philippine National Police. Under the proposed amendment, bank deposits and investments of such officials may be examined upon lawful order of the

Ombudsman, the Anti-Money Laundering Council, or the Sandiganbayan, when necessary for corruption investigations or lifestyle checks.

The bill also mandates the disclosure of all bank accounts, both domestic and foreign, in the officials' SALNs, with authority for the AMLC to verify such declarations. These reforms balance the constitutional right to privacy with the constitutional principle that public office is a public trust.

By passing this measure, Congress will strengthen the fight against corruption, align the Philippines with global financial standards, and restore public faith in government institutions.

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



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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 "Government Officials Bank Transparency Act."

SEC. 2. *Declaration of Policy.* It is the policy of the State to uphold transparency, integrity, and accountability in public service by ensuring that elected and appointed officials entrusted with public funds are subject to higher standards of financial disclosure and scrutiny, consistent with the constitutional mandate that public office is a public trust.

SEC. 3. *Amendment to Republic Act No. 1405.* Section 2 of Republic Act No. 1405, as amended, is hereby further amended to read as follows:

"All deposits of whatever nature with banks or banking institutions in the Philippines, including investments in bonds issued by the Government of the Philippines, its political subdivisions and its instrumentalities, are hereby considered as of an absolutely confidential nature and may not be examined, inquired or looked into by any person, government official, bureau, office or agency, whether judicial, administrative or legislative, or any other entity, EXCEPT in the following instances:

- (a) Upon written permission of the depositor;
- (b) In cases of impeachment;
- (c) Upon order of a competent court in cases of bribery, plunder, graft and corruption, or similar cases involving public officials;

(d) In cases where the money deposited or invested is the subject matter of litigation; and

(e) IN THE CASE OF ELECTED AND APPOINTED OFFICIALS OF THE GOVERNMENT, INCLUDING MEMBERS OF THE ARMED FORCES OF THE PHILIPPINES AND THE PHILIPPINE NATIONAL POLICE, DEPOSITS AND INVESTMENTS MAY BE EXAMINED UPON LAWFUL ORDER OF THE OMBUDSMAN, THE ANTI-MONEY LAUNDERING COUNCIL (AMLC), OR THE SANDIGANBAYAN, IN THE EXERCISE OF THEIR OFFICIAL FUNCTIONS RELATED TO CORRUPTION INVESTIGATIONS OR LIFESTYLE CHECKS.”

SEC. 4. *Mandatory Disclosure of Bank Accounts.* All elected and appointed officials shall disclose in their Statements of Assets, Liabilities and Net Worth (SALNs) the existence of their bank deposits and investments, both domestic and foreign, including joint accounts. The AMLC shall be authorized to verify such disclosures.

SEC. 5. *Penalties.* Any government official who willfully conceals, misdeclares, or fails to disclose bank deposits and investments as required under this Act shall be subject to dismissal from service, perpetual disqualification from public office, and criminal liability under existing anti-graft and anti-money laundering laws.

SEC. 6. *Implementing Rules and Regulations.* Within sixty (60) days from the effectivity of this Act, the Bangko Sentral ng Pilipinas (BSP), the AMLC, and the Office of the Ombudsman shall promulgate the implementing rules and regulations necessary to carry out the provisions of this Act.

SEC. 7. *Separability Clause.* If any provision of this Act is declared unconstitutional, the other provisions not affected thereby shall remain in full force and effect.

SEC. 8. *Repealing Clause.* All laws, decrees, executive orders, rules, or regulations inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 9. *Effectivity.* This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,