

S. No. 2365  
H. No. 8818

Republic of the Philippines  
**Congress of the Philippines**  
Metro Manila

Eighteenth Congress

Third Regular Session

Begun and held in Metro Manila, on Monday, the twenty-sixth  
day of July, two thousand twenty-one.

[ REPUBLIC ACT No. **11840** ]

AN ACT AMENDING SECTIONS 1, 3, 4, 5, 6, 7, 8, 9,  
10, 11, 13, 18, 22, 24, 26, AND 28 OF REPUBLIC  
ACT NO. 3591, AS AMENDED, OTHERWISE  
KNOWN AS THE PHILIPPINE DEPOSIT  
INSURANCE CORPORATION CHARTER, AND FOR  
OTHER PURPOSES

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

SECTION 1. Section 1 of Republic Act No. 3591, as  
amended, or "An Act Establishing the Philippine Deposit  
Insurance Corporation, Defining its Powers and Duties and for  
Other Purposes", is hereby further amended to read as follows:

“THE CREATION OF THE PHILIPPINE  
DEPOSIT INSURANCE CORPORATION

“SECTION 1. There is hereby created a  
Philippine Deposit Insurance Corporation hereinafter

referred to as the 'Corporation' which shall insure as herein provided, the deposits of all banks which are entitled to the benefits of insurance under this Act, and which shall have the powers hereinafter granted.

"The Corporation shall, as a basic policy, promote and safeguard the interests of the depositing public by providing insurance coverage on all insured deposits and helping maintain a sound and stable banking system.

"The Corporation shall be attached to the Bangko Sentral ng Pilipinas for policy and program coordination."

SEC. 2: Section 3 of the same Act is hereby further amended to read as follows:

"BOARD OF DIRECTORS: COMPOSITION  
AND AUTHORITY

"SEC. 3. (a) The powers and functions of the Corporation shall be vested in and exercised by a Board of Directors which shall be composed of seven (7) members as follows:

"(1) The Governor of the Bangko Sentral ng Pilipinas who shall be the *ex officio* Chairperson of the Board without compensation;

"(2) The Secretary of Finance who shall be the *ex officio* Vice Chairperson and member of the Board without compensation;

"(3) The President of the Corporation, who shall be appointed by the President of the Philippines from a shortlist prepared by the Governance Commission for Government-Owned or -Controlled Corporations pursuant to Republic Act No. 10149, or the "GOCC Governance Act of 2011" to serve on a full-time basis for a term of six (6) years;

“(4) Four (4) members from the private sector to be appointed by the President of the Philippines from a shortlist prepared by the Governance Commission for Government-Owned or -Controlled Corporations pursuant to Republic Act No. 10149. The appointive directors shall serve for a term of six (6) years unless sooner removed for cause and shall be subject to only one (1) reappointment: *Provided*, That of those first appointed, the first two (2) appointees shall serve for a period of three (3) years: *Provided, however*, That the appointive director shall continue to hold office until the successor is appointed. An appointive director may be nominated by the Governance Commission for Government-Owned or -Controlled Corporations for reappointment by the President only if the appointive director obtains a performance score of above average or its equivalent or higher in the immediately preceding year of tenure as appointive director based on the performance criteria for appointive directors of the Corporation.

“x x x

“The Secretary of Finance and the Governor of the Bangko Sentral ng Pilipinas may each designate an alternate, who shall be an official with a rank not lower than assistant secretary of the Department of Finance or Deputy Governor of the Bangko Sentral ng Pilipinas with written authority from the Secretary of Finance or the Governor of the Bangko Sentral ng Pilipinas, to attend such meetings and to vote on behalf of their respective principals. Whenever the Chairperson of the Board is unable to attend a meeting of the Board, or in the event of a vacancy in the office of the Governor of the Bangko Sentral ng Pilipinas, his or her designated alternate shall preside. In the absence of the Chairperson and his or her designated alternate, the Secretary of Finance or his or her representative shall preside.

