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LAWNUM: RA07169

DATE : 01/02/92

TITLE : AN ACT TO REHABILITATE THE PHILIPPINE VETERANS BANK CREATED  
UNDER  
REPUBLIC ACT NO. 3518, PROVIDING THE MECHANISMS THEREFOR, AND FOR  
OTHER  
PURPOSES

TEXT :

H. No. 34160

Republic of the Philippines  
Congress of the Philippines  
Metro Manila

Fifth Regular Session

Begun and held in Metro Manila, on Monday, the twenty-second  
day of July, nineteen hundred and ninety-one.

[REPUBLIC ACT No. 07169]

AN ACT TO REHABILITATE THE PHILIPPINE VETERANS  
BANK CREATED UNDER REPUBLIC ACT NO. 3518,  
PROVIDING THE MECHANISMS THEREFOR, AND FOR  
OTHER PURPOSES

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

SECTION 1. Declaration of Policy. - In order to give  
meaning and realization to the constitutional mandate to  
provide immediate and adequate care, benefits, and other  
forms of assistance to war veterans and veterans of military  
campaigns, their surviving spouses and orphans, it is hereby  
declared the policy of the Government to provide the  
necessary mechanisms to rehabilitate the Philippine Veterans  
Bank, hereinafter known as the Veterans Bank, a bank owned by  
the Filipino veterans of World War II and deeply imbued and  
impressed with public interest.

SEC. 2. Settlement of Liabilities. - The National  
Government deposit of One billion four hundred eighty-nine  
million pesos (P 1,489,000,000.00) with the Veterans Bank is  
hereby restructured into a seven-year promissory note of the  
said bank carrying an interest rate of four percent (4%) per  
annum effective on the date of actual operation: Provided,  
That only the interest shall be paid in the first three (3)  
years: Provided, further, That repayment of the principal

shall be divided into four (4) equal amortizations: Provided, finally, That the said promissory note shall be exempted from the reserve requirements rule for commercial banks.

The accrued interests due the National Government deposits up to and during the time of the Veterans Bank's closure in 1985 and the tax liabilities incurred by the Veterans Bank also up to and during the time of the Veterans Bank's closure are hereby condoned and extinguished.

The obligations of the Veterans Bank with the Central Bank of the Philippines and the Philippine Deposit Insurance Corporation are hereby restructured in the same manner governing National Government deposits provided in the first paragraph of this section.

With respect to deposits of local government units and other private depositors with the Veterans Bank, the terms and conditions for the retention or withdrawal thereof shall be negotiated individually but may carry more favorable terms in favor of the Veterans Bank.

SEC. 3. Operations and Changes in the Capital Structure of the Veterans Bank and Other Amendments. - The operations and changes in the capital structure of the Veterans Bank, as well as other amendments to its articles of incorporation and bylaws as prescribed under Republic Act No. 3518, shall be in accordance with the Corporation Code, the General Banking Act, and other related laws.

SEC. 4. Repeal of Amendatory Presidential Decrees. - Presidential Decree Nos. 236, 1637, 919 and 1906 which are inconsistent with this Act are hereby repealed, thus restoring the full force and legal effect of Republic Act No. 3518.

SEC. 5. Reopening of the Veterans Bank and Its Branches. - Pursuant to and within ninety (90) days from the effectivity of this Act, the Central Bank is hereby authorized to reopen the Philippine Veterans Bank together with all its branches within the period of three (3) years from the date of the reopening of the head office with no branch licensing cost to the said bank.

SEC. 6. Veterans Bank as a Government Depository. - The Secretary of Finance, the National Treasurer and his authorized representatives, city and municipal treasurers, as well as custodians of public funds or those belonging to government-owned or-controlled corporations, are hereby authorized if they so desire to make and actually maintain deposits of any government or corporate funds with the Veterans Bank, which is hereby declared to be a government depository.

SEC. 7. Rehabilitation Committee. - To facilitate the implementation of the provisions of this Act, there is hereby created a rehabilitation committee which shall have a term of three (3) months from the date of the approval of this Act composed of the following: the Executive Secretary, as Chairman, and the Administrator of the Philippine Veterans Affairs Office, the President of the Veterans Federation of the Philippines, a representative from the executive board of the Veterans Federation of the Philippines and a representative from the Board of Trustees of the Veterans of World War II or their respective representatives, as members.

Specifically, the committee shall:

(a) Prepare, finalize and submit a viable rehabilitation plan to the Monetary Board of the Central Bank;

(b) Select and organize an initial manning force headed by a management team to be composed of competent, experienced and professional managers who must possess all qualifications and none of the disqualifications provided under Central Bank rules and regulations. The management team shall be staffed by a trained workforce: Provided, That preference shall be given to the veterans and their dependents, other qualifications being equal;

(c) Exercise management oversight and liaison with Central Bank officers for a period which shall not exceed three (3) months reckoned from the date of approval by the Monetary Board to reopen the Veterans Bank; and

(d) Submit to the Monetary Board of the Central Bank other recommendations for the successful reopening and operations of the Veterans Bank.

SEC. 8. Transitory Provisions. - Without requiring new capital infusion either from the Government or from outside investors, the Filipino veterans of World War II who are the real owners-stockholders of the Veterans Bank shall cause the said bank to have at least Seven hundred fifty million pesos (P750,000,000.00) in total unimpaired capital accounts prior to reopening pursuant to this Act as a commercial bank.

It is hereby provided that the Board of Trustees of the Veterans of World War II (BTVWW II) created under Republic Act No. 3518 is hereby designated as trustee of all issued but undelivered shares of stock.

SEC. 9. Repealing Clause. - All laws or parts of any law inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 10. Effectivity. - This Act shall take effect upon its approval.

Approved,

MITRA  
JOVITO R. SALONGA  
President of the Senate  
House

RAMON V.  
Speaker of the  
House  
of Representatives

This Act which originated in the House of Representatives was finally passed by the House of Representatives and the Senate on December 4, 1991 and December 2, 1991, respectively.

SABIO  
EDWIN P. ACOBA  
Secretary of the Senate

CAMILO L.  
Secretary General  
House of Representatives

Approved: January 02, 1992

CORAZON C. AQUINO  
President of the Philippines