

RECORD OF THE SENATE

TUESDAY, NOVEMBER 16, 1999

ROLL CALL

OPENING OF THE SESSION

At 3:38 p.m., Hon. Vicente C. Sotto III, acting as the Presiding Officer, called the session to order.

The Presiding Officer [Sen. Sotto]. The 37th session of the Second Regular Session of the Eleventh Congress is hereby called to order.

Let us all stand for the opening prayer to be led by Senate President Blas F. Ople.

Everybody rose for the opening prayer.

PRAYER

Senator Ople.

Dear Lord, as the clock ticks to the third millennium of Your advent on earth, the fate of mankind has remained stuck in age-old poverty, conflicts, betrayals, wars and social upheavals;

And yet our hope always waxes strong because of our faith in Your eternal justice and mercy.

Dear Lord, please make the Senate the instrument of Your will to liberate our people from the clutches of poverty, which is an absolute tyrant. While we command no armies and may not run our own programs under the constitutional division of labor, we shall be fighting mass poverty with the parliamentary weapon of making laws and exercising the power of oversight on governmental operations through the national budget.

Help us, Lord, focus on these priorities and help us stay the hand of a misguided few who would like to see the Senate divided and distracted because it is in such a cloudy atmosphere that they hope to realize their self-seeking ambitions.

Finally, dear Lord, ask the Holy Spirit to help us stoke the flames of our devotion to our country, conscious that to be a senator is a privilege given only to a few, and that the pride of having served You and our people with complete faithfulness and integrity is the highest reward.

Thank you, dear Lord.

Amen.

The Presiding Officer [Sen. Sotto]. The Secretary will please call the roll.

The Secretary, reading:

- Senator Teresa S. Aquino-Oreta Present
Senator Robert Z. Barbers Present
Senator Rodolfo G. Biazon Present
Senator Renato L. Compañero Cayetano .. Present
Senator Anna Dominique M. L. Coseteng . **
Senator Franklin M. Drilon Present
Senator Juan Ponce Enrile Present
Senator Juan M. Flavie Present
Senator Teofisto T. Guingona Jr. Present
Senator Gregorio B. Honasan **
Senator Robert S. Jaworski Absent***
Senator Loren B. Legarda-Leviste Present
Senator Ramon B. Magsaysay Jr. Present*
Senator John Henry R. Osmeña Present*
Senator Sergio R. Osmeña III Present
Senator Aquilino Q. Pimentel Jr. Present
Senator Ramon B. Revilla Present
Senator Raul S. Roco Present
Senator Miriam Defensor Santiago Present
Senator Vicente C. Sotto III Present
Senator Francisco S. Tatad **
The President Present

The Presiding Officer [Sen. Sotto]. With 16 senators present, there is a quorum.

The Majority Leader is recognized.

THE JOURNAL

Senator Drilon. Mr. President, I move that we dispense with the reading of the Journal of the previous session, Session No. 36, and consider it approved.

The Presiding Officer [Sen. Sotto]. Is there any objection? [Silence] There being none, the motion is approved.

SUSPENSION OF SESSION

Senator Drilon. Mr. President, I move that we suspend the session for one minute.

The Presiding Officer [Sen. Sotto]. Is there any objection? [Silence] There being none, the session is suspended for one minute.

* Arrived after the roll call
** On official mission
*** On account of illness

Senator Guingona. Mr. President.

The President. Sen. Teofisto T. Guingona Jr. is recognized.

What is the pleasure of the Minority Leader?

Senator Guingona. Mr. President, since this is a vital piece of legislation, and since some of us would like to make amendments based on the committee amendments, I am wondering whether we can still ask for a reconsideration so that clean copies of the bill can be submitted to us and then we can base our actions on them. So in the meantime, we withhold further approval of the committee amendments.

Senator Drilon. Mr. President, for an orderly procedure, may I suggest that we proceed to close the period of committee amendments and the Secretariat be directed to prepare a revised version of the bill now containing all the approved committee amendments.

Under the *Rules*, we have two session days to ask for a reconsideration of any approval of committee amendments. And if necessary, we can suspend the *Rules* and accommodate any request for a reconsideration of the approval of any committee amendments. Further, even with the approved committee amendments, we can still propose amendments in the period of individual amendments and the same can be voted upon.

Senator Guingona. With that explanation, I will agree so we can have the clean copy as early as possible.

