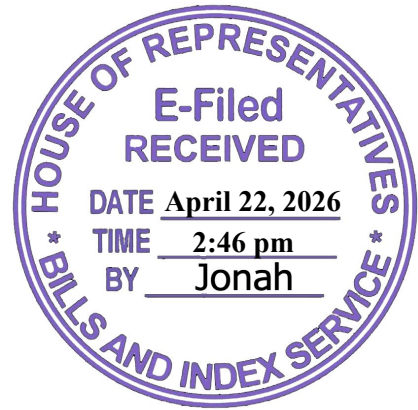


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

House Bill No. 8933



Introduced by Representatives JEFFREY SORIANO and JOCELYN P. TULFO

EXPLANATORY NOTE

This bill seeks to institutionalize the Overseas Filipino Bank (OF Bank) as a government financial institution dedicated to addressing the financial needs of overseas Filipino workers (OFWs) and their families.

Our overseas Filipinos have long been recognized as modern-day heroes for their invaluable contributions to national development through remittances, investments, and sacrifices made while working abroad. Despite these contributions, many overseas Filipinos still face difficulties in accessing affordable, reliable, and tailored financial services.

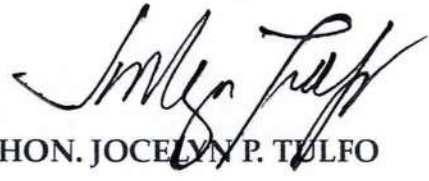
This measure therefore seeks to strengthen institutional support for overseas Filipinos by establishing the Overseas Filipino Bank as a specialized financial institution that will provide accessible, cost-effective, and secure banking services designed specifically for them and their families.

Among its key features, the OF Bank shall provide affordable and accessible financial services to overseas Filipinos and their beneficiaries. It shall also offer loans, investment opportunities, and financial assistance programs to support education, housing, business development, and emergency needs. In addition, the bank shall operate under the supervision of a board of directors and in accordance with Bangko Sentral ng Pilipinas regulations to ensure transparency, accountability, and sound governance.

By institutionalizing the Overseas Filipino Bank, this measure aims to strengthen financial inclusion, lower remittance costs, and expand economic opportunities for overseas Filipinos and their families.

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


HON. JEFFREY SORIANO


HON. JOCELYN P. TULFO

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TWENTIETH CONGRESS
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House Bill No. **8933**

Introduced by Representatives JEFFREY SORIANO and JOCELYN P. TULFO

AN ACT
PROVIDING FOR THE CHARTER OF THE OVERSEAS FILIPINO BANK,
PROVIDING FUNDS THEREFOR, AND FOR OTHER PURPOSES

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

SECTION 1. This Act shall be known as the “*Overseas Filipino Bank Act.*”

SEC. 2. *Declaration of Policy.* — It is hereby declared the policy of the State to recognize the invaluable contributions of Overseas Filipinos to the nation's economic growth and social development. In pursuit of this, the government shall ensure their financial well-being by promoting accessible, cost-effective, fast, and secure remittance systems for both senders and recipients.

The State shall also enhance credit facilities and financial assistance programs to support enterprise development and personal needs of Overseas Filipinos and their families. Furthermore, the government shall strengthen its presence in the remittance market to foster competitiveness and drive down remittance costs for the benefit of Overseas Filipinos and their beneficiaries.

SEC. 3. *Name, Place, and Primary Functions of the Bank.* — There is hereby created the Overseas Filipino Bank (OF Bank) and it shall maintain its principal office in the Philippines. As a government financial institution dedicated to addressing the financial needs of the Overseas Filipinos, the OF Bank shall:

- a. Create a digital bank dedicated to Overseas Filipinos and their families, subject to Republic Act No. 11232, otherwise known as the Revised Corporation Code of the Philippines and Republic Act No. 8791, otherwise known as the General Banking Law of 2000, and other relevant laws.
- b. Ensure and develop financial services and instruments for the Overseas Filipinos, including migrant workers, both land-based and sea-based, Returning Overseas Filipinos (ROFs), dual citizens, emigrants, immigrants, students studying abroad, and OFW families and dependents.

- c. Provide reintegration support, financial literacy, and welfare/crisis assistance bank.
- d. Ensure that the cost of its services and facilities, including remittances, are kept at the bare minimum.

SEC. 4. *Powers in General.* — The OF Bank, upon its organization, shall be a corporate body and shall have the power:

- a. To prescribe and adopt by-laws and operating policies;
- b. To adopt, alter and use a corporate seal;
- c. To make contracts;
- d. To sue and be sued;
- e. To borrow money;
- f. To own real or personal property and introduce improvements thereon, and to sell, mortgage or otherwise dispose of the same;
- g. To employ officers and personnel, preferably from the OFs sector, as may be necessary to carry overseas Filipinos banking business;
- h. To establish physical touchpoints in the Philippines as may be necessary to carry on its overseas Filipinos banking business;
- i. To exercise the powers granted under this Charter, including incidental powers as may be necessary to carry on its business, subject to existing laws, rules, and guidelines as may be established by the Bangko Sentral ng Pilipinas;
- j. To exercise the general powers mentioned in Republic Act No. 11232, otherwise known as the Revised Corporation Code of the Philippines and Republic Act No. 8791, otherwise known as the General Banking Law of 2000, and other relevant laws in so far as they are not inconsistent or incompatible with the provisions of this Act.

SEC. 5. *Authorized Capital Stock.* — The authorized capital stock of the OF Bank shall be One Billion Pesos (P1,000,000,000.00) divided into ten million par value shares of One hundred pesos each. All shares are nominative and indivisible. The Board of Directors and stockholders are hereby authorized to increase the authorized capital stock and provide the classification and features of shares, subject to pertinent laws and the rules and regulations of the BSP and Securities and Exchange Commission (SEC).

The subscription to and ownership of such shares, including the transfer thereof to third parties, shall be governed by pertinent laws, rules, and regulations; Provided, That at least fifty percent (50%) of the authorized capital stock shall be subscribed by the Government of the Republic of the Philippines, while the

remaining fifty percent (50%) shall be made available for subscription exclusively to Overseas Filipinos and their families and dependents.

Upon recommendation of the Department of Finance and the Bangko Sentral ng Pilipinas, the initial and subsequent paid-in capital shall be sourced from appropriations in the General Appropriations Act.

SEC. 6. *Utilization of Income for the Benefit of Overseas Filipinos.* — Fifty percent (50%) of the income generated by the OF Bank shall be utilized exclusively to fund programs, projects, and services aimed at enhancing the welfare and development of Overseas Filipinos including Overseas Filipino Workers (OFWs), Returning Overseas Filipinos (ROFs), dual citizens, emigrants, immigrants, students studying abroad, and OFW families and dependents and their families.

The income shall be dedicated to the following programs, but not be limited to:

- a. Reintegration Support – Programs for livelihood, entrepreneurship, and financial assistance for returning Overseas Filipinos.
- b. Education and Welfare Assistance – Scholarships, skills training, and emergency aid for dependents and families of Overseas Filipinos.
- c. Financial Literacy and Empowerment – Initiatives that promote responsible financial management and investment opportunities for beneficiaries.
- d. Crisis and Legal Support – Aid for Overseas Filipinos in distress, including repatriation, legal representation, and counseling.

SEC. 7. *Loans, Investments, and Liabilities.* — The OF Bank is hereby authorized:

- a. To grant loans, advances, or other credit accommodations for the establishment, rehabilitation, expansion, or development of any agricultural, commercial or industrial enterprise, or personal service, including public utilities, in accordance with Republic Act No. 8791, the BSP rules and regulations, and under such terms as may be prescribed by the Board of Directors and that preference be given to applicants enumerated under Section 7 hereof, subject to pertinent BSP rules and regulations;
- b. To invest in stocks and other investment instruments subject to Republic Act No. 8791, and the BSP rules and regulations;
- c. To issue bond and other certificates of indebtedness subject to Republic Act No. 8791, and the BSP rules and regulations.

SEC. 8. *The Board of Directors, Composition, Tenure, and Per Diems.* — The Board of Directors, hereinafter referred to as the Board, shall consist of nine (9) members to be appointed by the President of the Philippines. The term of office of the Chairperson, President, and members of the Board shall be for a period of three (3) years.

The Board shall direct the affairs and business of the OF Bank. It shall manage, control, and preserve its properties, unless otherwise provided in this Act.

The Chairperson of the Board and the President of the OF Bank, who shall serve as Vice Chairperson, shall be appointed by the President of the Philippines.

The position of Chairperson of the Board and President of the OF Bank shall not be held by the same person. In case of incapacity or absence of both the Chairperson and the Vice-Chairman, the Board of Directors shall designate a temporary Chairperson from among its members.

The Secretary of Finance, Secretary of Migrant Workers, and the Secretary of the Commission on Filipinos Overseas shall serve as ex officio members of the Board.

No person shall be appointed regular director of the OF Bank unless they are a natural-born citizen of the Philippines, not less than thirty-five (35) years of age, of good moral character and has attained proficiency, expertise and recognized competence in one or more of the following: banking, finance, economics, law, foreign affairs, business management or government administration.

Four (4) of the members of the Board shall be independent directors composed of one (1) representative from the private banking sector, one (1) representative from land-based OFWs, one (1) representative from sea-based OFWs, and one (1) representative from overseas Filipinos.

Except for the Chairperson and the President, no officer or employee of the Bank may be appointed as a member of the Board of Directors; nor shall any director, officer or employee of any other bank be eligible as a member of the same.

