

**Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City**



**SEVENTEENTH CONGRESS
FIRST REGULAR SESSION**

HOUSE BILL NO. 3732

Introduced by Honorable Cristal L. Bagatsing

EXPLANATORY NOTE

Presidential Decree No. 1689 increases the penalty of swindling under Article 315 and 316 from life imprisonment to death, if swindling is committed by a syndicate of five or more persons formed with intent of carrying unlawful or illegal act, transaction or scheme and defraudation results in misappropriation of moneys contributed by stockholders or members of rural banks, cooperatives, samahang nayon of farmers' association or funds contributed by corporations or associations for general welfare (April 1, 1980). If not committed by a syndicate, the penalty is reclusion temporal to reclusion perpetua, if the amount defrauded exceeds P100,000.00 (Fundamentals of Criminal Law Review, Ninth edition, pp.848),

The very intention of this law is to imposed higher penalty to acts committed by syndicates composed of five or more persons. Since it affects people's faith or trust in our economy, it is more of economic sabotage. Scams through pyramiding is an abuse of confidence where syndicates were able to operate victimizing hundreds of Filipino people. However, the mastermind of these scams were able to evade the maximum penalty by simply alleging that the complainant failed to establish that the crime was committed by a syndicate of five or more persons. Therefore the intent of PD 1689 to impose the maximum penalty for syndicated estafa was defeated.

Hence, the immediate passage of this bill is earnestly sought.



CRISTAL L. BAGATSING
Representative
5th District, Manila

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AN ACT
REDEFINING THE CRIME OF SYNDICATED ESTAFA, AMENDING FOR
THE PURPOSE SECTION 1 OF PRESIDENTIAL DECREE NO. 1689

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

SECTION 1. Section 1 of Presidential Decree No. 1689 is hereby amended to
Read as follows:

“Section 1. Any person or persons who shall commit estafa or other forms of swindling as defined in Article 315 and 316 of the Revised Penal Code, as amended, shall be punished by life imprisonment to death if the swindling (estafa) is committed by a syndicate consisting of **TWO** [five] or more persons formed with the intention of carrying out the unlawful or illegal act, transaction, enterprise or scheme and the defraudation results in the misappropriation of moneys contributed by stockholders, or members of rural banks cooperative, “samahang nayon(s)” , or farmers’ association, or funds solicited by corporations/ associations from the general public.

"When not committed by a syndicate as above defined, the penalty "imposable shall be reclusion temporal to reclusion perpetua if the amount of the fraud exceeds 100,000 pesos."

SEC. 2. Effectivity Clause. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved.