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Sandiganbayan

The Sandiganbayan has ordered Royal Traders Holding Co., Inc. (RTHCI) — formerly Traders Royal Bank (TRB)/Traders Commerce Bank (TCB) — to pay the government the face value, plus interests, of the bank certificates valued at P65,978,870, \$5,435,362.90 and P30,050,000 involved in the alleged ill-gotten wealth of the late former President Ferdinand E. Marcos.

The bank certificates were among the documents and other items turned over to the Philippine government by the United States in line with the decision handed down by the US District Court of Hawaii on the claims against the so-called Marcos wealth.

The certificates and other items like jewelry and other documents were brought by the Marcoses to Hawaii as an aftermath of the People Power Revolution in 1986.

In a decision issued last Sept. 24 and written by Associate Justice Oscar C. Herrera Jr., the Sandiganbayan granted the case filed originally in 1997 by the Presidential Commission on Good Government (PCGG) against TRB as the lone defendant.

The anti-graft court said that “among the properties and papers... referred to in the decision of the US District Court of Hawaii are the banking documents where TRB effectively acknowledged receipt of funds from President Marcos, denominated in Philippine peso and United States dollars.”

Citing the ruling of the US District Court of Hawaii, the Sandiganbayan said the foreign court upheld the settlement executed by Imelda Marcos as well as her right and authority when she “assigned her interest as well as that of the estate of Ferdinand Marcos, to the Republic of the Philippines” over the properties and papers, including the TRB-issued bank certificates.

It pointed out that the judgment of the Hawaii District Court can be enforced in the Philippines in line with Section 48, Rule 39 of the Rules of Court Execution of Judgement.

“[T]he Philippine legal system has long ago accepted into its jurisprudence and procedural rules the viability of an action for enforcement of foreign judgment, as well as requisites for such valid enforcement, as derived from internationally accepted doctrines,” it noted.

Records showed that in 1993, the PCGG sent letters to TRB for the payment of the amounts covered by the bank certificates to the National Treasurer of the Philippines or the Bureau of Treasury, but TRB refused.

TRB countered that “the notes, certificates of time deposits, documents, and bearer certificates, banking instruments, and evidences of indebtedness claimed by plaintiff (PCGG for the government) have all been already paid for by the defendant (TRB), and are no longer outstanding.”

But the Sandiganbayan described as totally “untenable” TRB’s allegations.

It said that “the certificates which were brought by the Marcoses to Hawaii, which are included as part of the (decision) in the interpleader case and now sought to be enforced for payment to plaintiff, have not been surrendered to TRB. This negates TRB’s claim that payments have been made.”

It cited the testimony of lawyer Hector Rivera, formerly of the Trust Department of TRB, saying that he made payments to Dominador Pangilinan, former president of TRB, without requiring the surrender of certificates of deposit.

But, the anti-graft court said, the alleged payment is “unreliable” since “not a single surrendered certificate of deposit was presented by Mr. Rivera to support the claim of the payment.”

The Sandiganbayan stressed: “TRB remains liable for the payment of the face value of the peso as well as dollar denominated bank certificates in question.”

The same decision found no sufficient basis to grant PCGG’s second cause of action for the reconveyance of the 278,488 shares of stock, including 81,510 shares as subscription, in the name of Royal Bank of Canada.

The decision was concurred in by Associate Justices Michael Frederick L. Musngi and Bayani H. Jacinto.

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