“x x x

“(b) The Board of Directors shall have the authority:

“(1) To approve and issue rules and regulations for banks and the depositing public, as it considers necessary for the effective discharge of its responsibilities under this Act including the establishment of separate insurance funds, and insurance arrangements or structures or *takaful*, taking into consideration the peculiar characteristics of Islamic banking. This authority includes increasing of the insurance coverage, eligibility of the institutions, assessment premium rate, and other implementation rules and regulations.

“For purposes of this Act, *takaful* shall be defined as a mutual guarantee in return for the commitment to donate an amount in the form of a specified contribution to the covered entities’ risk fund, whereby a group of covered entities agree among themselves to support one another jointly for the losses arising from specified risks;

“x x x

“(4) To appoint and remove any officer or employee of the Corporation, for cause, subject to pertinent civil service laws: *Provided*, That the Board of Directors may delegate this authority to the President subject to specific guidelines: *Provided, further*, That in no case shall there be any diminution of existing salaries, benefits and other emoluments;

“(5) To approve policy on local and foreign travel, and the corresponding expenses, allowances and *per diems*, of officers, employees, agents of the Corporation, which shall be comparable with the expenses, allowances and *per diems* of personnel of

other financial institutions based on prevailing market standards, notwithstanding the provisions of Presidential Decree No. 1177, Executive Order No. 292, Executive Order No. 248, as amended, Executive Order No. 298, and similar laws;

“(6) To adopt an annual budget for, and authorize such expenditures by the Corporation, as are in the interest of the effective administration and operation of the Corporation;

“(7) To approve the target level of the Deposit Insurance Fund (DIF) and the methodology for determining reserves for insurance and financial assistance losses;

“(8) To review the organizational set-up of the Corporation and adopt a new or revised organizational structure as it may deem necessary for the Corporation to undertake its mandate and functions;

“(9) To design, adopt and revise, as it may deem necessary, an early separation plan for employees of the Corporation to ensure availability of a human resource pool qualified and capable of implementing the Corporation’s authorities under this Charter in a manner responsive and attuned to market developments, and to provide incentives for all those who shall be separated from the service. Notwithstanding any law to the contrary, these incentives shall be in addition to all gratuities and benefits the employee is entitled to under existing laws; and

“(10) To promote and sponsor the local or foreign training or study of personnel in the fields of banking, finance, management, information technology and law. Towards this end, the Corporation is hereby authorized to defray the costs of such training or study. The Board shall prescribe

rules and regulations to govern the training or study programs of the Corporation.”

SEC. 3. Section 4 of the same Act is hereby further amended to read as follows:

“PRESIDENT OF THE CORPORATION:  
COMPENSATION, POWERS, AND DUTIES

“SEC. 4. The President of the Corporation shall be its Chief Executive Officer whose salary shall be based on the Compensation and Position Classification System developed by the Governance Commission for Government-Owned or -Controlled Corporations and as approved by the President of the Philippines. The sum total of the salary, allowances, benefits and other emoluments of the President of the Corporation shall be higher than the compensation package of the next highest ranking executive of the Corporation.

“x x x

“The President shall be assisted by a Vice President and other officials whose appointment and removal for cause shall be approved by the Board of Directors upon recommendation of the President of the Corporation. The salary of the Vice President and other officials shall be based on the Compensation and Position Classification System established by the Governance Commission for Government-Owned or -Controlled Corporations and as approved by the President of the Philippines.”

SEC. 4. Section 5 of the same Act is hereby further amended to read as follows:

“DEFINITION OF TERMS

“SEC. 5. As used in this Act. —

“(a) x x x

“x x x

“(g) x x x

“Certain products or arrangements of Islamic banks shall be deemed as deposit by the Bangko Sentral ng Pilipinas for purposes of this Act.

“The Corporation shall not pay deposit insurance for the following accounts or transactions:

“(1) x x x

“x x x

“(3) Deposit accounts or transactions constituting unsafe and unsound banking; as determined by the Corporation, in consultation with the Bangko Sentral ng Pilipinas, after due notice and hearing, and publication of a directive to cease and desist issued by the Bangko Sentral ng Pilipinas against such deposit accounts, transactions or unsafe and unsound banking; and

“x x x

“(i) The term *income from other sources* means income actually realized by the Corporation from sources other than assessment collections, as defined by relevant and prevailing accounting standards.

