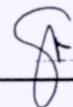


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SENATE

S. No. 374



Introduced by **SENATOR LEILA M. DE LIMA**

AN ACT
AMENDING REPUBLIC ACT NO. 1405, ALSO KNOWN AS
THE BANK SECRECY LAW, AS AMENDED, BY REMOVING FROM
ITS COVERAGE, GOVERNMENT OFFICIALS AND EMPLOYEES,
AND FOR OTHER PURPOSES


EXPLANATORY NOTE

The 1987 Constitution emphasizes in Article XI, Section 1 that “[p]ublic office is a public trust”. No person who serves in government should be allowed to breach or abuse an official mandate. He or she should always be accountable to the people at all times.

No mechanism for accountability and transparency is effective if government officials and employees are able to hide their ill-gotten wealth and anomalous funds by invoking the absolute confidentiality to bank deposits, as provided in Republic Act No. 1405, also known as the Bank Secrecy Law.

By removing the bank confidentiality privilege of those in government, this bill will promote transparency in governance, and shall bring to the level of domestic implementation our commitment under the United Nations Convention Against Corruption to strengthen legislative measures in preventing and combating corruption.

Early approval of this bill is earnestly sought.


LEILA M. DE LIMA

SENATE

S. No. 374

RECEIVED
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SG

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AN ACT
AMENDING REPUBLIC ACT NO. 1405, ALSO KNOWN AS
THE BANK SECRECY LAW, AS AMENDED, BY REMOVING FROM
ITS COVERAGE, GOVERNMENT OFFICIALS AND EMPLOYEES,
AND FOR OTHER PURPOSES

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

Section 1. Section 2 of Republic Act No. 1405 (R. A. No. 1405) as amended, is hereby further 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 or invested is the subject matter of the litigation; **PROVIDED, HOWEVER, THAT BANK ACCOUNTS AND DEPOSITS OF GOVERNMENT OFFICIALS AND EMPLOYEES, APPOINTIVE OR ELECTIVE**

1 REGARDLESS OF RANK, INCLUDING
2 MEMBERS OF THE MILITARY, DO NOT ENJOY
3 THE PRIVILEGE OF CONFIDENTIALITY. THIS
4 INCLUDES FOREIGN CURRENCY DEPOSITS.

5 Sec. 2. R.A. No. 1405, as amended, is hereby further amended by inserting a
6 new provision to be known as Section 2- A thereof, which reads:

7 “SEC. 2-A. INQUIRY INTO BANK DEPOSITS OF
8 GOVERNMENT OFFICIALS AND EMPLOYEES –
9 WITHOUT NEED OF COURT ORDER OR
10 INFORMATION FILED, INVESTIGATIVE
11 BODIES OR OFFICIALS WITH APPROPRIATE
12 AUTHORITY OR MANDATE, IN PROCESSES
13 ALLOWED UNDER PHILIPPINE LAWS, ARE
14 AUTHORIZED TO INQUIRE INTO BANK
15 DEPOSITS OF GOVERNMENT OFFICIALS AND
16 EMPLOYEES WHERE THERE IS GROUND
17 THAT ENGENDERS REASONABLE BELIEF
18 THAT THE FUNDS INVOLVED ARE PART OR
19 PROCEEDS IN THE COMMISSION OF A
20 CRIMINAL OFFENSE.”

21 Sec. 3. R.A. No. 1405, as amended, is hereby further amended by inserting a
22 new provision to be known as Section 3-A thereof, which reads:

23 “SEC. 3-A. PENALTY. - ANY EMPLOYEE OR
24 OFFICER OF THE BANK, WHO IMPEDES,
25 OBSTRUCTS, OR OTHERWISE REFUSES TO
26 PROVIDE THE REQUIRED INFORMATION
27 UNDER SECTION 2 HEREOF, SHALL SUFFER
28 THE PENALTY OF IMPRISONMENT OF NOT
29 MORE THAN FIVE (5) YEARS OR A FINE NOT
30 MORE THAN ONE HUNDRED THOUSAND
31 PESOS (P100,000.00) OR BOTH, UPON THE
32 DISCRETION OF THE COURT.

1 Sec. 4. All remaining sections of R.A. No. 1405, as amended, are hereby
2 renumbered accordingly.

3 Sec 5. *Separability Clause.* - If, for any reason, a provision is declared invalid,
4 other provisions not affected thereby shall remain in full force and effect.

5 Sec. 6. *Repealing Clause.* - All laws, decrees, executive orders, rules and
6 regulations contrary to or inconsistent with the provisions of this Act are hereby
7 repealed or modified accordingly.

8 Sec. 7. *Effectivity.* - This Act shall take effect fifteen (15) day after its publication
9 in the Official Gazette or in a newspaper of general circulation.

 Approved,