

Senate Bill No. 150



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 in 1955 to safeguard the right to privacy of depositors and encourage them to entrust their money to banking institutions, thereby boosting capital and stimulating the post-war economy.

Since the law was first passed, the banking landscape has changed drastically. To date, the Philippines remains one of the only countries to still maintain a restrictive bank secrecy law, while the rest of the globe moves towards transparency and public accountability.

The Bank Secrecy Law, originally intended to boost the economy, has now made the country's banking sector susceptible to exploitative entities who hide under the cover of bank secrecy for their financial crimes. Instead of economic growth, bank secrecy has been used to plunge the country into crime and corruption.

Of most grave concern are public funds entrusted to public officials. Bank Secrecy Laws inadvertently protect public officials who may be using the country's banks for dubious activities, such as keeping ill-gotten wealth and committing tax evasion.

The Bank Secrecy Law does admit 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. This bill, however, proposes to go further by amending the current Bank Secrecy Law to categorically exclude all government officials and employees from it.

This amendment aims to promote accountability and transparency and empower law enforcement authorities to go after corrupt individuals 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 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 "Section 2. All deposits of whatever nature with banks or banking institutions in the
4 Philippines including investments in bonds issued by the Government of the Philippines,
5 its political subdivisions and its instrumentalities, are hereby considered as of an
6 absolutely confidential nature and may not be examined, inquired, or looked into by any
7 person, government official, bureau or office, except upon written permission of the
8 depositor, or in the cases of impeachment, or upon order of a competent court in cases
9 of bribery or dereliction of duty of public officials, or in cases where the money deposited
10 or invested is the subject matter of the litigation; OR WHEN THE DEPOSITOR HOLDS
11 ANY PUBLIC OFFICE IN THE GOVERNMENT OF THE PHILIPPINES BY VIRTUE OF AN
12 APPOINTMENT, ELECTION OR CONTRACT, IN ANY STATE-OWNED OR CONTROLLED
13 CORPORATION OR ENTERPRISE, PERMANENT OR TEMPORARY, WHETHER IN THE
14 CAREER OR NON-CAREER SERVICE, INCLUDING THOSE IN THE MILITARY SERVICE,
15 WHETHER CIVILIAN OR UNIFORMED PERSONNEL, AND THOSE IN THE POLICE FORCE,
16 WHETHER OR NOT THEY RECEIVE COMPENSATION, REGARDLESS OF AMOUNT:
17 PROVIDED, THAT THE EXEMPTIONS ABOVE-MENTIONED SHALL INCLUDE FOREIGN
18 CURRENCY DEPOSITS IN PHILIPPINE BANKS OPERATING IN THE PHILIPPINES,
19 FOREIGN AND OFF-SHORE BANKS OPERATING IN THE PHILIPPINES, AND SUCH OTHER
20 KIND OF DEPOSIT SUBSTITUTES."

1 **SEC. 2. *Separability Clause.*** – if any part or provision of this Act herein be declared
2 unconstitutional or invalid, the other provisions which are not affected shall continue to be in
3 full force and effect.

4 **SEC. 3. *Repealing Clause.*** - All laws, executive orders, decrees, rules, and regulations
5 or any parts thereof inconsistent with the provisions of this Act are deemed repealed, amended,
6 or modified accordingly.

7 **SEC.4. *Effectivity Clause.*** - This Act shall take effect fifteen (15) days after its
8 publication in the Official Gazette or in any two (2) newspapers of general circulation in the
9 Philippines.

Approved,