“(j) The term *insured bank* means any bank the deposits of which are insured in accordance with the provisions of this Act.

“(k) The term *insured deposit* means the amount due to any *bonafide* depositor for legitimate deposits in an insured bank as of the date of closure but not to exceed Five hundred thousand pesos (P500,000.00). Such amount shall be determined according to such regulations as the Board of

Directors may prescribe. In determining such amount due to any depositor, there shall be added together all deposits in the bank maintained in the same right and capacity for his or her benefit either in his or her own name or in the name of others. A joint account regardless of whether the conjunction 'and', 'or', 'and/or' is used, shall be insured separately from any individually-owned deposit account: *Provided*, That (1) if the account is held jointly by two or more natural persons, or by two or more juridical persons or entities, the maximum insured deposit shall be divided into as many equal shares as there are individuals, juridical persons or entities, unless a different sharing is stipulated in the document of deposit, and (2) if the account is held by a juridical person or entity jointly with one or more natural persons, the maximum insured deposit shall be presumed to belong entirely to such juridical person or entity: *Provided, further*, That the aggregate of the interest of each co-owner over several joint accounts, whether owned by the same or different combinations of individuals, juridical persons or entities, shall likewise be subject to the maximum insured deposit: *Provided, furthermore*, That the provisions of any law to the contrary notwithstanding, no owner/holder of any passbook, certificate of deposit or other evidence of deposit shall be recognized as a depositor entitled to the rights provided in this Act unless the passbook, certificate of deposit or other evidence of deposit is determined by the Corporation to be an authentic document or record of the issuing bank.

"In case a condition occurs that threatens the monetary and financial stability of the banking system that may have systemic consequences, as defined in Section 22 hereof, and as determined by the Monetary Board, the maximum deposit insurance cover may be adjusted in such amount, for such a period, and/or for such deposit products, as may be determined by a unanimous vote of the Board of Directors in a meeting called for the purpose and



chaired by the Governor of the Bangko Sentral ng Pilipinas or the designated alternate, subject to the approval of the President of the Philippines.

“The Board of Directors may increase the amount of the maximum deposit insurance coverage to an amount indexed to inflation or in consideration of other economic indicators as may be deemed appropriate by the Board. The Board of Directors shall review the amount of the maximum deposit insurance coverage every three (3) years and increase the maximum deposit insurance coverage as may be warranted. In the exercise of this authority, the Board may consider economic indicators other than inflation. For this purpose, the Board may hire the services of independent actuarial consultants and other experts to determine the feasibility and advisability of increasing the maximum deposit insurance coverage.

“(l) The term *liquidation* refers to the proceedings under Sections 12 to 16 of this Act.

“(m) The term *liquidation court* refers to the Regional Trial Court (RTC) of general jurisdiction where the petition for assistance in the liquidation of a closed bank is filed and given due course.

“(n) The term *payout* refers to the payment of insured deposits.

“(o) The term *petition for assistance in the liquidation of a closed bank* refers to the petition filed by the receiver with the RTC in accordance with Section 16 of this Act.

“(p) The term *purchase of assets and assumption of liabilities* refers to a transaction where an insured bank purchases any or all assets and assumes any or all liabilities of another bank under liquidation, as provided in this Act.

“(q) The term *receiver* refers to the Corporation or any of its duly authorized agents acting as receiver of a closed bank.

“(r) The term *records* include all documents, titles, papers and electronic data of the closed bank, including those pertaining to deposit accounts of and with the closed bank, its assets, transactions and corporate affairs.

“(s) The term *residual assets* refer to assets, in cash or in kind, to be turned over to the closed bank’s stockholders of record, in proportion to their interest in the closed bank as of date of closure, after payment in full of liquidation costs, fees and expenses, and the valid claims and surplus dividends to all the creditors.

“(t) The term *risk-based assessment system* pertains to a method for calculating an insured bank’s assessment on the probability that the DIF will incur a loss with respect to the bank, and the likely amount of any such loss, based on its risk rating that takes into consideration the following:

“(1) Quality and concentration of assets;

“(2) Categories and concentration of liabilities, both insured and uninsured, contingent, and noncontingent;

“(3) Capital position;

“(4) Liquidity position;

“(5) Management and governance; and

“(6) Other factors relevant to assessing such probability, as may be determined by the Corporation.

“x x x

“(z) The term *unsafe and unsound banking* refers to the conduct of business in an unlawful, unsafe or unsound manner as may be defined by the Bangko Sentral ng Pilipinas under Republic Act No. 7653, as amended.

“(aa) The term *valid claim* refers to the claim recognized by the receiver or allowed by the liquidation court.

“(bb) The term *winding up period* refers to the period provided in Section 16 of this Act.”

SEC. 5. Section 6 of the same Act is hereby further amended to read as follows:

#### “DEPOSIT INSURANCE COVERAGE

“SEC. 6. The deposit liabilities of any bank which is engaged in the business of receiving deposits as herein defined on the effective date of this Act, or which thereafter may engage in the business of receiving deposits, shall be insured with the Corporation. The Corporation may establish separate insurance funds and insurance arrangements or structures or *takaful* that take into consideration the peculiar characteristics of Islamic banking.

“Whenever a bank is determined by the Bangko Sentral ng Pilipinas to be capital deficient, the Corporation may conduct an insurance risk evaluation on the bank to enable it to assess the risks to the DIF. Such evaluation may include the determination of: (i) the fair market value of the assets and liabilities of a bank; or (ii) the risk classification of a bank.”

SEC. 6. Section 7 of the same Act is hereby further amended to read as follows:

“ASSESSMENT OF MEMBER BANKS

“SEC. 7. (a). The assessment rate shall be determined by the Board of Directors: *Provided*, That the assessment rate shall not exceed one-fifth (1/5) of one *per centum* (1%) *per annum*. The semi-annual assessment for each insured bank shall be in the amount of the product of one-half (1/2) the assessment rate multiplied by the assessment base but in no case shall it be less than Five thousand pesos (P5,000.00). The assessment base shall be the amount of the liability of the bank for deposits as defined under subsection (g) of Section 5 without any deduction for indebtedness of depositors.

“In addition, the Board of Directors shall conduct a study on the need to establish a risk-based assessment system within five (5) years from passage of this Act the results of which shall be reported to the Joint Congressional Oversight Committee to ensure compliance with the intent of the law. For which purpose, the Board of Directors shall consider the viability of a mechanism that adjusts the assessment rate depending on the creditworthiness or risk profile of the bank, consistent with the national development goals and impose a commensurate risk-based adjusted assessment rate per annum per bank. The risk-based assessment rate and assessment base shall be determined to ensure the adequacy and sustainability of the DIF while at the same time rationalizing the financial burden on banks and stability of the financial system. The assessment of each insured bank shall be determined by multiplying the risk-based assessment rate with the assessment base.

“In case there will be an increase in the maximum deposit insurance coverage, the PDIC

Board shall have the authority to adjust the assessment rate for banks taking into consideration the current economic conditions, and the adequacy and sustainability of the DIF.

“The Corporation and the Board of Directors shall ensure and endeavor to maintain transparency under all possible conditions in the way of conducting all of the foregoing activities under Section 7(a).

“The semi-annual assessment base for one semi-annual period shall be the average of the assessment base of the bank as of the close of business on March thirty-one and June thirty and the semi-annual assessment base for the other semi-annual period shall be the average of the assessment base of the bank as of the close of business on September thirty and December thirty-one: *Provided*, That when any of said days is a nonbusiness day or legal holiday, either national or provincial, the preceding business day shall be used. The certified statements required to be filed with the Corporation under subsections (b) and (c) of this section shall be in such form and set forth such supporting information as the Board of Directors shall prescribe. The assessment payments required from the insured banks under subsections (b) and (c) of this section shall be made in such manner and at such time or times as the Board of Directors shall prescribe.

