

'16 SEP -5 P4:57

SENATE

S. No. 1124

RECEIVED BY: 

Introduced by Senator Juan Miguel F. Zubiri

AN ACT

EXEMPTING GOVERNMENT OFFICIALS AND EMPLOYEES FROM THE PROHIBITION AGAINST DISCLOSURE OF OR INQUIRY INTO DEPOSITS WITH ANY BANKING INSTITUTION, AMENDING FOR THE PURPOSE CERTAIN PROVISIONS OF REPUBLIC ACT NO. 1405, OTHERWISE KNOWN AS THE "SECRECY OF BANK DEPOSITS LAW"

EXPLANATORY NOTE

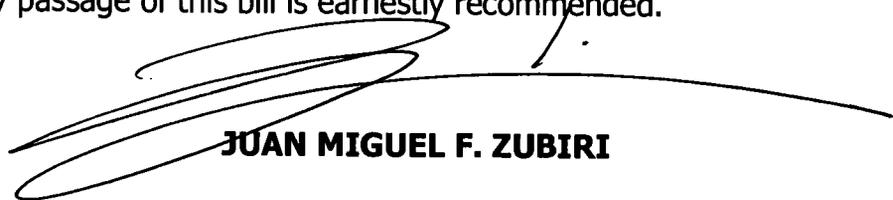
The Bank Secrecy Law was enacted to safeguard the depositors and encourage them to entrust their money in bank institutions to be used and invested by the latter in economic activities that will help our country. However, the law on bank secrecy is not absolute and admits of certain exceptions such as in cases of impeachment or by virtue of a court order in cases of bribery or dereliction of duty of public officials. The purpose of the said exceptions is to expedite investigations relating to erring public officials. With the development of different forms of corruption in government and the recent issues on narco-politics, the exceptions provided in the abovementioned law are no longer effective and even deters authorities in investigating public officials suspected of amassing assets and wealth illegally.

Recently, the President himself named several local government heads allegedly involved in illegal drug activities, making them subject to public scrutiny and inquiry. These public officials have eroded the people's trust and respect. Their unexplained wealth also casts doubt over the use of public funds entrusted to them.

Our Constitution has mandated that public office is a public trust. Public officials must at all times be accountable and transparent to the public and should lead modest lives. Contrary to these directives, the Administration, in the recent actions it has taken, has exposed more public officials in questionable position with regard to their wealth.

It is thus the position of this representation, that if we follow the money, we will find the culprits, or the erring officials in this case. This bill, hence, proposes to amend the current Bank Secrecy Law by including the holding of a public office as one of the exceptions. This will promote accountability and transparency and allow law enforcement authorities to go after corrupt and greedy people in the government.

In view thereof, the early passage of this bill is earnestly recommended.


JUAN MIGUEL F. ZUBIRI

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PROVISIONS OF REPUBLIC ACT NO. 1405, OTHERWISE KNOWN AS THE
"SECRECY OF BANK DEPOSITS LAW"

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

1 **SECTION 1.** Section 2 of Republic Act No. 1405, otherwise known as the Secrecy of
2 Bank Deposits Law" is hereby amended to read as follows:

3

4 "Section 2. All deposits of whatever nature with banks or banking
5 institutions in the Philippines including investments in bonds issued by
6 the Government of the Philippines, its political subdivisions and its
7 instrumentalities, are hereby considered as of an absolutely confidential
8 nature and may not be examined, inquired or looked into by any person,
9 government official, bureau or office, except upon written permission of
10 the depositor, or in cases of impeachment, or upon order of a competent
11 court in cases of bribery or dereliction of duty of public officials, or in
12 cases where the money deposited or invested is the subject matter of the
13 litigation; **OR WHEN THE DEPOSITOR HOLDS ANY PUBLIC OFFICE**
14 **IN THE GOVERNMENT OF THE PHILIPPINES BY VIRTUE OF AN**
15 **APPOINTMENT, ELECTION OR CONTRACT, IN ANY STATE-OWNED**
16 **OR CONTROLLED CORPORATION OR ENTERPRISE, PERMANENT**
17 **OR TEMPORARY, WHETHER IN THE CAREER OR NON-CAREER**
18 **SERVICE, INCLUDING THOSE IN THE MILITARY SERVICE,**
19 **WHETHER CIVILIAN OR UNIFORMED PERSONNEL, AND THOSE IN**

1 THE POLICE FORCE, WHETHER OR NOT THEY RECEIVE
2 COMPENSATION, REGARDLESS OF AMOUNT. PROVIDED THAT
3 THE EXEMPTIONS ABOVE-MENTIONED SHALL INCLUDE FOREIGN
4 CURRENCY DEPOSITS IN PHILIPPINE BANKS OPERATING IN THE
5 PHILIPPINES, FOREIGN AND OFF-SHORE BANKS OPERATING IN
6 THE PHILIPPINES, AND SUCH OTHER KIND OF DEPOSIT
7 SUBSTITUTES.”

8
9 **SECTION 2. *Separability Clause.*** – If any part or provision of this Act is declared as
10 unconstitutional or invalid, the other provisions which are not affected shall continue to
11 be in full force and effect.

12
13 **SECTION 3. *Repealing Clause.*** – All laws, executive orders, decrees, rules and
14 regulations, or any part thereof inconsistent with the provisions of this Act are deemed
15 repealed, amended or modified accordingly.

16
17 **SECTION 4. *Effectivity.*** – This Act shall take effect fifteen (15) days after its complete
18 publication in at least two (2) newspapers of general circulation.

19
20 Approved,