Senator Drilon. Yes, Mr. President. So, I move that we close the period of committee amendments.

The President. Is there any objection? *[Silence]* There being none, the motion is approved.

Senator Drilon. Mr. President, may I now ask the Secretariat to prepare a revised version of the measure now containing the committee amendments and have it distributed to the members of this Chamber in tomorrow's session.

The President. The Secretariat is so directed.

SUSPENSION OF CONSIDERATION OF S. NO. 153

Senator Drilon. I now move that we suspend consideration of Senate Bill No. 153 under Committee Report No. 41.

The President. Is there any objection? *[Silence]* There being none, the motion is approved.

SUSPENSION OF SESSION

Senator Drilon. I move that we suspend the session for one minute.

The President. Is there any objection? *[Silence]* There being none, the session is suspended for one minute.

It was 4:44 p.m.

RESUMPTION OF SESSION

At 4:50 p.m., the session was resumed.

The President. The session is resumed. The Majority Leader is recognized.

BILL ON SECOND READING S. No. 1519--General Banking Law of 1999 *(Continuation)*

Senator Drilon. Mr. President, I move that we resume consideration of Senate Bill No. 1519 as reported out under Committee Report No. 29.

The President. Is there any objection? *[Silence]* There being none, resumption of consideration of Senate Bill No. 1519 is now in order.

Senator Drilon. We have closed the period of interpellations. We are now in the period of committee amendments. May I ask the Chair to recognize the principal sponsor, Sen. Raul S. Roco.

The President. Sen. Raul S. Roco is recognized.

COMMITTEE AMENDMENTS

Senator Roco. Thank you very much, Mr. President. The committee is pleased to submit certain amendments on the basis of the interpellations and suggestions from our colleagues.

On page 1, delete lines 11 to 12 so that the reference to "Branches of foreign banks covered by Republic Act No. 7721" shall no longer appear. This was on the basis of the suggestion of Senator Santiago. I move for its approval, Mr. President.

The President. Is there any objection? *[Silence]* There being none, the amendment is approved.

Senator Roco. Thank you, Mr. President. As a consequence of the deletion of lines 11 and 12, there will be a

subsequent changing of the letters. May we have an omnibus motion that letters (D), (E) and (F) be automatically adjusted as a matter of style.

The President. Is there any objection? *[Silence]* There being none, the amendment is approved.

Senator Roco. Thank you Mr. President. On page 2... By the way, the editorial acts will refer to Subsections (C), (D), (E), (F) and (G). That will be covered by the prior amendment.

On "Supervisory Powers", Mr. President, line 23, the reference to the phrase "twice every calendar year" is hereby proposed to be modified in line with the suggestion, I think, of the Minority Leader. So that it becomes "shall not be oftener than ONCE every calendar year." I move that it be approved.

The President. Is there any objection? *[Silence]* There being none, the amendment is approved.

SUSPENSION OF SESSION

Senator Roco. I move that we suspend the session for one minute, Mr. President.

The President. The session is suspended for one minute, if there is no objection. *[There was none.]*

It was 4:54 p.m.

RESUMPTION OF SESSION

At 4:57 p.m., the session was resumed.

The President. The session is resumed. Senator Roco is recognized.

Senator Roco. Mr. President, may I rephrase my motion for facility of transcription. On page 2, lines 22 to 25, I move that subsection 3.4 be amended so that it will read as follows: "Periodic investigation or examination which shall not be oftener than". Replace the phrase "twice every calendar" with the phrase "ONCE A YEAR FROM THE LAST DATE OF EXAMINATION to determine whether an institution is conducting its business on a safe or sound basis."

This is only one of the many methods of supervising, Mr. President. I move that it be approved.

The President. Is there any objection to this amendment?

Senator Drilon. Mr. President.

The President. The Majority Leader is recognized.

Senator Drilon. Just for the record. This provision would not prevent the Bangko Sentral from inspecting the books where there are detected anomalies.

Senator Roco. No, Mr. President. In fact, there are many other instances not even covered by these provisions where the Bangko Sentral can take over. The Bangko Sentral can calibrate its response.

The President. With that clarification, is the Chamber ready to approve this amendment of the committee? *[Silence]* There being no objection, the amendment is approved.

Senator Roco. Thank you, Mr. President.