The Board, shall upon a majority vote of all its members, elect its chairperson, vice chairperson, and secretary, at such time and place as shall be provided for in its by-laws.

The members of the Board, except for those serving ex officio, shall receive a per diem or allowance for every meeting of the board actually attended by them, the amount of which shall be within the acceptable banking industry rates and shall be set in accordance with the pertinent provisions of Republic Act No. 11232 and other relevant laws.

SEC. 9. Powers and Functions of the Board of Directors. — The Board of Directors shall:

- a. Formulate policies necessary to carry out effectively the provisions of this Act and adopt such by-laws, rules, and regulations for the effective operation of the OF Bank in conformity with this Act and other existing laws;
- b. Determine the organization of the OF Bank by creating the necessary departments or offices essential for its efficient operation;

- c. Subject to prior approval of the Monetary Board, establish physical touchpoints in other countries; and
- d. Create committees as may be deemed necessary and proper in the conduct of the business of the corporations with composition, powers and duties as it may prescribe, subject to BSP rules and regulations, and act on all matters affecting the general policies of the OF Bank

SEC. 10. *Chairperson and Chief Executive Officer.* — The Chairperson shall execute, carry out, and administer the policies, measures, orders, and resolutions approved by the Board; direct and supervise the operation and administration of the Bank; and exercise such other powers and perform such other functions or duties as may be directed or assigned to them by law or by the Board from time to time. Particularly, the Chairperson shall have the power and duty:

- a. To sign and execute all contracts concluded by the Bank and enter into all necessary obligations required or permitted by this Act, upon proper authorization by the Board;
- b. Sign all notes, securities, certificates, and torah major documents of the bank, upon proper authorization of the Board;
- c. To exercise, as Chief Executive Officer of the Bank, the powers of control and supervision over decisions and actions of subordinate officers and all other powers that may be granted by the Board.;
- d. To report monthly to the Board on the operations of the Bank and propose policies for the efficient, effective, and economical operation of the Bank;
- e. To submit an annual report to the President of the Philippine on the result of the operation of the bank;
- f. To recommend to the Board the appointment, promotion, or removal of all officers of the bank, with the rank of at least vice-president or its equivalent;
- g. As required by circumstances, to delegate any of his powers, duties or functions to any officer or director of the bank, with the approval of the Board.

SEC. 11. *Vice Chairperson and Chief Operating Officer.* — The Vice Chairperson shall be the Chief Operating Officer of the Bank and shall assume and exercise such specific duties and responsibilities as may be delegated by the Chairman.

SEC. 12. *Legal Counsel.* — The OF Bank shall have its own legal department, the chief of which shall be appointed by the Board of Directors.

SEC. 13. *Bank Auditor Reports.* — The OF Bank shall have its own auditing department, the head of which shall be appointed by the Board of Directors preferably from among recognized veterans or their heirs of good standing who are certified public accountants and with actual experience in the work of a comptroller

or auditor. The auditor shall not suffer any diminution in salary during the auditor's term of office, and may not be removed except for cause

SEC. 14. *Conduct of Business.* — The OF Bank shall be subject to the prudential requirements set out by the BSP including corporate governance and risk management, particularly on information technology and cybersecurity, outsourcing, consumer protection, and anti-money laundering (AML) and combating the financing of terrorism (CFT), as provided under existing regulations.

SEC. 15. *Authority to Receive Deposit of Government Funds as an Official Government Depository.* — Subject to BSP rules, the Secretary of Finance, the National Treasurer, and their authorized representatives, all city and municipal treasurers as well as official custodians of public funds, or those belonging to government-owned or controlled corporations are hereby authorized to make and actually maintain deposits of any government or corporate fund with the OF Bank, which is hereby declared to be an official government depository.

SEC. 16. *Penalty.* — Any director, officer, or employee of the OF Bank who violates, or permits any of the officers, employees or agents of said Bank or any other person to violate, any provision of this Act shall be punished with a fine not less than One Hundred Fifty Thousand pesos (P150,000) not more than Two Million pesos (P2,000,000) or by imprisonment of not less than two (2) years but not more than ten (10) years, or both, at the discretion of the court.

SEC. 17. *Appropriations.* — The amount necessary for the initial paid-in capital and implementation of this Act shall be charged against available appropriations. Thereafter, such sums as may be necessary shall be included in the annual General Appropriations Act.

SEC. 18. *Separability Clause.* — If any portion or provision of this Act is declared invalid or unconstitutional, other provisions hereof shall remain in full force and effect.

SEC. 19. *Repealing Clause.* — All laws, presidential decrees, executive orders, rules and regulations which are inconsistent with the provisions of this Act are hereby repealed or amended accordingly.

SEC. 20. *Effectivity.* — This Act shall take effect fifteen days (15) after its publication in the Official Gazette or in a national newspaper of general circulation.

Approved,