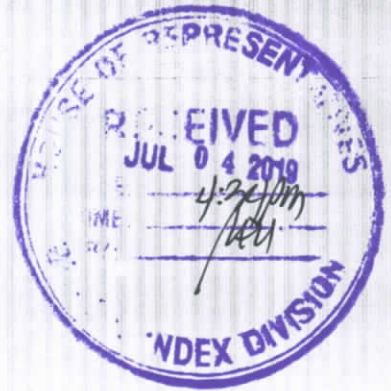


REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

House Bill No. 1498



Introduced by **MAGDALO Party-List Representative**
HON. MANUEL DG. CABOCHAN III

Explanatory Note

Public office is a public trust. The Constitution puts emphasis in promoting and maintaining integrity and honesty in public service, and the repression of acts of public officers and private persons which constitute or lead to graft and corrupt practices. This implies government's responsibility to take positive and effective measures against graft and corruption.


The "Bank Secrecy Deposits Law", otherwise known as Republic Act No. 1405 was enacted in 1955, for purposes of encouraging people to deposit their finances in banking institutions and discourage private holding so that the same may be properly managed and utilized by the financial sector for the growth and development of the country's economic activity.

Under this law, all deposits are absolutely confidential and may not be inquired or looked into except upon permission of the depositor, in cases of impeachment, upon order of a competent court in cases of bribery or dereliction of duty, and in cases where the money deposited or invested is the subject matter of litigation.

However, this provision of the law prohibiting the disclosure of or inquiry to bank deposits had been exploited time and again to hamper and stall investigations of government officials and employees suspected of enriching themselves while in public office.

Hence, this measure seeks to exclude government officials and employees, whether elected or appointed, from the coverage of the Bank Secrecy Law so that law enforcement authorities will be equipped with the tools needed to go after crooks in government.

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


HON. MANUEL DG. CABOCHAN III
Representative
Magdalo Para sa Filipino Party-List

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HON. MANUEL DG. CABOCHAN III

AN ACT
TO AMEND SECTION 2 OF REPUBLIC ACT NO. 1405 OTHERWISE KNOWN AS
“THE SECRECY OF BANK DEPOSITS LAW,” EXEMPTING GOVERNMENT
OFFICIALS AND EMPLOYEES FROM THE PROHIBITION AGAINST
DISCLOSURE OF OR INQUIRY INTO DEPOSITS WITH ANY BANKING
INSTITUTION AND FOR OTHER PURPOSES

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
2 "Secrecy of Bank Deposits Law" is hereby amended to read as follows:
3 "Section 2. All deposits of whatever nature with banks or banking
4 institutions in the Philippines including investments in bonds issued by the
5 Government of the Philippines, its political subdivisions and its
6 instrumentalities, are hereby considered as of an absolutely confidential
7 nature and may not be examined, inquired or looked into by any person,
8 government official, bureau or office, except upon written permission of
9 the depositor, or in cases of impeachment, or upon order of a competent
10 court in cases of bribery or dereliction of duty of public officials, or in
11 cases where the money deposited or invested is the subject matter of the
12 litigation; OR WHEN THE DEPOSITOR IS AN ELECTIVE OR
13 APPOINTIVE OFFICIAL OR EMPLOYEE OF THE REPUBLIC OF
14 THE PHILIPPINES INCLUDING THE OFFICERS AND MEMBERS OF
15 THE ARMED FORCES OF THE PHILIPPINES (AFP), THE
16 PHILIPPINE NATIONAL POLICE (PNP), AND ALL MEMBERS OF
17 THE UNIFORMED SERVICES, AND OFFICERS AND EMPLOYEES

1 OF GOVERNMENT-OWNED AND CONTROLLED CORPORATIONS
2 AND THEIR SUBSIDIARIES."

3
4 **Sec. 2. *Separability Clause.*** – If any part of the provision of this Act is
5 hereby declared unconstitutional or invalid, other provisions hereof which are not
6 affected thereby shall continue to be in full force and effect.

7 **Sec. 3. *Repealing Clause.*** - All laws, executive orders, decrees, rules and
8 regulations, or any part thereof inconsistent with the provision of this Act are
9 deemed repealed or modified accordingly.

10
11 **Sec. 4 *Effectivity.*** – This Act shall take effect fifteen (15) days after its
12 complete publication in at least two (2) national newspapers of general circulation.

Approved,