

[Act No. 3519, February 20, 1929]

AN ACT AMENDING ACT NUMBERED TWO THOUSAND SEVEN HUNDRED AND ELEVEN, KNOWN AS THE ADMINISTRATIVE CODE, CREATING THE BUREAU OF BANKING AND PRESCRIBING ITS POWERS AND DUTIES.

Be it enacted by the Senate and House of Representatives of the Philippines in Legislature assembled and by the authority of the same:

SECTION 1. Section eighty-three of the Administrative Code is hereby amended to read as follows:

"SEC. 83. *Bureaus and offices under the Department of Finance.*—The Department of Finance shall have executive supervision over the Bureau of Customs, the Bureau of Internal Revenue, the Bureau of the Treasury, the Bureau of Banking, and the Bureau of Printing. It shall also have the general supervision over banks, banking transactions, coinage, currency, and except as otherwise specially provided over all funds the investment of which may be authorized by law."

SEC. 2. Section sixteen hundred and three of the Administrative Code is hereby amended to read as follows:

"SEC. 1603. *Functions of Bureau of Treasury.*—The Bureau of the Treasury shall be charged with the safekeeping of governmental funds, the supervision of the currency, and generally with the administration of the laws of the United States and of the Philippine Islands relating to coinage and currency in said Islands, and any other laws or parts of laws that may be expressly placed within its jurisdiction."

SEC. 3. Article VIII of chapter forty-one of the Administrative Code and sections sixteen hundred and twenty-eight, sixteen hundred and twenty-nine, sixteen hundred and thirty, sixteen hundred and thirty-one, sixteen hundred and thirty-two, sixteen hundred and thirty-three, sixteen hundred and thirty-four, sixteen hundred and thirty-five, and sixteen hundred and thirty-six thereunder are hereby repealed.

SEC. 4. Article IX of chapter forty-one of the Administrative Code and sections sixteen hundred and thirty-seven, sixteen hundred and thirty-eight, sixteen hundred and thirty-nine, sixteen hundred and forty, sixteen hundred and forty-one and sixteen hundred and forty-two thereunder shall hereinafter be designated as Article VIII and sections sixteen hundred and twenty-eight, sixteen hundred and twenty-nine, sixteen hundred and thirty, sixteen hundred and thirty-one, sixteen hundred and thirty-two and sixteen hundred and thirty-three, respectively.

SEC. 5. The said Administrative Code is further amended by inserting immediately after chapter forty-one a new chapter to be known as "Chapter 41-A, Bureau of Banking" which shall contain the following provisions:

"Chapter 41-A. BUREAU OF BANKING

"SEC. 1634. *Chief official of the Bureau of Banking; his duties, powers and jurisdiction.*—The Bureau of Banking shall have one chief to be known as Bank Commissioner and shall be charged with the supervision and inspection of banks and banking institutions. The terms 'bank' and 'banking institution' as used in this chapter shall include banker, banks, mortgage banks, savings banks, commercial banks, trust companies, building and loan associations, and all other corporations, companies, partnerships, and associations performing banking functions.

"It shall be the duty of the Bank Commissioner to perform the duties imposed upon him by this chapter and see that all laws relating to banking and to banking institutions are duly executed. He shall have authority to issue such orders, instructions, and regulations as he may consider necessary to carry out the provisions of the law governing banking institutions and the supervision thereof, and to forbid a banking institution to transact business which is unlawful or, in his opinion, prejudicial to the creditors of such institution, and to require any banking institution to conduct its business in a lawful and safe manner, but all regulations of a general character must first be approved by the Secretary of Finance. Any banking institution may appeal from any order or instruction issued by the Bank Commissioner to the Secretary of Finance in accordance with section 79 (C) of the Administrative Code and may appeal from the decision of the Secretary of Finance to the Governor-General.

"The Bank Commissioner and the examiners of the Bureau of Banking are hereby authorized to administer oaths to any director, officer, or employee of any banking institution and to compel the presentation of all books, documents, papers or records necessary in his or their judgment to ascertain the facts relative to the true condition of any banking institution.

"SEC. 1635. *Prohibitions.*—The Bank Commissioner and all employees of the Bureau of Banking are hereby prohibited from:

"(a) Being an officer, director, employee, or stockholder, directly or indirectly of any banking institution subject to supervision or inspection by the bureau;

"(b) Receiving, except with the written approval of the Secretary of Finance, any loan, advance, gift, or thing of value from any such banking institution or from any officer, director, or employee thereof;

"(c) Revealing in any manner, except under orders of the court, information relating to the condition or business of any such banking institution. This prohibition shall not be held to apply to the giving of information to the Secretary of Finance, the Governor-General, or to any person authorized by either of them in writing to receive such information.

"SEC. 1636. *Quarterly report of certain institutions to Bank Commissioner.*—Every bank and banking institution engaged in business in the Philippine Islands shall on or before the fifteenth day of January, April, July, and October of each year, make a

report to the Bank Commissioner. This quarterly report shall contain such information relative to the business of the person or institution making the report as may be generally-prescribed in the regulations of the Bureau of Banking or as may be called for by the Bank Commissioner in special inquiries.

"When made by a corporation doing business in the Philippine Islands as a branch of a principal institution in another country, such report shall specifically state all the details of the business conducted during the preceding quarter in the Philippine branch thereof, and shall also report the financial condition of its principal at the latest practicable period prior to the date of such report.

"Forms of reports shall be supplied by the Bank Commissioner to all institutions of which reports are required in the Islands, and it shall be the duty of the Bank Commissioner therein to require the statement of such matter, as nearly as may be, as in the United States is required to be stated in the reports by national banks to the Comptroller of the currency under the laws and regulations therein prevailing.

"SEC. 1637. *Examinations into condition of institutions.*—It shall be the duty of the Bank Commissioner, personally or by deputy, at least once in every twelve months, and at such other times as he may deem expedient, to make an examination of the books of every institution within the purview of this chapter in order to ascertain its cash and available assets in the Philippine Islands, and its general condition and method of doing business, and to make report of the same to the Secretary of Finance, who will transmit a copy of said report to the Governor-General.

"Every such institution shall afford to the Bank Commissioner, and to his authorized deputy, full opportunity to examine its books, its cash, its available assets, and general condition, at any time when requested so to do by the Commissioner: *Provided, however,* That none of the reports and other papers relative to the examination of banking institutions shall be open to inspection by the public except insofar as such publicity shall be incidental to the proceedings hereinafter authorized or necessary for the prosecution of violations in connection with the business of the bank.

"The total annual expenses of the Bureau of Banking shall be reimbursed annually to the Government to the extent of one-half by assessment levied upon all banking institutions subject to inspection by the Bank Commissioner. The proportion of expenses of the Bureau of Banking to be assessed against each such banking institution shall be the same as the proportion which its average total assets bear to the average total assets of all such banking institutions during the year in which the expenses were incurred, but the one-half of the total expenses of the Bureau of Banking assessed against all banking institutions in any one year shall not exceed sixty thousand pesos. The Bank Commissioner shall by regulation prescribe the form, manner, and time for the levying and payment of the assessment.

"SEC. 1638. *Proceedings to suspend operation of offending institutions—Petition of Attorney-General.*—When the owner, agent, manager, or other responsible officer in charge of any institution within the purview of this chapter shall wilfully refuse to file a report hereinabove required or to permit an examination of its affairs, as specified in the next preceding section hereof, it shall be the duty of the Bank Commissioner forthwith to give written information of such delinquency to the Attorney-General, whose duty it shall be to address a petition to the Secretary of Finance praying that