

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

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. **4388**



Introduced by Representatives Bryan B. Revilla, Lani Mercado-Revilla, and Ramon Jolo B. Revilla III

EXPLANATORY NOTE

This bill seeks to amend the Republic Act No. 1405 or the Bank Secrecy Law to allow greater transparency and accountability in the banking and financial sectors. It introduces clear exceptions to bank secrecy in cases involving anti-corruption investigations, tax enforcement, and financial fraud. It also sets up safeguards to ensure that access to bank records is done through proper legal processes and is not abused. These changes aim to strike a balance between protecting privacy and preventing abuse of the financial system.

By promoting openness and strengthening anti-corruption mechanisms, this bill supports clean and honest governance. It helps ensure that banks are not misused to hide public money or the proceeds of crime, and that government agencies can properly do their job to protect the public interest.

In view of the foregoing, the expedient passage of this bill – previously approved on third and final reading by the House of Representatives – is earnestly sought.


REP. BRYAN B. REVILLA
Representative, AGIMAT Partylist


REP. LANI MERCADO-REVILLA
Representative, 2nd District of Cavite


REP. RAMON JOLO B. REVILLA III
Representative, 1st District of Cavite

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AN ACT
PROMOTING TRANSPARENT GOVERNANCE AND INSTITUTING ANTI-
CORRUPTION MECHANISMS IN THE OPERATION OF BANKS AND OTHER
FINANCIAL INSTITUTIONS, AMENDING FOR THE PURPOSE REPUBLIC ACT
NO. 1405, ENTITLED “AN ACT PROHIBITING DISCLOSURE OF OR INQUIRY
INTO, DEPOSITS WITH ANY BANKING INSTITUTION AND PROVIDING
PENALTY THEREFOR”

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

SECTION 1. Section 2 of Republic Act No. 1405, **entitled: “An Act Prohibiting
Disclosure of or Inquiry Into, Deposits with Any Banking Institution and
Providing Penalty Therefor”** is hereby amended to read, as follows:

“SECTION 2. All deposits are hereby considered as of an absolutely
confidential nature and may not be examined, inquired or looked into by
any person, government official, bureau or office, except upon written
permission of the depositor, or in cases of impeachment, or upon order
of a competent court in cases of bribery or dereliction of duty of public
officials, or in cases where the money deposited is the subject matter of
the litigation, **OR IN CASES WHERE THE INQUIRY OR EXAMINATION
IS MADE BY THE BANGKO SENTRAL NG PILIPINAS (BSP), IN THE
EXERCISE OF ITS SUPERVISORY POWERS, ON THE DEPOSIT OF
THE STOCKHOLDER, OWNER, DIRECTOR, TRUSTEE, OFFICER
OR EMPLOYEE OF AN ENTITY THAT IS SUBJECT TO THE
SUPERVISION OR REGULATORY POWER OF THE BSP, THE
REPRESENTATIVE OR AGENT, THE RELATED PARTY, OR ANY
OF THE CONSPIRATORS, OF THE PERSON INVOLVED:
PROVIDED, THAT, UPON DETERMINATION BY THE MONETARY
BOARD, THERE IS A REASONABLE GROUND TO BELIEVE THAT
FRAUD, SERIOUS IRREGULARITY OR UNLAWFUL ACTIVITY HAS
BEEN OR IS BEING COMMITTED BY THE ABOVEMENTIONED**

1 PERSONS, AND THAT IT IS NECESSARY TO LOOK INTO THE
2 DEPOSIT TO ESTABLISH SUCH FRAUD, SERIOUS IRREGULARITY
3 OR UNLAWFUL ACTIVITY. THE AUTHORITY OF THE *BSP* TO
4 INQUIRE AND EXAMINE DEPOSITS SHALL ALSO APPLY IN THE
5 COURSE OF ITS INVESTIGATION OF CLOSED BANKS.

6
7 AS USED IN THIS ACT, *DEPOSITS* SHALL REFER TO MONEY OR
8 ITS EQUIVALENT RECEIVED BY A BANK IN THE USUAL
9 COURSE OF BUSINESS, AND FOR WHICH IT HAS GIVEN OR IS
10 OBLIGED TO GIVE CREDIT TO A COMMERCIAL, CHECKING,
11 SAVINGS, TIME OR THRIFT ACCOUNT, EVIDENCED BY A
12 PASSBOOK, CERTIFICATE OF DEPOSIT, OR OTHER EVIDENCE
13 OF DEPOSIT, ISSUED IN ACCORDANCE WITH *BSP* RULES AND
14 REGULATIONS AND OTHER APPLICABLE LAWS, AS WELL AS
15 SUCH OTHER OBLIGATION OF A BANK THAT FORMS PART OF
16 ITS DEPOSIT LIABILITIES PURSUANT TO *BSP* RULES AND
17 REGULATIONS.