“x x x.”

SEC. 7. Section 8 of the same Act is hereby further amended to read as follows:

“SANCTIONS AGAINST UNSAFE  
AND UNSOUND BANKING

“SEC. 8. (a) Whenever upon examination by the Corporation into the condition of any insured bank, it shall be disclosed that an insured bank or its

directors or agents have committed, are committing or about to commit unsafe or unsound banking, or have violated, are violating or about to violate any provisions of any law or regulation to which the insured bank is subject. The Board of Directors shall submit the report of the examination to the Monetary Board.

“(b) The Corporation may terminate the insured status of any bank that fails or refuses to comply, within thirty (30) days from notice, with any cease-and-desist order issued by the Bangko Sentral ng Pilipinas, pertaining to a deposit-related unsafe and/or unsound banking.

“x x x.”

SEC. 8. Section 9 of the same Act is hereby further amended to read as follows:

“POWERS AS CORPORATE BODY

“SEC. 9. The Corporation as a corporate body shall have the powers:

“x x x

“Fifth – To appoint by its Board of Directors such officers and employees as are not otherwise provided for in this Act, to define their duties, require bonds of them and fix penalty thereof and to dismiss such officers and employees for cause;

“x x x

“Eighth – To examine the records and books of accounts and require information and reports from depository institutions in case there is a finding of fraud or unsafe or unsound banking related to deposit-taking: *Provided, That*, notwithstanding the provisions of Republic Act No. 1405, as amended,

Republic Act No. 6426, as amended, Republic Act No. 8791, and other laws, the Corporation and/or the Bangko Sentral ng Pilipinas, may inquire into or examine deposit accounts and all information related thereto in case there is a finding of unsafe or unsound banking practice: *Provided, further,* That to avoid overlapping of efforts, the examination shall maximize the efficient use of the relevant reports, information, and findings of the Bangko Sentral ng Pilipinas, which it shall make available to the Corporation.

“x x x

“Fourteenth – To determine the appropriate mode of liquidation of a closed bank and to implement the same.”

SEC. 9. Section 10 of the same Act is hereby further amended to read as follows:

“POWERS, RESPONSIBILITY, AND PROHIBITIONS

“SEC. 10. x x x

“(b) Whenever the Bangko Sentral ng Pilipinas deems it appropriate and necessary for PDIC to join the conduct of the examination of a bank, the Board of Directors shall appoint examiners who shall have power, on behalf of the Corporation, to examine any insured bank. Each examiner shall have the power to make a thorough examination of all the affairs of the bank and in doing so, he shall have the power to administer oaths, to examine and take and preserve the testimony of any of the officers and agents thereof, and to compel the presentation of books, documents, papers or records necessary in his judgment to ascertain the facts relative to the condition of the bank; and shall make a full and detailed report of the condition of the bank to the Corporation. The Board of Directors in like manner

shall appoint claim agents who shall have the power to investigate and examine all claims for insured deposits and transferred deposits. Each claim agent shall have the power to administer oaths and examine under oath and take and preserve testimony of any person relating to such claim.

“x x x

“(d) The Bangko Sentral ng Pilipinas shall have access to bank examination reports made by the Corporation, and to such other reports or information as may be agreed upon by the Corporation and the Bangko Sentral ng Pilipinas. The Bangko Sentral ng Pilipinas shall share to the Corporation its reports of examination on banks, and such other reports or information as may be agreed upon by them: *Provided*, That the use of such reports or information are in accordance with the terms and conditions agreed upon by the Corporation and the Bangko Sentral ng Pilipinas and prescribed by applicable laws and regulations.

“(d-1) x x x.

“x x x.”

