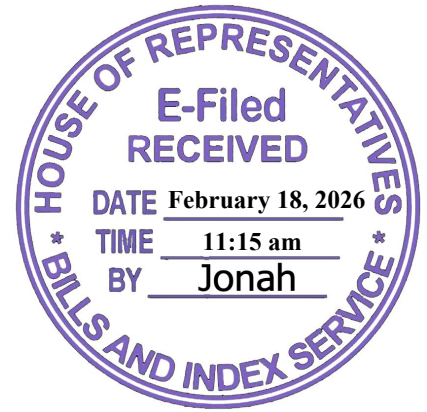


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City
TWENTIETH CONGRESS
First Regular Session



HOUSE BILL NO. 7847

Introduced by **REP. BERNADETTE "DETTE" G. ESCUDERO**

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

EXPLANATORY NOTE

The 1987 Constitution mandates that "Public office is a public trust," and emphasizes that "The State shall maintain honesty and integrity in the public service and take positive and effective measures against graft and corruption." While Republic Act No. 1405 or the Bank Secrecy Law, enacted in 1955, and Republic Act No. 6426 or the Foreign Currency Deposit Act of the Philippines, passed in 1974, were originally designed to encourage bank deposits and discourage private hoarding to stimulate economic development, the absolute mantle of bank secrecy they provide has evolved into a significant barrier to transparency. Under the current legal framework, the exceptions to the secrecy of local deposits are extremely narrow, while foreign currency accounts are treated with near-absolute confidentiality, often inadvertently shielding the accumulation of ill-gotten wealth, tax evasion, and money laundering. As the global community moves toward greater financial transparency, leaving the Philippines as a solitary outlier in maintaining such rigid bank secrecy, it is imperative that our domestic laws adapt to prevent the banking system from being utilized as a sanctuary for the proceeds of financial crimes.

Guided by the constitutional principle of accountability, this measure seeks to spearhead the movement toward financial transparency by mandating all government officials and employees to waive the secrecy of their bank deposits as provided under these laws. By requiring those in the public service to open their financial records to scrutiny, the government can more effectively mitigate, if not entirely resolve, the persistent challenges of graft and corruption that impede national progress. This proposal serves as a litmus test for integrity: any public servant who operates with honesty and has nothing to conceal should welcome this transition toward a culture of openness. Ultimately, this bill reinforces the truth that transparency is the most

potent weapon against the betrayal of the public trust, ensuring that the "servants of the people" remain beyond reproach in their financial dealings.

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



HON. BERNADETTE "DETTE" G. ESCUDERO

Representative
1st District, Sorsogon

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

1 **SECTION 1. Declaration of Policy.** - It is hereby declared the policy of the State
2 for all public officials and employees to be open and transparent in all their financial
3 transactions and dealings.
4

5 As used in this Act, the distribution system refers to the system of wires and
6 associated facilities including sub-transmission lines belonging to a franchised
7 distribution utility extending between the delivery point on the national transmission
8 system or generating facility and the metering point/facility of end- users.
9

10 **SEC. 2. Submission of Written Permission or Waiver.** - All public officials and
11 employees as defined under paragraph (b) in relation to paragraph (a), Section 3 of 6
12 Republic Act No. 6713, except those who serve in an honorary capacity, shall submit to
13 the Office of the Ombudsman a written permission or waiver in favor of the Ombudsman
14 to examine, inquire and look into all their deposits, including foreign currency deposits,
15 in banks and other financial institutions, both in and outside the Philippines, including
16 investment bonds issued by the government of the Philippines, its political subdivisions
17 and instrumentalities.
18

19 The aforesaid written permission or waiver shall be submitted within thirty (30)
20 days from the date of their assumption of office: Provided, however, That public officials
21 and employees who are already exercising the functions of their respective offices upon

1 the effectivity of this Act shali submit the same not later than thirty (30) days from the
2 effectivity of the Rules and Regulations implementing this Act.

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

8
9 **Sec. 4. Limitation on Use.** –The Civil Service Commission (CSC) may obtain and
10 use the written permission or waiver, or any information or data secured by virtue
11 thereof, strictly in the exercise of its constitutional mandate to enforce civil service laws
12 and to investigate administrative complaints against public officers and employees:
13 *Provided*, however, That such written permission, waiver, information, or data shall be
14 used exclusively for the investigation of a duly verified complaint or for the institution
15 and prosecution of the appropriate administrative case before the proper body:
16 *Provided, further*, That when the acts complained of fall within the jurisdiction of the
17 Office of the Ombudsman pursuant to the Constitution and existing laws, the CSC shall
18 promptly transmit the records and evidence obtained to the Office of the Ombudsman
19 for appropriate action: *Provided*, finally, That the written permission or waiver shall not
20 be used for any purpose other than those expressly authorized herein.

21
22 **Sec. 5. Lead Agency.** - The CSC shall have the primary responsibility for the
23 implementation of this Act: *Provided*, however, That in the formulation and drafting of
24 the written permission or waiver contemplated herein, the CSC shall consult and
25 coordinate with the Department of Justice (DOJ), the Bangko Sentral ng Pilipinas (BSP),
26 and other relevant agencies to ensure proper legal and regulatory compliance.

27
28 **Sec. 6. Separability Clause.** If any of the sections or provisions of this Act is held
29 invalid, all other provisions not affected thereby shall remain valid.

30
31 **Sec. 7. Repealing Clause.** All laws, presidential decrees, executive orders, letters
32 of instructions, proclamations, and administrative regulations that are inconsistent with
33 the provisions of this Act are hereby repealed, amended or modified accordingly.

34
35 **Sec. 8. Effectivity.** This Act shall take effect immediately following the completion
36 of its publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved,