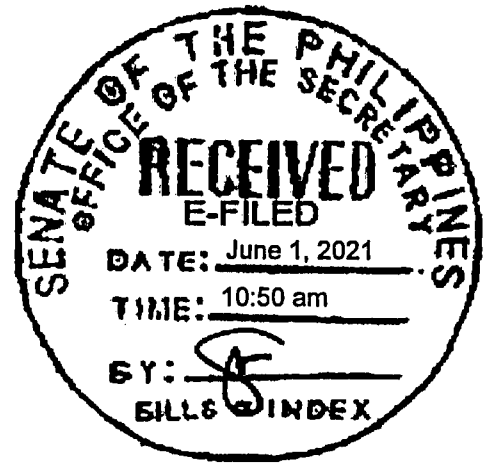


EIGHTEENTH CONGRESS OF THE]
REPUBLIC OF THE PHILIPPINES]
Second Regular Session]

SENATE

S.B. No. 2251



Introduced by SEN. WIN GATCHALIAN

**AN ACT
MANDATING GOVERNMENT FINANCIAL INSTITUTIONS TO CREATE A
BANK ACCOUNT FOR EVERY UNBANKED FILIPINO, AND FOR OTHER
PURPOSES**

EXPLANATORY NOTE

Despite the boom of digital payment solutions during the pandemic and the government's initiatives for financial inclusion, some 51.2 million Filipinos remain unbanked.¹ This means that around 47% of the Filipino population still do not have a bank account.

According to BSP's 2019 Financial Inclusion Survey, only 28.6% of the respondents with ages 15 years old and above have a formal account, which includes bank, e-money, cooperative and microfinance institution accounts, and only 12.2% of these respondents have bank accounts. The same survey shows that 71% find difficulty in opening an account due to documentary requirements while 58% do not have the requirements for their loan applications in a formal financial institution.

While the Philippine National ID aims to address an individual's lack of documentary requirements for opening a bank account, the government still needs to

¹ <https://pearlpay.com/why-filipinos-remain-unbanked/> (Feb. 1, 2021)

facilitate and strengthen the financial inclusion landscape in the country by facilitating the opening and maintaining of bank accounts that may be used for the delivery of the government's public and social services.

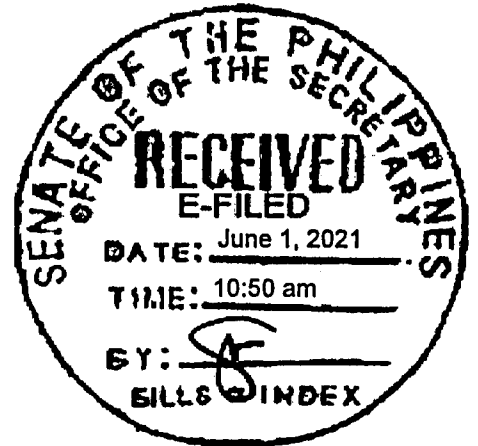
Accordingly, this bill seeks to mandate its leading government financial institutions, particularly the LandBank and the Development Bank of the Philippines, to open and maintain a bank account for all Filipinos, free from opening and maintenance fees and charges, beginning January 1, 2023. The bank accounts so created will be used for the delivery of the government's public and social services, and will be linked with the Philippine Identification System.

In view of the foregoing, passage of this bill is earnestly sought.



WIN GATCHALIAN

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MANDATING GOVERNMENT FINANCIAL INSTITUTIONS TO CREATE A BANK
ACCOUNT FOR EVERY UNBANKED FILIPINO, AND FOR OTHER PURPOSES

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

1 **SECTION 1. Title.** — This Act shall be known as the "One Filipino, One Bank Account
2 Act".

3
4 **SEC. 2. Declaration of Policy.** — It is hereby declared the policy of the State to
5 strengthen the financial inclusion landscape in the Philippines, and to promote seamless,
6 efficient, transparent and targeted delivery of public and social services.

