



Senate  
Office of the Secretary

NINETEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )

'22 JUL -7 P2 :52

**SENATE**

S. No. 123

RECEIVED BY: \_\_\_\_\_

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Introduced by **Senator Cynthia A. Villar**

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**AN ACT PROVIDING FOR A NEW CHARTER  
OF THE LAND BANK OF THE PHILIPPINES**

**EXPLANATORY NOTE**

The Landbank of the Philippines (LBP) was created under Republic Act 3844 or the Agricultural Land Reform Code for the purpose of financing the acquisition by the Government of landed estates for division and resale to small landholders, as well as the purchase of the land-holding by the agricultural lessee from the landowner. Its charter later on underwent several amendments which modified and added functions to it.

Some of the laws that amended the LBP charter are as follows: Presidential Decree No. 251 on July 21, 1973, Executive Order 229 on July 22, 1987 Providing Mechanism on For the Implementation of Comprehensive Agrarian Reform Program, Republic Act No. 6657 or the Comprehensive Agrarian Reform Law on June 10, 1988, Republic Act No. 7907 on February 23, 1995 Amending the Agricultural Land Reform Code, and Republic Act 10374 on March 5, 2013 Extending LBP's corporate life to another 50 years.

Other laws and issuances that re-shaped LBP into what it is today are: Presidential Decree No. 27 on October 21, 1972 or the Tenant Emancipation Decree, Executive Order 816 on July 8, 1982, Executive Order No. 405 on June 14, 1990,

Executive Order No. 267 on July 25, 1995, Republic Act No. 10000 on February 23, 2010 or the Agri-Agra Law of 2009, Republic Act No. 10878 on July 27, 2016, Institutionalizing Direct Credit Support of LBP to Agrarian Reform Beneficiaries, Small Farmers and Fisherfolk, Republic Act No. 11203 on February 14, 2019, or the Rice Tariffication Law, among many others.

LBP was also instrumental in the COVID response program of the government through Republic Act No. 11494 or the "Bayanihan to Recover as One Act". It was LBP subsidized the payment of interest on new and existing loans secured by LGUs through government financial institutions. It also made available low-interest credit program to persons and entities engaged in industries affected by the COVID-19 pandemic.

The activities of LBP have obviously been expanding throughout the years. It has become a crucial partner of the government in facilitating services to various beneficiaries such as small farmers and fisherfolks, agrarian reform beneficiaries, countryside financial institutions, small and medium enterprises, and overseas Filipino workers. With the growing clientele and needs to address, it has to constantly adapt to the evolving Philippine financial landscape and elevate itself to a higher and stronger position, in support of the policy direction of the National Government on agricultural and country-side development and accelerated financial inclusion objectives.

Hence, there is a need to craft a charter for the LBP to institutionalize its expansion as a corporate entity that will address the extent of its power to act, operate and take in investments, in accordance with its primary purpose of being a government financial institution responsible for broad-based agricultural and rural development and accelerated financial inclusion.

The approval of this bill is urgently requested.

  
**CYNTHIA A. VILLAR**

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OF THE LAND BANK OF THE PHILIPPINES**

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

1       SECTION 1. *Short Title.* – This Act shall be known as the “New Land Bank of  
2 the Philippines Act”.

3       SEC. 2. *Purpose and Domicile.* – The Land Bank of the Philippines, hereinafter  
4 referred to as the “Bank”, operating under the provisions of Republic Act No. 3844,  
5 as amended, otherwise known as the “Agricultural Land Reform Code”, shall  
6 henceforth operate under the provisions of this Act as a government financial  
7 institution responsible for broad-based agricultural and rural development and  
8 accelerated financial inclusion. It shall provide accessible and innovative solutions to  
9 deliver timely and responsive financial and support services to rural financial  
10 institutions as well as small farmers, fisherfolk and agrarian reform beneficiaries  
11 (ARBs). The Bank shall remain to be a body corporate and shall have perpetual  
12 existence. It shall be supervised by the Bangko Sentral ng Pilipinas (BSP), taking into  
13 account its mandated roles of spurring countryside development and supporting the  
14 country’s financial inclusion objectives.

15       The principal office and place of business of the Bank shall be in Metro  
16 Manila. It may, however, open and maintain branches, agencies or other offices at

1 such places in the Philippines as its Board of Directors may deem advisable, with the  
2 prior approval of the Monetary Board of the BSP.