18
19 THE RESULTS OF THE INQUIRY OR EXAMINATION CONDUCTED
20 BY THE *BSP* SHALL BE FOR ITS EXCLUSIVE USE AND SHALL NOT
21 BE MADE AVAILABLE TO ANY PERSON OR ENTITY, WHETHER
22 PUBLIC OR PRIVATE, EXCEPT TO THE SECURITIES AND
23 EXCHANGE COMMISSION, PHILIPPINE DEPOSIT INSURANCE
24 CORPORATION, ANTI-MONEY LAUNDERING COUNCIL,
25 DEPARTMENT OF JUSTICE, AND THE COURTS: *PROVIDED*, THAT
26 THE SHARING OF THE RESULTS OF THE ABOVEMENTIONED
27 INQUIRY OR EXAMINATION IS NECESSARY TO PREVENT OR
28 PROSECUTE ANY OFFENSE OR CRIME.

29
30 THE EXEMPTIONS UNDER THIS SECTION SHALL APPLY TO
31 FOREIGN CURRENCY DEPOSITS IN BANKS OPERATING IN THE
32 PHILIPPINES INCLUDING OFF-SHORE BRANCHES OF DOMESTIC
33 BANKS: *PROVIDED*, THAT THESE EXEMPTIONS SHALL NOT
34 APPLY TO NON-STOCK SAVINGS & LOAN ASSOCIATIONS
35 (NSSLAS) THAT ARE CATERING ONLY TO THEIR MEMBERS.”

36
37 **SEC. 2.** Section 3 of the same Act, is hereby amended to read as follows:

38
39 “SECTION 3. NO BANK OR FINANCIAL INSTITUTION, OR ANY OF
40 ITS DIRECTORS, OFFICERS OR EMPLOYEES, SHALL BE
41 SUBJECT TO ANY ACTION, CLAIM OR DEMAND IN CONNECTION
42 WITH, AND SHALL BE HELD FREE AND HARMLESS FROM
43 LIABILITY FOR, ANY ACT DONE IN COMPLIANCE WITH AN ORDER
44 FOR INQUIRY OR EXAMINATION OF DEPOSITS FROM THE *BSP*.

1
2 **HOWEVER**, it shall be unlawful for any official **OR** employee, of a
3 banking institution **OR THE BSP**, to disclose **ANY INFORMATION**
4 **CONCERNING SAID DEPOSITS** to any person **AND UNDER SUCH**
5 **CONDITIONS** other than those mentioned in Section [two] 2 hereof. **IT**
6 **SHALL ALSO BE UNLAWFUL FOR ANY PERSON TO USE THIS ACT**
7 **FOR PERSECUTION OR HARASSMENT OR AS AN INSTRUMENT**
8 **TO HAMPER COMPETITION IN TRADE AND COMMERCE.”**
9

10 **SEC. 3.** Section 5 of the same Act, is hereby amended to read as follows:

11 **“SECTION 5.** Any violation of this law will subject **THE** offender upon
12 conviction, to imprisonment of not **LESS THAN TWO (2) YEARS NOR**
13 more than [five] **TEN (10) YEARS** or a fine of not **LESS THAN FIFTY**
14 **THOUSAND PESOS (P50,000) NOR MORE THAN [twenty thousand]**
15 **TWO MILLION PESOS (P2,000,000)**, or both, in **AT** the discretion of the
16 court.”

17 **SEC. 4. Separability Clause.** If any provision or section of this Act is held to be
18 unconstitutional or invalid, the other provisions or sections hereof, which are not
19 affected thereby shall continue to be in full force and effect.

20 **SEC. 5. Repealing Clause.**

- 21 (a) Sections 2, 3 and 5 of Republic Act No. 1405 are hereby amended;
22 (b) Sections 8 and 12-A of Republic Act No. 6426, as amended, also known as the
23 “Foreign Currency Deposit Act of the Philippines,” with respect to foreign currency
24 deposits, are hereby amended;
25 (c) Section 33 of Republic Act No. 6848, also known as “The Charter of the Al-Amanah
26 Islamic Investment Bank of the Philippines”, is hereby amended;
27 (d) Section 26(a)(2) of Republic Act No. 7353, also known as the “Rural Act of 1992”
28 is hereby amended; and
29 (e) Section 21(a)(2) of Republic Act No. 7906, also known as the “Thrift Banks Act of
30 1995” is hereby amended.
31

32 All other Acts or parts of Acts, Special Charters, Executive Order, Rules and
33 Regulations, which are inconsistent with the provisions of this Act, are hereby
34 repealed.
35

36 **SEC. 6. Effectivity.** This Act shall take effect fifteen (15) days following its publication
37 in the *Official Gazette* or in a newspaper of general circulation in the Philippines.
38

39 *Approved,*