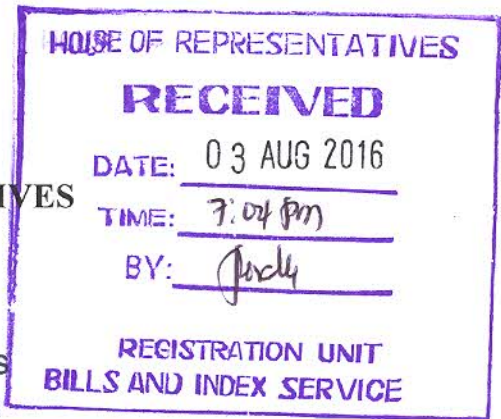




Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City, Metro Manila

Seventeenth Congress  
First Regular Session



**HOUSE BILL NO. 2515**

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**Introduced by Honorable Ramon "Red" H. Durano VI**

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**EXPLANATORY NOTE**

This bill seeks to amend Batas Pambansa Bilang 22, otherwise known as act penalizing the making or drawing and issuance of a check without sufficient funds, or credit and for other purposes.

The rampant clamor of the business sectors of the proliferation of cases involving the issuance of unfunded checks has greatly affected the integrity of the banking and business transaction all throughout the country. The need to protect the integrity of the check as a form of legal tender in the country is paramount. The clamor to protect the issuance of check is left unheeded, could have a serious implication on the country's booming economy.

Appropriately, the need to amend the three decades old law is warranted as some provisions in the said law could no longer cope up with the current business practice or is no longer sufficient to deter unscrupulous people from abusing the issuance of the unfunded check. This amendment seeks to ensure the integrity of the country's economic advances and protect the Philippine banking industry as a whole.

In view of the foregoing, the approval of this bill is urgently requested.

  
**RAMON "Red" H. DURANO VI**



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**HOUSE BILL NO. 2515**

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**Introduced by Honorable Ramon “Red” H. Durano VI**

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AN ACT AMENDING BATAS PAMBANSA BILANG 22 INCREASING THE PENALTIES FOR MAKING OR DRAWING AND ISSUANCE OF A CHECK WITHOUT SUFFICIENT FUNDS, OR CREDIT AND FOR OTHER PURPOSES INCLUDING MAKING OR DRAWING AND ISSUANCE OF A CHECK WITH A CLOSED BANK ACCOUNT.

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

**SECTION 1.** Batas Pambansa Bilang 22 otherwise known as **THE ANTI BOUNCING CHECKS LAW.**

is hereby amended to read as follows:

Section 1. Checks without sufficient funds. - Any person who makes or draws and issues any check to apply on account or for value, *[knowing at the time of issue that he does not have sufficient funds in or credit with the drawee bank for the payment of such check in full upon its presentment, which check is subsequently dishonored by the drawee bank for insufficiency of funds or credit or would have been dishonored for the same reason had not the drawer, without any valid reason, ordered the bank to stop payment, shall be punished by imprisonment of not less than thirty days but not more than one (1) year or by a fine of not less than but not more than double the amount of the check which fine shall in no case exceed Two Hundred Thousand Pesos, or both such fine and imprisonment at the discretion of the court.]* **A. KNOWING AT THE TIME OF ISSUE THAT HE DOES**

NOT HAVE SUFFECIENT FUNDS IN OR CREDIT WITH THE DRAWEE BANK FOR THE PAYMENT OF SUCH CHECK IN FULL UPON ITS PRESENTMENT, WHICH CHECK IS SUBSEQUENTLY DISHONORED BY THE DRAWEE BANK FOR INSUFFECIENCY OF FUNDS OR CREDIT OR WOULD HAVE BEEN DISHONORED FOR THE SAME REASON HAD NOT THE DRAWER, WITHOUT ANY VALID REASON, ORDERED THE BANK TO STOP PAYMENT, SHALL BE PUNISHED BY IMPRISONMENT OF ONE (1) YEAR BUT NOT MORE THAN THREE (3) YEARS.

B. The same penalty shall be imposed upon any person who, having sufficient funds in or credit with the drawee bank when he makes or draws and issues a check, shall fail to keep sufficient funds or to maintain a credit to cover the full amount of the check if presented within a period of ninety (90) days from the date appearing thereon, for which reason it is dishonored by the drawee bank.

C. KNOWING AT THE TIME OF ISSUE THAT HIS BANK ACCOUNT WITH THE DRAWEE BANK HAS ALREADY BEEN CLOSED, WHICH CHECK IS SUBSEQUENTLY DISHONORED BY THE DRAWEE BANK FOR BEING A CLOSED ACCOUNT, SHALL BE PUNISHED BY IMPRISONMENT OF FOUR (4) YEARS BUT NOT MORE THAN SIX(6) YEARS.

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**SECTION 2. Batas Pambansa Bilang 22 otherwise known as THE ANTI BOUNCING CHECKS LAW.**

**is hereby amended to read as follows:**

Evidence of knowledge of insufficient funds. - The making, drawing and issuance of a check payment of which is refused by the drawee because of *[insufficient funds in or credit with such bank, when presented within ninety (90) days from the date of the check, shall be prima facie evidence of knowledge of such insufficiency of funds or credit unless such maker or drawer pays the holder thereof the amount due thereon, or makes arrangements for payment in full by the drawee of such check within (5) banking days after receiving notice that such check has not been paid by the drawee.]* A. INSUFFECIENT FUNDS IN OR CREDIT WITH SUCH BANK, WHEN PRESENTED WITHIN ONE HUNDRED EIGHTY DAYS FROM THE DATE OF THE CHECK, SHALL BE PRIMA FACIE EVIDENCE OF KNOWLEDGE OF SUCH INSUFFECIENCY OF FUNDS OR CREDIT UNLESS SUCH MAKER OR DRAWER PAYS THE HOLDER THEREOF THE AMOUNT DUE THEREON OR MAKES ARRANGEMENTS FOR PAYMENT IN FULL BY THE DRAWEE OF SUCH CHECK WITHIN (30) BANKING DAYS

AFTER RECEIVING NOTICE THAT SUCH CHECK HAS NOT BEEN PAID BY THE DRAWEE.

B. CLOSED BANK ACCOUNT, WHEN PRESENTED WITHIN ONE HUNDRED EIGHTY DAYS FROM THE DATE OF THE CHECK, SHALL BE PRIMA FACIE EVIDENCE OF KNOWLEDGE OF ISSUING A CHECK DESPITE HAVING A CLOSED BANK ACCOUNT, UNLESS SUCH MAKER OR DRAWER PAYS THE HOLDER THEREOF THE AMOUNT DUE THEREON OR MAKES ARRANGEMENTS FOR PAYMENT IN FULL BY THE DRAWEE OF SUCH CHECK WITHIN (30) BANKING DAYS AFTER RECEIVING NOTICE THAT SUCH CHECK HAS NOT BEEN PAID BY THE DRAWEE.

NOTICE OF DISHONOR- THE MAILING OF THE NOTICE OF DISHONOR BY THE MAKER OR DRAWER TO THE DRAWEE'S LAST KNOWN ADDRESS VIA REGISTERED MAIL SHALL BE DEEMED AS SUFFECIENT COMPLIANCE AS EVIDENCE OF RECEIPT OF THE SAID NOTICE BY THE DRAWEE.

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Section 7. ***Effectivity.*** – This act shall take effect within fifteen (15) days after its publication in at least two newspapers of general circulation.

Approved,