3 In line with its mandate, the Bank shall allocate five percent (5%) of its  
4 regular loan portfolio (net of loans to the BSP, interbank loans and availments from  
5 domestic bills purchase line), for socialized credit to qualified small farmers,  
6 fisherfolk and ARBs. This facility shall solely finance agricultural projects pursuant to  
7 the provisions of Section 4 of Republic Act No. 10000, otherwise known as "The  
8 Agri-Agra Reform Credit Act of 2009".

9 Credits extended to the beneficiaries named therein under this facility shall be  
10 based on the feasibility of the project and their paying capacity, their estimated  
11 production, and securities they can provide as well as assets as may be acquired by  
12 them from the proceeds of the loan.

13 This facility will be funded through the operations of the Bank itself and will  
14 not require additional government funding.

15 All loans extended through this special socialized credit facility shall qualify as  
16 part of the Bank's compliance with the Agri-Agra Law.

17 Credit under this special socialized credit facility shall be extended through  
18 the following conduits:

19 (a) Farmers' and fisherfolk's cooperatives;

20 (b) Farmers' and fisherfolk's organizations or associations;

21 (c) Nonagricultural cooperatives (credit and multipurpose);

22 (d) Cooperative banks;

23 (e) Rural banks;

24 (f) Thrift banks;

25 (g) Agri-business firms or anchor firms providing credit support to ARBs, and  
26 small farmers and fisherfolk; and

27 (h) Duly accredited microfinance nongovernment organizations by the  
28 Microfinance NGO Regulatory Council.

29 Loans under this special socialized credit facility shall have an interest rate  
30 equivalent to not more than seventy-five percent (75%) of the Bank's prevailing  
31 rates for loans to cooperatives: *Provided*, That these conduits shall have an interest  
32 spread of not more than five (5) percentage points. The interest spread shall



1 exclude crop insurance premiums and guarantee fees: *Provided, further,* That a  
2 conduit cannot lend to another conduit.

3 Criteria for eligibility under this special socialized credit facility shall be  
4 determined by the Bank and shall be reflected in the implementing rules and  
5 regulations.

6 SEC. 3. *General Powers.* – The Bank shall have the power to:

7 (a) Prescribe, repeal and alter its own bylaws, to determine its operating  
8 policies, and to issue such rules and regulations as may be necessary;

9 (b) Adopt, alter and use a corporate seal;

10 (c) Hold, purchase, acquire and own real and personal property, introduce  
11 necessary improvements thereon to enhance and develop their social and economic  
12 value, and to sell, mortgage or otherwise dispose of the same;

13 (d) Sue and be sued, make contracts, negotiate and secure loans from both  
14 local and foreign sources. Before undertaking any such credit operation, the Bank,  
15 through the Secretary of Finance, shall request the opinion, in writing, of the  
16 Monetary Board on the monetary implications of the contemplated action. All loans  
17 from foreign sources shall be subject to approval by the President of the Philippines  
18 and shall be fully guaranteed by the Philippine Government;

19 (e) Grant short, medium and long-term loans and advances against security  
20 of real estate or other acceptable assets for the establishment, development or  
21 expansion of agricultural, industrial, home building or home financing projects and  
22 other productive enterprises;

23 (f) Grant loans to farmers' cooperatives and associations to facilitate farm  
24 production, marketing of crops and acquisition of essential commodities;

25 (g) Underwrite, hold, own, purchase, acquire, sell, mortgage, dispose or  
26 otherwise invest or reinvest in stocks, bonds, debentures, securities and other  
27 evidences of indebtedness of other corporations and the government or its  
28 instrumentalities which are issued for or in connection with any project or enterprise;

29 (h) Guarantee acceptances, credits, loans, transactions or obligations of any  
30 person, co-partnership, association or corporation in favor of any financing or  
31 banking institution, whether foreign or domestic: *Provided,* That the proceeds of  
32 such acceptances, credits, loans, transactions or obligations are utilized or

1 earmarked for the development and/or expansion of agriculture and industry, the  
2 provision of any law to the contrary notwithstanding;

3 (i) Borrow from, or rediscount notes, bills of exchange and other credit  
4 instruments with the BSP subject to the provisions of Chapter IV of Republic Act No.  
5 7653, as amended by Republic Act No. 11211, otherwise known as "The New Central  
6 Bank Act", and relevant BSP rules and regulations;

7 (j) Act as a trustee, or administer any trust or hold property in trust in  
8 accordance with the provisions of law governing trust corporations;

9 (k) Act as an official government depository with full authority to maintain  
10 deposits of the government, its branches, subdivisions and instrumentalities, and of  
11 government owned or -controlled corporations which deposits shall be subject to  
12 liquidity floor or reserve requirements as may be imposed by the Monetary Board  
13 upon other commercial banks;

14 (l) Strengthen the capital base of the Bank, to establish a national marketing  
15 federation of farmers and fisheries cooperatives to attract massive capital formation  
16 from savings deposits of the cooperative members nationwide;

17 (m) Offer and issue common and preferred shares of stocks in such manner  
18 and in such quantities as approved by the Secretary of Finance upon the  
19 recommendation of the Board of Directors and in accordance with applicable laws,  
20 rules and regulations: Provided, however, That the National Government shall  
21 maintain, at all times, at least three-fourths (3/4) ownership of the total outstanding  
22 capital stock of the Bank.

23 The holders of preferred shares of stock shall be non-voting. Other features  
24 of preferred shares shall be determined by the Board of Directors in accordance with  
25 applicable laws and regulations; and

26 (n) Exercise the general powers provided for in Republic Act No. 11232,  
27 otherwise known as the "Revised Corporation Code of the Philippines", and the  
28 universal banking powers under Republic Act No. 8791, otherwise known as "The  
29 General Banking Law of 2000", insofar as they are not inconsistent or incompatible  
30 with this Charter.

31 SEC. 4. *Issuance of Bonds.* – The Bank, shall, upon the approval of the  
32 Secretary of Finance, issue all kinds of bonds, debentures, securities, collaterals and

1 other evidence of indebtedness and/or the renewal or refunding thereof; at such  
2 terms, rates and conditions as the Bank may determine, up to an aggregate amount  
3 not exceeding, at any one time, ten times its paid-in capital and surplus, subject to  
4 compliance with the provisions of applicable law, and rules and regulations  
5 promulgated by the Monetary Board.

6 These bonds and other obligations shall be redeemable at the option of the  
7 Bank at or before maturity and in such manner as may be stipulated therein and  
8 shall bear such rate of interest as may be fixed by the Bank. Such obligations shall  
9 be secured by the assets of the Bank including the stocks, bonds, debentures, and  
10 other securities underwritten, purchased or held by it under the provisions of this  
11 Charter. Such obligations may be issued in payment or replacement of certain assets  
12 transferred to the Bank or offered for sale at such price or prices as the Bank may  
13 determine, and shall be fully guaranteed by the Government of the Republic of the  
14 Philippines, and such guarantee shall be expressed on the face thereof.

15 These instruments of indebtedness shall be negotiable and may be  
16 mortgaged in accordance with established banking procedures and practices with  
17 government institutions, their existing charters and existing law to the contrary  
18 notwithstanding, to enable the holders of such bonds to make use of them in  
19 investments in productive enterprises. The Board of Directors shall have the power  
20 to prescribe rules and regulations for the issuance, reissuance, servicing, placement  
21 and redemption of the bonds herein authorized to be issued as well as the  
22 registration of such bonds at the request of the holders thereof.

23 SEC. 5. *Investment by Government-Owned or -Controlled Corporations.* – The  
24 provisions of their respective charters to the contrary notwithstanding, all  
25 government-owned or -controlled corporations, including government financial  
26 institutions, are authorized to invest in preferred shares of the Bank or accept those  
27 shares in exchange for any of their assets or properties under such terms and  
28 conditions as shall be agreed upon between the corporations or institutions  
29 concerned and the Bank.

30 SEC. 6. *Capital.* – The Board, upon the recommendation of the Secretary of  
31 Finance and with the approval of the President of the Philippines, may increase the  
32 capitalization of the Bank up to such an amount as may be necessary to attain the



objectives of this Charter, and may allocate part or all of the Bank's unrestricted retained earnings towards paying for the increase in authorized capital stock.

SEC. 7. *Preferred Shares.* – All preferred shares of stock issued under this Charter shall be entitled to the income earned by the Bank on its investment and other operations: *Provided*, That the holders of such preferred shares of stock shall not bring derivative suits against the Bank.

SEC. 8. *Voting of Shares.* – The voting power of all the common shares of stock of the Bank owned and controlled by the government shall be vested in the President of the Philippines or in any ex officio member of the Board of Directors of the Bank or their respective alternates, as may be designated by the *ex officio* member.

