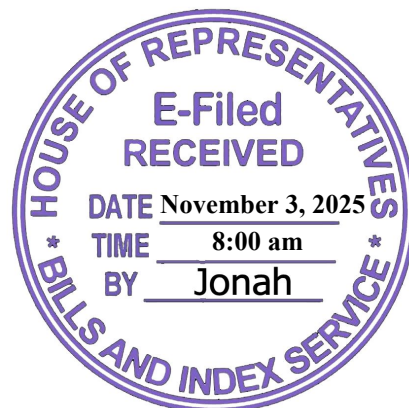




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session



House Bill No. 5732

Introduced by CIBAC Party-List Representative
EDUARDO “BRO. EDDIE” C. VILLANUEVA

EXPLANATORY NOTE

For over six decades, the Philippines has upheld one of the most restrictive bank secrecy regimes in the world. Originally intended to protect depositor privacy and strengthen confidence in the banking system, these laws have, over time, become significant barriers to transparency, good governance, and effective financial oversight. Outdated provisions have been repeatedly exploited to conceal illicit wealth and to shield individuals involved in money laundering, tax evasion, and corruption. Consequently, authorities often face severe limitations in tracing financial crimes and recovering ill-gotten assets.

While global efforts have steadily advanced toward financial transparency—beginning with the G20’s 2009 declaration that “the era of bank secrecy is over,”¹ and reinforced by the OECD’s 2014 standards on the automatic exchange of financial information—the Philippines remains an outlier. It is the only country whose banking secrecy laws continue to severely restrict legitimate access to financial data.² This gap has drawn persistent criticism from international bodies and has placed the Philippines at risk of reputational harm, particularly in relation to its ongoing engagement with the Financial Action Task Force (FATF).

The Department of Finance (DOF) has noted that this outdated policy contributes to the loss of hundreds of billions of pesos in uncollected taxes annually, undermining the

¹ Global Forum on Transparency and Exchange of Information for Tax Purposes, Transparency and Exchange of Information for Tax Purposes-Multilateral Co-operation Changing the World, Available at <https://www.oecd.org/content/dam/oecd/en/networks/global-forum-tax-transparency/global-forum-10-yearsreport.pdf> (Accessed on 30 September 2025).

² Organisation for Economic Co-operation and Development, Available at <https://www.oecd.org/en.html> (Accessed on 30 September 2025).

government's capacity to fund essential public services.³ Likewise, the International Monetary Fund (IMF) has underscored that overly restrictive bank secrecy laws erode financial integrity and weaken regulatory oversight. Both institutions have urged legislative reforms to enable competent authorities—especially the *Bangko Sentral ng Pilipinas* (BSP)—to access depositor information for legitimate supervisory, enforcement, and tax administration purposes.

The proposed Banking Reform for Integrity, Good Governance, Honesty, and Transparency (BRIGHT) Act seeks to repeal or amend antiquated provisions under Republic Act No. 1405, or the Secrecy of Bank Deposits Law, and related statutes. It aims to authorize the disclosure and examination of bank deposits under clearly defined and lawful circumstances, including investigations by the Office of the Ombudsman, the courts, or Congress; inquiries into violations of anti-graft and anti-corruption laws; legitimate access by financial regulators and tax authorities in the performance of their mandates; and requests involving the accounts of deceased depositors. To ensure accountability, the bill establishes a centralized verification mechanism under the BSP, guaranteeing that all disclosures are strictly regulated, justified, and consistent with the Data Privacy Act.

To prevent abuse, the measure also imposes clear and proportionate penalties on individuals or institutions that unlawfully access or misuse depositor information, as well as on those who refuse to comply with lawful disclosure requirements. In doing so, the BRIGHT Act seeks to strike a careful balance between the constitutional right to financial privacy and the greater public interest in transparency, accountability, and good governance.

Ultimately, this measure aligns Philippine banking regulations with global standards, safeguards public revenues, strengthens anti-corruption and anti-money laundering frameworks, and promotes a fair, transparent, and trustworthy financial system. It is a long-overdue reform that will restore confidence in our institutions and fortify the foundations of sustainable and inclusive economic growth.

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


EDUARDO "BRO. EDDIE" C. VILLANUEVA

³ Manila Bulletin, DOF estimates P668-B tax losses due to bank secrecy, Published on 03 May 2017, Available at <https://business.mb.com.ph/2017/05/03/dof-estimates-p668-b-tax-losses-due-tobank-secrecy/> (Accessed on 30 September 2025).



