

HOUSE OF REPRESENTATIVE  
Quezon City, Metro Manila

EIGHTEENTH CONGRESS  
*First Regular Session*

HOUSE BILL NO. 3554



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Introduced by **REP. ROMAN T. ROMULO**  
**Lone District, Pasig City**

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**AN ACT**  
**TO AMEND SECTION 2 OF REPUBLIC ACT NO. 1405 OTHERWISE**  
**KNOWN AS THE "SECURITY 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**

**EXPLANATORY NOTE**

The 1987 Constitution provides in Article XI Section 1 that: "Public office is a public trust. Public officers and employees must at all times be accountable to the people, serve them with utmost responsibility, integrity, loyalty and efficiency, act with patriotism and justice and lead modest lives." As public office is a public trust, it must not be used for self-aggrandizement or for acquiring wealth by the person holding it. A public officer is a steward who must perform his powers and duties for the benefit of the people and not for the enhancement of his own interest.

In 1955, Republic Act No 1405 otherwise known as the "Security of Bank Deposits Law" was enacted for the purpose of encouraging people to deposit their money in banking institutions, and to discourage private holding so that the same may be properly utilized by banks in authorized loans to assist in the economic development of the country.

Under this law, all deposits are strictly confidential and may not be inquired or looked into except on the following grounds: 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.

The avowed purpose of the law is meritorious in preserving the confidentiality of bank transactions. Unfortunately, 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.

Thus, this bill 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 thereof, the early passage of this bill is earnestly recommended,



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

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

Section 2. "All deposits of whatever nature with banks or banking  
institutions in the Philippines including investments in bonds issued by the  
Government of the Philippines, its political subdivisions and its  
instrumentalities, are hereby considered as of an absolutely confidential nature  
and may not be examined, inquired or looked into by any person, government  
official, bureau or office, except upon written permission of the depositor, or in  
cases of impeachment, or upon order of a competent court in cases of bribery  
or dereliction of duty of public officials, or in cases where the money deposited

1 or invested is the subject matter of the litigation; OR WHEN THE  
2 DEPOSITOR IS AN ELECTIVE OR APPOINTIVE OFFICIAL OR  
3 EMPLOYEE OF THE REPUBLIC OF THE PHILIPPINES INCLUDING  
4 THE OFFICERS AND MEMBERS OF THE ARMED FORCES OF THE  
5 PHILIPPINES (AFP), THE PHILIPPINE NATIONAL POLICE (PNP), AND  
6 ALL MEMBERS OF THE UNIFORMED SERVICES, AND OFFICERS  
7 AND EMPLOYEES OF GOVERNMENT-OWNED AND CONTROLLED  
8 CORPORATIONS AND THEIR SUBSIDIARIES.

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

13

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

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18 SECTION 4. *Effectivity.* - This Act shall take effect immediately upon  
19 approval.

20 *Approved,*

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