SEC. 10. Section 11 of the same Act is hereby amended to read as follows:

“AUTHORITY TO EXAMINE DEPOSIT RECORDS

“SEC. 11. When there is a failure of prompt corrective action as declared by the Monetary Board due to capital deficiency, the Corporation and the Bangko Sentral ng Pilipinas may examine, inquire or look into the deposit records of a bank: *Provided*, That such authority may not be exercised when the failure of prompt corrective action is due to grounds other than capital deficiency. For this purpose, banks,



their officers and employees are hereby mandated to disclose and report to the Corporation and the Bangko Sentral ng Pilipinas or their duly authorized officers and employees, the required deposit account information.

“The Corporation and the Bangko Sentral ng Pilipinas, their duly authorized officers or employees are prohibited from disclosing information obtained under this section to any person, government official, bureau or office. Any act done pursuant to this section shall not be deemed as a violation of Republic Act No. 1405, as amended, Republic Act No. 6426, as amended, Republic Act No. 8791, and other similar laws protecting or safeguarding the secrecy or confidentiality of bank deposits. Any unauthorized disclosure of the information under this section shall be subject to the same penalty under the laws protecting the secrecy or confidentiality of bank deposits.

“The provisions of this section notwithstanding, the Monetary Board may take other actions under existing laws that it may deem necessary.”

SEC. 11. Section 13 of the same Act is hereby amended to read as follows:

“AUTHORITIES OF A RECEIVER AND EFFECTS  
OF PLACEMENT OF A BANK UNDER LIQUIDATION

“SEC. 13. (a) The receiver is authorized to adopt and implement, without need of consent of the stockholders, board of directors, creditors or depositors of the closed bank, any or a combination of the following modes of liquidation:

“(1) Conventional liquidation; and

“(2) Purchase of assets and/or assumption of liabilities.

“(b) In addition to the powers of a receiver provided under existing laws, the Corporation, as receiver of a closed bank, is empowered to:

“(1) Represent and act for and on behalf of the closed bank;

“(2) Gather and take charge of all the assets, records and affairs of the closed bank, and administer the same for the benefit of its creditors;

“(3) Convert the assets of the closed bank to cash or other forms of liquid assets, as far as practicable: *Provided*, That the Corporation is authorized to sell assets of closed banks, which are held by the Corporation as receiver, to a Financial Institutions Strategic Transfer Corporation (FISTC), in accordance with the provisions of Republic Act No. 11523 or the “Financial Institutions Strategic Transfer (FIST) Act”. For this purpose, the Board of Directors shall be the appropriate regulatory authority and shall promulgate the necessary implementing rules and regulations.

“x x x.”

SEC. 12. Section 18 of the same Act is hereby amended to read as follows:

#### “DIVIDEND DECLARATION

“SEC. 18. Consistent with the policy of the State to generate, preserve, maintain faith and confidence in the country’s banking system, the Corporation shall build up and maintain the DIF at the target level set by the PDIC Board of Directors. Such target level shall be subject to periodic review and may be adjusted as necessary.

“The Corporation shall declare and remit cash dividends to the National Government in accordance

with Republic Act No. 7656: *Provided*, That Section 2(d) on the determination of the dividend base and Section 3 with respect to dividend base and the manner of payment shall not apply. In lieu thereof, the succeeding paragraphs shall be applicable.

“For purposes of computing the amount of dividends to be declared and remitted to the National Government, the dividend base shall be the sum of all income, but excluding all assessment income. No other deductions from the dividend base shall be allowed. Such cash dividends accruing to the National Government shall be received by the National Treasury and recorded as income of the General Fund.”

SEC. 13. Section 22 of the same Act is hereby further amended to read as follows:

“CORPORATE FUNDS AND ASSETS

“SEC. 22. (a) x x x

“x x x

“FINANCIAL ASSISTANCE

“(e) The Corporation is authorized to make loans to, or purchase the assets of, or assume liabilities of, or make deposits in:

“(1) A bank in danger of closing, upon its acquisition by a qualified investor; or

“(2) A qualified investor, upon its purchase of all assets and assumption of all liabilities of a bank in danger of closing; or

“(3) A surviving or consolidated institution that has merged or consolidated with a bank in danger of closing; upon such terms and conditions as the Board of Directors may prescribe, when in the opinion

of the Board of Directors, such acquisition, purchase of assets, assumption of liabilities, merger or consolidation, is essential to provide adequate banking service in the community or maintain financial stability in the economy.