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 5732

Introduced by CIBAC Party-List Representative
EDUARDO “BRO. EDDIE” C. VILLANUEVA

AN ACT
EXPANDING THE SCOPE OF DISCLOSURE OF BANK AND FINANCIAL DEPOSITS,
REPEALING FOR THE PURPOSE PERTINENT LAWS ON SECRECY OF DEPOSITS

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

1 **SECTION 1. Short Title.** -This Act shall be known as the "*Banking Reform for*
2 *Integrity, Good Governance/ Honesty, and Transparency (BRIGHT) Act*".

3
4 **SEC. 2. Declaration of Policy.** - It is hereby declared the policy of the State to
5 effectively combat domestic and international tax evasion, money laundering, graft and
6 corrupt practices in the government sector, and other financial crimes. The State also
7 seeks to promote good governance, strengthen public accountability, and uphold the
8 highest standards of integrity in public service. Furthermore, it is the policy of the State to
9 foster harmonious and cooperative international relations, and to align with globally
10 recognized standards on financial transparency and regulatory compliance. The State
11 also recognizes the fundamental human right to privacy of communication and commits
12 to safeguarding this right while ensuring the free and secure flow of information that
13 promotes innovation, inclusive growth, and responsible data use.

14
15 **SEC. 3. Non-confidentiality of Deposits.** - All deposits of whatever nature of
16 currency denomination with banks and non-banking financial institutions in the Philippines
17 are hereby no longer considered as absolutely confidential in nature and can now be
18 examined, inquired, or looked into under the following legitimate purposes, subject to, if
19 applicable, Section 4 of this Act:

- 20 a) The depositor is an elective or appointive official or employee of the Republic of
21 the Philippines, whether in the executive, legislative, or judiciary, including the

1 officers and members of the Armed Forces of the Philippines, the Philippine
2 National Police, and all members of the uniformed services and officers, and
3 employees of the government-owned and controlled corporations and their
4 subsidiaries who are under criminal proceeding before any court involving acts or
5 omissions in violation of (1) Republic Act ("RA") No. 3019, and/or (2) Act No. 3815,
6 as amended, or the Revised Penal Code, Book 2, Title VII, Chapters II to IV,
7 without a need of a court order;

- 8 b) Investigations or inquiry by the Office of the Ombudsman, or pursuant to or in
9 relation to its Constitutional and/or statutory mandate;
- 10 c) Upon order of a competent court in relation to a case pending before it;
- 11 d) d) Investigations by the Senate, the House of Representatives, or any of its
12 Committees, in the course of, or pursuant to, the exercise of its Constitutional
13 and/or statutory mandate;
- 14 e) Investigations necessary in the exercise of its mandates by any government
15 agency or financial regulator, including, but not limited to, the Anti-Money
16 Laundering Council ("AMLC"), Bureau of Internal Revenue ("BIR"), Bangko Sentral
17 ng Pilipinas ("BSP"), Securities and Exchange Commission ("SEC"), Philippine
18 Deposit Insurance Corporation ("PDIC"), and Insurance Commission ("IC");
- 19 f) Inquiries by independent auditors or a qualified agent engaged by the bank to
20 provide independent audit or technical services subject to a strict confidentiality
21 agreement;
- 22 g) Inquiries on the account/s of a deceased depositor by his/her immediate family
23 members or compulsory heirs. Further, any examination or inquiry and any result
24 thereof shall be for the exclusive use of the requesting body and shall not be made
25 available to any person or entity, whether public or private, except upon
26 prescription by the persons enumerated under Section 4 of this Act, as the case
27 may be. Furthermore, no court shall issue a temporary restraining order or writ or
28 injunction against any act to examine, inquire, or look into bank deposits except
29 upon order issued by the Court of Appeals or the Supreme Court; and
- 30 h) Upon written permission or waiver of the depositor, if the person or entity does not
31 fall under the abovementioned enumeration.

32 **SEC. 4. Authority to Issue Order.** - In cases where the deposit shall be examined,
33 inquired, or looked into, the authority to issue the Order requiring such examination or
34 inquiry shall be limited to the following persons:

- 35 a) In the case of Section 3 (b) of this Act, the Ombudsman;
- 36 b) In the case of Section 3 (c) of this Act, the Regional Trial Courts, the Court of Tax
37 Appeals, the Court of Appeals, the Sandiganbayan or the Supreme Court, as the
38 case may be;

- 1 c) In the case of Section 3 (d) of this Act, the Senate President or the Speaker of the
2 House of Representatives, as the case may be; or
3 d) In the case of Section 3 (e) of this Act, the head of the government agency or
4 financial regulator concerned, provided that if the government agency or financial
5 regulator has a governing board or council, consent of the latter shall also be
6 required.