On page 3, Mr. President—based on the interpellation of Senator Santiago—line 27, the phrase "subject to judicial review" should be deleted and the period (.) shall therefore be after the words "Monetary Board" on line 26. So that lines 24, 25 to 26 will be as they are without the proviso of "subject to judicial review" only because it is redundant. And if there is abuse in any event, it will always be subject to judicial review. But the way it is phrased and the draftsmanship problem, it looks as though the decision of the Monetary Board shall always be subject to judicial review under this instance. May we ask, therefore, for the approval of that deletion.

The President. Is there any objection? *[Silence]* There being none, the amendment is approved.

Senator Roco. Thank you, Mr. President.

On page 4, line 11 is sought to be modified so that the fourth paragraph of Section 5 from lines 9 to 13 shall read as follows: "Failure or refusal to comply with the required presentation or production of all books, documents, papers or records DIRECTLY RELATED TO BANKING TRANSACTIONS"—that is the addition and these should all be in capital letters in the next version—"shall subject the persons responsible therefor to the penal sanctions provided under Section 36 of the New Central Bank Act."

The President. Is there any objection? *[Silence]* There being none, the amendment is approved.

Senator Roco. Thank you, Mr. President.

Again, on page 5, line 30,—this was also requested by Senator Santiago—delete the phrase "related interests" and in lieu thereof, use the terms FAMILY GROUPS. Instead of "related interests,"

we use the phrase FAMILY GROUPS to conform to the title *Stockholdings of Family Groups*.

Senator Drilon. What line is it?

Senator Roco. Line 30. "... shall be considered related interests and must be fully disclosed in all transactions."

SUSPENSION OF SESSION

Mr. President, I move that we suspend the session for one minute so I can review this editorially.

The President. The session is suspended for one minute, if there is no objection. *[There was none].*

It was 5:02 p.m.

RESUMPTION OF SESSION

At 5:03 p.m., the session was resumed.

The President. The session is resumed. Senator Roco is recognized.

Senator Roco. Reviewing the notes, after the discussions with Senator Santiago and Senator Aquino-Oreta, in the course of the interpellation it was decided, in the thrust and parry of the debate, that we retain the use of the term "related interests" to be consistent in the usage of Section 11 and Section 35. So I withdraw the proposed amendment and proceed to page 6, line 29.

The President. Is there any objection? *[Silence]* There being none, the motion is approved.

Senator Roco. On line 29, before the start of the sentence, insert the phrase THE PROVISIONS OF THE CORPORATION CODE TO THE CONTRARY NOTWITHSTANDING. Then it proceeds—"there shall be at least seven (7) members..."

It is also the recommendation of Senator Santiago to make a very clear modification in the Corporation Code.

If this is acceptable, Mr. President, I move that it be approved.

The President. Is there any objection? *[Silence]* There being none, the committee amendment is approved.

SUSPENSION OF SESSION

Senator Roco. I move that we suspend the session for one minute, Mr. President.

The President. Is there any objection? *[Silence]* There being none, the motion is approved.

It was 5:06 p.m.

RESUMPTION OF SESSION

At 5:08 p.m., the session was resumed.

The President. The session is resumed. Senator Roco is recognized.

MOTION OF SENATOR ROCO
(To Submit a New Draft of the
Committee Amendments)

Senator Roco. Mr. President, in an effort to facilitate the discussions, may we ask permission and we so move that we be allowed to submit the new draft, properly engrossed to show in capital letters when it is an addition or properly bracketed to indicate that it is a deletion. That draft, which will be dated today, shall then be the basis for the committee amendments, and the committee will still proceed on a line-by-line basis. Everybody then has a full context of the proposed amendments.

The President. The Majority Leader is recognized.

Senator Drilon. Mr. President, we have no objection to that proposal that will facilitate the discussion. The understanding is that the new version, which will contain the proposed committee amendments which are not yet approved, will be read by the sponsor for the approval of the Chamber.

The President. Make sure that this new working draft will be circulated.

Senator Roco. Tomorrow, Mr. President. We have the amendments, but tightening the language will take a little time tonight. The staff are used to working overtime but the computerization may take a lot of time.

The President. There is a motion by the sponsor and agreed to by the Majority Leader. Is there any objection? *[Silence]* There being none, the motion is approved.

SUSPENSION OF CONSIDERATION OF S. NO. 1519

Senator Drilon. Mr. President, I move that we suspend consideration of Senate Bill No. 1519.

The President. Is there any objection? *[Silence]* There being none, the motion is approved.