7 Towards this end, the Land Bank of the Philippines (LandBank) and the
8 Development Bank of the Philippines (DBP) shall empower every unbanked Filipino to
9 have access to financial services that will allow efficient, transparent and targeted delivery
10 of public and social services and enable an ordinary Filipino to secure funding for his
11 future enterprise. Thus, the LandBank and the DBP shall be mandated to create and
12 maintain a bank account for every unbanked Filipino free from any opening and
13 maintenance fees or charges.

14

1 **SEC. 3. *Scope and Coverage.*** — This Act shall apply to all Filipino citizens who
2 are covered by the Philippine Identification System (PhilSys) under Republic Act (RA)
3 11055, otherwise known as the "Philippine Identification System Act".
4

5 **SEC. 4. *Creation of Bank Accounts.*** — The LandBank and the DBP are
6 mandated to open and maintain a bank account, beginning January 1, 2023, for every
7 Filipino citizen, free from any opening and maintenance fees or charges, through which
8 the government's public and social services may be seamlessly and transparently
9 delivered: Provided that, the LandBank and the DBP shall jointly create and manage a
10 unified database of the bank accounts so created pursuant to this Act: Provided further,
11 that, the PhilSys shall be linked by the LandBank, the DBP and the Philippine Statistics
12 Authority (PSA) with the bank account so created and maintained under this Act. For this
13 purpose, the linkage of the PhilSys with the bank accounts so created under this Act shall
14 be exempt from the provisions of RA 1405, otherwise known as the "Bank Secrecy Law".

15 The LandBank and the DBP shall automatically open and maintain a bank account
16 for Filipino citizens who have successfully registered with the PhilSys upon presentation
17 of the PhilID issued pursuant to RA 11055: Provided, further that, any Filipino citizen who
18 has not yet registered with PhilSys by January 1, 2023 may proceed to the nearest
19 LandBank or DBP branch to secure a bank account by presenting other proper and
20 acceptable identification issued by the government: Provided, further that, said bank
21 account shall be automatically linked with the PhilSys upon successful registration of the
22 Filipino citizen, without need of his consent.

23 The bank accounts for Filipino citizens below the age of majority or who are
24 incapacitated to give consent under Article 1327 of the New Civil Code shall be opened
25 and linked with the accounts of their parents, legal guardians or persons exercising
26 substitute parental authority, as the case may be.

27 The LandBank and the DBP, in coordination with the Bangko Sentral ng Pilipinas
28 (BSP), the PSA, the National Economic Development Authority (NEDA), the Department
29 of Social Welfare and Development (DSWD), and other pertinent government agencies
30 and local government units, shall immediately formulate a mechanism to implement the

1 objectives of this Act, and to establish a seamless transition wherein these bank accounts
2 shall be used for the delivery of the government's public and social services.

3
4 **SEC. 5. Appropriations.** — The amount needed for the initial implementation of
5 this Act shall be taken from the current year's appropriations of LandBank, DBP and PSA.
6 Thereafter, the amounts as may be necessary for its continued implementation shall be
7 included in the annual General Appropriations Act.

8
9 **SEC. 6. Implementing Rules and Regulations.** — Within sixty (60) days from
10 the effectivity of this Act, the LandBank and the DBP, together with the BSP, the DSWD,
11 the PSA, and the NEDA, shall jointly promulgate the necessary rules and regulations for
12 the effective implementation of this Act: *Provided*, That the LandBank and the DBP may
13 call upon any agency to provide information or assistance in the drafting of the rules and
14 regulations.

15 The non-promulgation of the implementing rules and regulations shall not prevent
16 the implementation of this Act upon effectivity.

17
18 **SEC. 7. Separability Clause.** - If any provision of this Act or part thereof be
19 declared unconstitutional or invalid, all other provisions or parts not affected thereby shall
20 remain valid and effective.

21
22 **SEC. 8. Repealing Clause.** — All laws, decrees, executive orders, rules and
23 regulations or parts thereof, which are inconsistent with this Act, are hereby repealed,
24 amended or modified accordingly.

25
26 **SEC. 9. Effectivity.** — This Act shall take effect immediately upon its publication
27 in the Official Gazette or in a newspaper of general circulation.

Approved.