SEC. 9. *The Board of Directors and Membership.* – The affairs and business of the Bank shall be directed and its properly managed and preserved by a Board of Directors consisting of eleven (11) members to be composed of the Secretary of Finance as Chairperson, the President of the Bank as Vice Chairperson, the Secretary of Agrarian Reform, the Secretary of Labor, the Secretary of the National Economic and Development Authority and the Secretary of Agriculture as ex officio members. The President of the Philippines shall appoint two (2) members of the Board who shall represent the agrarian reform beneficiaries and three (3) members who shall represent the private sector in accordance with the appointment process under Republic Act No. 10149, otherwise known as the "GOCC Governance Act of 2011".

The annual stockholders meeting shall be held on the first Tuesday of December.

The appointive members of the Board shall hold a term of office for one (1) year and shall continue to hold office until their successor shall have been qualified and appointed. The Board shall convene as often as necessary to discharge its responsibilities properly, but shall meet at least once every two (2) weeks. The Board may be convoked either by the Chairperson or in one's absence, the Vice Chairperson.

The majority of the board members shall constitute a quorum. All decisions of the Board shall require the concurrence of at least the majority of its members.



1 No person shall be elected or appointed director of the Bank unless such  
2 person is a natural born citizen of the Philippines, not less than thirty-five (35) years  
3 of age, of good moral character, and has attained proficiency, expertise and  
4 recognized competence in one or more of the following: banking, finance,  
5 economics, law, agriculture, agrarian reform, business management.

6 SEC. 10. *Powers and Responsibilities of the Board.* – The Board of Directors  
7 shall have the following specific powers and responsibilities:

8 (a) Formulate policies, rules and regulations for the effective operation of the  
9 Bank and issue such rules and regulations as it may deem necessary to  
10 effectively implement the provisions of this Charter;

11 (b) Decide on matters concerning loans, as well as fix the rates of interest  
12 thereon, guarantees, investments, borrowings by the Bank, furnishing of  
13 technical assistance and other operations of the Bank;

14 (c) Establish such branches and agencies as may be deemed necessary and  
15 convenient;

16 (d) Ensure the appointment and removal of such personnel as may be  
17 necessary for the expeditious conduct of the business of the Bank, except  
18 the President of the Bank, who shall also be exempt from the manner of  
19 appointment and removal provided under Section 18 of Republic Act No.  
20 10149: Provided, That the President and CEO of the Bank shall be subject  
21 to appointment and removal by the President of the Philippines, upon  
22 recommendation by the Secretary of Finance;

23 (e) Notwithstanding any law to the contrary, adopt and review the  
24 organizational structure, staffing pattern and personnel qualification  
25 standards of the Bank and to reorganize, rationalize and restructure the  
26 same, or realign the various functions in the Bank to ensure effective  
27 accomplishment of its mandates and strategic goals, the alignment of its  
28 organizational structure and staffing pattern with industry standards, and  
29 its responsiveness to regulatory requirements;

30 (f) Design, adopt and revise, as it may deem necessary, an early separation  
31 plan for employees of the Bank to ensure the availability of a human  
32 resource pool qualified and capable of implementing the Bank's authorities

1 under this Charter in a manner responsive and attuned to market  
2 developments, and to provide incentives for those who shall be separated  
3 from the service. Notwithstanding any law to the contrary, these  
4 incentives shall be in addition to all gratuities and benefits the employee is  
5 entitled under existing laws;

6 (g) Approve the budget of the Bank for its operations; and

7 (h) Enter into compromise or release in whole or in part, any claim or liability  
8 whatsoever for or against the Bank, including interest, penalties, fees and  
9 other charges, under such terms and conditions as the Board may find  
10 acceptable and practicable in accordance with standard banking practices,  
11 subject to its best business judgment, and the best interest of the  
12 corporation.

13 SEC. 11. *Corporate Social Responsibility Principles.* – As an integral part of the  
14 National Government, the Bank is inherently mandated to be socially responsible, to  
15 act and operate as good corporate citizens. The Governing Board of the Bank shall  
16 recognize and perform obligations that the Bank has towards the National  
17 Government, its majority stockholder, as well as the minority stockholders when  
18 existing, together with the employees, suppliers, customers and other stakeholders,  
19 and the communities in which it operates.

20 SEC. 12. *Foreclosure of Collaterals and Disposal of Bank Acquired Properties.*  
21 – The foreclosure of collaterals and disposal of bank acquired properties shall be  
22 governed by the following:

23 (a) Foreclosure of Mortgage Collaterals – Foreclosure of mortgage collaterals  
24 to loan may be made either judicially or extrajudicially: *Provided, That* movable  
25 collaterals may be foreclosed in its present condition or following any commercially  
26 reasonable manner in accordance with Republic Act No. 11057, otherwise known as  
27 the “Personal Property Security Act”;

28 (b) Deputization of Legal Staff – The Bank may, with the approval of the  
29 court, deputize any member of its legal staff to act as special sheriff in foreclosure  
30 cases, in the sale or attachment of debtor’s properties and in the enforcement of  
31 court writs and processes in cases involving the Bank. The special sheriff of the Bank  
32 shall make a report to the proper court after any action has been taken by such

1 special sheriff, which court shall treat such actions as if it were an act of its own  
2 sheriffs in all respect;

3 (c) Disposal of Real Estate and Other Properties in the Collection of Debt –  
4 Real estate and other properties acquired by the Bank in the collection of debts or  
5 investment by way of foreclosure or other means shall be sold or disposed of in  
6 accordance with law, within five (5) years after their respective dates of acquisition.

7 The Bank is also authorized to sell its acquired real estate and other  
8 properties to a Financial Institutions Strategic Transfer Corporation (FISTC), in  
9 accordance with the provisions of Republic Act No. 11523 or the “Financial  
10 Institutions Strategic Transfer (FIST) Act”.

11 For this purpose, the Board of Directors shall be the appropriate regulatory  
12 authority and promulgate the necessary implementing rules and regulations;

13 (d) Exemption from Attachment – The provisions of any law to the contrary  
14 notwithstanding, securities on loans and other credit accommodations granted by  
15 the Bank shall not be subject to attachment or execution or any other court process,  
16 nor shall they be included in the property of insolvent persons or institutions, unless  
17 all debts and obligations of the debtors to the Bank have been paid, including  
18 accrued interest, penalties, collection expenses, and other charges; and

19 (e) Right of Redemption of Foreclosed Property, Right of Possession During  
20 Redemption Period – Within the redemption period provided for in Section 47 of the  
21 General Banking Law of 2000, the mortgagor shall have the right to redeem the  
22 property by paying all claims of the Bank against such mortgagor on the date of the  
23 sale including all the cost and other expenses incurred by reason of the foreclosure  
24 sale and custody of the property, as well as charges and accrued interest. The Bank  
25 may take possession of the foreclosed property during the redemption period. When  
26 the Bank takes possession during such period, it shall be entitled to the fruits of the  
27 property with no obligation to account for them, the same being considered  
28 compensation for the interest that would otherwise accrue on the account. Neither  
29 shall the Bank be obliged to post a bond for the purpose of such possession.

30 SEC. 13. *Compensation of Executive Officers.* – The President of the Bank  
31 shall be its Chief Executive Officer whose salary shall be based on the Compensation  
32 and Position Classification System developed by the Governance Commission for



1 Government-Owned or -Controlled Corporations (GCG) and as approved by the  
2 President of the Philippines upon recommendation by the Secretary of Finance. The  
3 sum total of the salary allowances, benefits and other emoluments of the President  
4 of the Bank shall be higher than the compensation package of the next highest  
5 ranking executive of the Bank.

6 The President shall be assisted by Vice Presidents and other officials whose  
7 appointment and removal for cause shall be approved by the Board of Directors  
8 upon recommendation of the President of the Bank. The salary of the Vice President  
9 and other officials shall be based on the Compensation and Classification System  
10 established by the GCG and as approved by the President of the Philippines upon  
11 recommendation of the Secretary of Finance. During the absence or temporary  
12 incapacity of the President, or in case of vacancy or permanent incapacity and  
13 pending appointment of a new President of the Bank, the Board of Directors shall  
14 designate the officer-in-charge of the Bank.

15 SEC. 14. *Duties and Powers of the Bank President.* – The President of the  
16 Bank shall execute the policies, measures, orders and resolutions promulgated by  
17 the Board of Directors and supervise and administer the operations of the Bank. The  
18 President shall be the legal representative of the Bank and shall make all contracts  
19 and enter into all necessary obligations on behalf of the Bank as required or  
20 permitted by this Charter. The President shall report periodically to the Board of  
21 Directors the main facts concerning the operations of the Bank, and recommended  
22 changes of policies which may seem best. The President shall furnish, upon the  
23 request of the President of the Philippines, any information regarding the operations  
24 of the Bank.

25 SEC. 15. *Qualifications of Executive Officers.* – No person shall be appointed  
26 to any executive position in the Bank mentioned in the preceding section unless that  
27 person is of good moral character and of unquestionable integrity and responsibility,  
28 and who is of recognized competence in the field of economics, agriculture, industry,  
29 law, banking or finance, and possessed of demonstrated administrative skill and  
30 ability.

31 SEC. 16. *Withdrawal of Persons Having Personal Interest.* – In addition to the  
32 requirements of Republic Act No. 6713, otherwise known as the "Code of Conduct

1 and Ethical Standards for Public Officials and Employees”, whenever any member  
2 attending a meeting of the Board has a personal interest in the discussion or  
3 resolution of any given matter, or any of the relatives within the fourth degree of  
4 consanguinity or a second degree of affinity has such interest, said member shall  
5 disclose such interest to the Board and shall not participate in the discussion or  
6 resolution of the matter and must retire from the meeting during the deliberations  
7 thereon. The subject matter, when resolved, and the fact that a member had a  
8 personal interest in it, shall be disclosed to the public. The minutes of the meeting  
9 shall reflect the disclosure made and the recusal of the member concerned.

10 SEC. 17. *Personnel.* – The Board of Directors shall provide for an organization  
11 and staff of officers and employees of the Bank and upon recommendation of the  
12 President of the Bank, appoint and remove such officers and employees: *Provided,*  
13 That the Board shall have exclusive and final authority to promote, transfer, assign  
14 or reassign personnel of the Bank, any provisions of existing law to the contrary  
15 notwithstanding.

16 All positions in the Bank shall be governed by the Compensation and  
17 Classification System established by the GCG and as approved by the President of  
18 the Philippines upon recommendation by the Secretary of Finance.

19 The Bank officers and employees, including all members of the Board, shall  
20 not engage directly or indirectly in partisan political activities or take part in any  
21 election except to vote.

22 No officer or employee of the Bank, subject to civil service law and  
23 regulations, shall be removed or suspended except for cause as provided for by law  
24 and after due process of law.

25 SEC. 18. *Legal Counsel.* – Any provision of existing law or executive order to  
26 the contrary notwithstanding, the Bank shall have its own Legal Department which  
27 shall have the power to represent the Bank in cases filed before courts, tribunals,  
28 and quasi-judicial bodies, render opinions, prepare and review  
29 contracts/agreements. The Head and members of the Legal Department shall be  
30 appointed by the Board of Directors.

1 In appropriate cases, the Bank may also avail of the legal services of the  
2 Office of the Government Corporate Counsel: Provided, however, That the present  
3 Legal Services Group in the Bank shall serve as its in-house legal counsel.

#### 4 TRANSITORY PROVISIONS

5 SEC. 19. *Reorganization of the Bank.* – Within one hundred eighty (180) days  
6 after the effectivity of this Act, and whenever necessary thereafter, the Bank is  
7 hereby authorized to reorganize and/or rationalize the Bank's organizational  
8 structure to attract fresh and critical talents to join the Bank's workforce in response  
9 to dynamic industry trends, incentivize early separation of tenured employees and  
10 those with medical conditions who will be considered for retirement before the  
11 optional retirement age of sixty (60) years old, and improve headcount  
12 management and succession planning.

13 All those who shall retire from the service or are separated therefrom on  
14 account of the reorganization of the Bank under the provisions of this Charter shall  
15 be entitled to all gratuities and benefits provided for under existing laws and/or  
16 supplementary retirement plans adopted by and effective in the Bank.

17 SEC. 20. *Penalty for Violation of the Provisions of this Charter.* – Any director,  
18 officer, employee or agent of the Bank who violates or permits the violation of any  
19 of the provisions of this Charter, or any person aiding or abetting the violation of any  
20 of the provisions of this Charter, shall be punished by a fine of not to exceed Five  
21 hundred thousand pesos (P500,000.00) or by imprisonment of not more than five  
22 (5) years, or both such fine and imprisonment, at the discretion of the court.

23 SEC. 21. *Separability Clause.* – If any provision of this Act is subsequently  
24 declared invalid or unconstitutional, the other provisions hereof which are not  
25 affected thereby shall remain in full force and effect.

26 SEC. 22. *Repealing Clause.* – Sections 74 to 100 of Republic Act No. 3844,  
27 otherwise known as the Agricultural Land Reform Code, as amended, are hereby  
28 repealed. All laws, executive orders, rules and regulations, or parts thereof  
29 inconsistent with any provision hereof are hereby repealed or modified accordingly.

30 SEC. 23. *Effectivity.* – This Act shall take effect fifteen (15) days after its  
31 publication in the Official Gazette or in a newspaper of general circulation.

32 Approved,