“The Corporation may, taking into consideration the peculiar characteristics of Islamic banks, formulate rules and regulations for the extension of financial assistance under this section.

“The Corporation, prior to the exercise of the powers under this section, shall determine that actual payoff and liquidation thereof will be more expensive than the exercise of this power: *Provided*, That when the Monetary Board has determined that there are systemic consequences of a probable failure or closure of an insured bank, the Corporation may grant financial assistance to such insured bank in such amount as may be necessary to prevent its failure or closure and/or restore the insured bank to viable operations, under such terms and condition as may be deemed necessary by the Board of Directors, subject to the concurrence by the Monetary Board and without additional cost to the DIF at the time of granting the financial assistance.

“x x x.”

SEC. 14. Section 24 of the same Act is hereby further amended to read as follows:

“ISSUANCE OF BONDS, DEBENTURES, AND  
OTHER OBLIGATIONS

“SEC. 24. With the approval of the President of the Philippines, upon the recommendation of the Department of Finance, the Corporation is authorized to issue bonds, debentures, and other obligations, both local or foreign, as may be necessary for purposes of providing liquidity for settlement of insured deposits in closed banks or to facilitate the

implementation of financial assistance as provided herein: *Provided*, That the Board of Directors shall determine the interest rates, maturity and other requirements of said obligations: *Provided, further*, That the Corporation may provide for appropriate reserves for the redemption or retirement of said obligation.

“x x x.”

SEC. 15. Section 26(c) of the same Act is hereby deleted and the succeeding paragraphs are renumbered accordingly.

SEC. 16. Section 28 of the same Act is hereby deleted and replaced as follows:

“SEC. 28. *Exemption from the Bulk Sales Law.*  
– Bank liquidation involving the purchase of all assets and assumption of all liabilities of a bank to a third party shall be exempt from the provisions of Act No. 3952, otherwise known as ‘The Bulk Sales Law’.”

SEC. 17. *Implementing Rules and Regulations.* – The Bangko Sentral ng Pilipinas, the Department of Finance, the Philippine Deposit Insurance Corporation, and other concerned government agencies shall promulgate the necessary implementing rules and regulations within sixty (60) days upon the effectivity of this Act.


SEC. 18. *Separability Clause.* – If any provision of this Act is subsequently declared invalid or unconstitutional, the other provisions hereof which are not affected thereby shall remain in full force and effect.

SEC. 19. *Repealing Clause.* – Section 17(c) of Republic Act No. 11439 on the non-applicability of Republic Act No. 3591, as amended, is hereby amended insofar as certain products or arrangements of Islamic banks which may be deemed as deposit by the Bangko Sentral ng Pilipinas for purposes of this Act.

All other laws, decrees, resolutions, instructions, and rules and regulations, or parts thereof which are inconsistent with this Act are hereby deemed repealed or modified accordingly.


SEC. 20. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

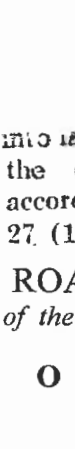
Approved,

  
LORD ALLAN JAY Q. VELASCO  
*Speaker of the House  
of Representatives*

  
VICENTE C. SOTTO III  
*President of the Senate*

This Act which is a consolidation of Senate Bill No. 2365 and House Bill No. 8818 was passed by the Senate of the Philippines and the House of Representatives on February 2, 2022.

  
MARK LLANEROS L. MENDOZA  
*Secretary General  
House of Representatives*

  
MYRA MARIE D. VILLARICA  
*Secretary of the Senate*

Approved:

**JUN 17 2022**  
~~Lapsed into law on~~ without the signature of the President, in accordance with Article VI, Section 27 (1) of the Constitution.

RODRIGO ROA DUTERTE  
*President of the Philippines*