7 **SEC. 5. Clearing House and Authentication of Order.** - The BSP shall act as the
8 clearing house of any order issued pursuant to Section 4 hereof. It shall ensure that the
9 Order is authentic and for a legitimate purpose and is not violative of RA No. 10173 or the
10 Data Privacy Act of 2012.

11 **SEC. 6. Mandatory Disclosures.** - Pursuant to the provisions of this Act, the bank
12 or non-bank financial institution concerned, their officers, and employees are mandated
13 to disclose and report the requested deposit account information; the bank or financial
14 institution concerned, their officers, and employees shall not refuse to allow such
15 examination or to provide the desired information.

16 **SEC. 7. Right to Privacy.** - Inquiry, examination, disclosure or use of deposits shall,
17 at all times, be for a legitimate purpose pursuant to Section 3 and in relation to Sections
18 4 and 5 of this Act and shall not be used in any manner to harass, threaten, or violate the
19 right to privacy of any person

20 **SEC. 8. Penalty Clause.** - Any abuse on the initiation, conduct, or use of any inquiry
21 or examination of accounts or the refusal to disclose or report deposits as required
22 pursuant to the provisions of this Act without justifiable reason shall, upon conviction and
23 without prejudice to other liabilities provided by law, suffer the penalty of imprisonment of
24 at least three (3) years or a fine of at least Five Hundred Thousand Pesos (₱500,000.00)
25 or both, upon the discretion of the court. In the case of government officials or employees,
26 the penalty of perpetual absolute disqualification to hold public office shall be likewise
27 imposed

28 **SEC. 9. Implementing Rules and Regulations.** - Within sixty (60) days from the
29 effectivity of this Act, the BSP shall, in consultation with the Department of Justice and
30 other concerned financial regulators, promulgate the necessary implementing rules and
31 regulations for the effective and efficient enforcement of this Act: Provided, That the
32 implementing rules and regulations shall take effect fifteen (15) days following its
33 publication in two (2) newspapers of general circulation.

34 Failure of the relevant government agencies to promulgate the IRR within the
35 specified period shall subject the heads of these government agencies to administrative
36 penalties under applicable civil service laws.

1 Should the IRR contain provisions that are contrary to this Act, the heads of the
2 government agencies responsible for such provision, when done in bad faith or with gross
3 negligence, shall be held administratively liable.

4 **SEC. 10. Separability Clause.** - If any portion or provision of this Act is declared
5 unconstitutional, the remainder hereof or any provisions not affected thereby shall remain
6 in force and effect

7 **SEC. 11. Repealing Clause.** - The following provisions of the law insofar as they
8 relate to deposits are hereby repealed:

- 9 a) RA No. 1405, as amended, or the Secrecy of Bank Deposits Act;
- 10 b) Sections 8 and 12-A of RA No. 6426, as amended, or the Foreign Currency
11 Deposit Act of the Philippines, with respect to foreign currency deposits;
- 12 c) Section 6 of RA No. 8367, or the Revised Non-Stock Savings and Loan
13 Association Act of 1997, with respect to all deposits of whatever nature with a
14 Non-Stock Savings and Loan Association as provided under RA No. 8367;
- 15 d) Section 33 of RA No. 6848, or the Charter of the Al Amanah Islamic Investment
16 Bank of the Philippines, with respect to banking transactions relating to all
17 deposits of whatever nature as provided under RA No. 6848;
- 18 e) Section 55(b) of RA No. 8791, or the General Banking Law of 2000;
- 19 f) Section 26(a)(2) of RA No. 7353, or the Rural Banks Act of 1992;
- 20 g) Section 21(a)(2) of RA No. 7906, or the Thrift Banks Act of 1995;
- 21 h) Section 22 of Executive Order No. 81, or the 1986 Revised Charter of the
22 Development Bank of the Philippines with respect to banking transactions
23 relating to all deposits of whatever nature; and
- 24 i) Section 11 of RA No. 9160, as amended, or the Anti-Money Laundering Act of
25 2001, as amended, in so far as it requires an order of any competent court before
26 the AMLC can inquire into bank deposits, including related accounts, with any
27 banking institution or non-bank financial institution.

28 Any law, presidential decree or issuance, executive order, letter of instruction, rule,
29 or regulation inconsistent with the provisions of this Act is hereby repealed or modified
30 accordingly.

31 **SEC. 12. Effectivity Clause.** - This Act shall take effect fifteen (15) days after its
32 publication in the Official Gazette or in a newspaper of general circulation.

33
34 *Approved,*