

GOVERNMENT SERVICE INSURANCE SYSTEM, PETITIONER, VS. THE HONORABLE 15TH DIVISION OF THE COURT OF APPEALS AND INDUSTRIAL BANK OF KOREA, TONG YANG MERCHANT BANK, HANAREUM BANKING ...

G.R. No. 189206. June 08, 2011

Ponente: PEREZ, J.

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PEREZ, J.:

The subject of this petition for certiorari is the Decision [1] of the Court of Appeals in CA-G.R. SP No. 82647 allowing the quashal by the Regional Trial Court (RTC) of Makati of a subpoena for the production of bank ledger. This case is incident to Civil Case No. 99-1853, which is the main case for collection of sum of money with damages filed by Industrial Bank of Korea, Tong Yang Merchant Bank, First Merchant Banking Corporation, Land Bank of the Philippines, and Westmont Bank (now United Overseas Bank), collectively known as "the Banks" against Domsat Holdings, Inc. (Domsat) and the Government Service Insurance System (GSIS). Said case stemmed from a Loan Agreement, [2] whereby the Banks agreed to lend United States (U.S.) \$11 Million to Domsat for the purpose of financing the lease and/or purchase of a Gorizon Satellite from the International Organization of Space Communications (Intersputnik). [3]

The controversy originated from a surety agreement by which Domsat obtained a surety bond from GSIS to secure the payment of the loan from the Banks. We quote the terms of the Surety Bond in its entirety. [4]

Republic of the Philippines
GOVERNMENT SERVICE INSURANCE SYSTEM
GENERAL INSURANCE FUND

GSIS Headquarters, Financial Center

Roxas Boulevard, Pasay City

G(16) GIF Bond 027461

S U R E T Y B O N D

KNOW ALL MEN BY THESE PRESENTS:

That we, DOMSAT HOLDINGS, INC., represented by its President as PRINCIPAL, and the GOVERNMENT SERVICE INSURANCE SYSTEM, as Administrator of the GENERAL INSURANCE FUND, a corporation duly organized and existing under and by virtue of the laws of the Philippines, with principal office in the City of Pasay, Metro Manila, Philippines as SURETY, are held and firmly bound unto the OBLIGEEs: LAND BANK OF THE PHILIPPINES, 7th Floor, Land Bank Bldg. IV. 313 Sen. Gil J. Puyat Avenue, Makati City; WESTMONT BANK, 411 Quintin Paredes St., Binondo, Manila: TONG YANG MERCHANT BANK, 185, 2-Ka, Ulchi-ro, Chungk-ku, Seoul, Korea; INDUSTRIAL BANK OF KOREA, 50, 2-Ga, Ulchi-ro, Chung-gu, Seoul, Korea; and FIRST MERCHANT BANKING CORPORATION, 199-40, 2-Ga, Eulji-ro, Jung-gu,

Seoul, Korea, in the sum, of US \$ ELEVEN MILLION DOLLARS (\$11,000,000.00) for the payment of which sum, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITIONS OF THE OBLIGATION ARE AS FOLLOWS:

WHEREAS, the above bounden PRINCIPAL, on the 12[th] day of December, 1996 entered into a contract agreement with the aforementioned OBLIGEES to fully and faithfully

Guarantee the repayment of the principal and interest on the loan granted the PRINCIPAL to be used for the financing of the two (2) year lease of a Russian Satellite from INTERSPUTNIK, in accordance with the terms and conditions of the credit package entered into by the parties.

This bond shall remain valid and effective until the loan including interest has been fully paid and liquidated,

a copy of which contract/agreement is hereto attached and made part hereof;

WHEREAS, the aforementioned OBLIGEES require said PRINCIPAL to give a good and sufficient bond in the above stated sum to secure the full and faithful performance on his part of said contract/agreement.

NOW, THEREFORE, if the PRINCIPAL shall well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements stipulated in said contract/agreements, then this obligation shall be null and void; otherwise, it shall remain in full force and effect.

WITNESS OUR HANDS AND SEALS this 13[th] day of December 1996 at Pasay City, Philippines.

DOMSAT HOLDINGS, INC
Principal

GOVERNMENT SERVICE INSURANCE
SYSTEM
General Insurance Fund

By:

By:

CAPT. RODRIGO A. SILVERIO

AMALIO A. MALLARI

President

Senior Vice-President

General Insurance Group

When Domsat failed to pay the loan, GSIS refused to comply with its obligation reasoning that Domsat did not use the loan proceeds for the payment of rental for the satellite. GSIS alleged that Domsat, with Westmont Bank as the conduit, transferred the U.S. \$11 Million loan proceeds from the Industrial Bank of Korea to Citibank New York account of Westmont Bank and from there to the Binondo Branch of Westmont Bank. [5] The Banks filed a complaint before the RTC of Makati against Domsat and GSIS.

In the course of the hearing, GSIS requested for the issuance of a subpoena duces tecum to the custodian of records of Westmont Bank to produce the following documents:

1. Ledger covering the account of DOMSAT Holdings, Inc. with Westmont Bank (now United Overseas Bank), any and all documents, records, files, books, deeds, papers, notes and other data and materials relating to the account or transactions of DOMSAT Holdings, Inc. with or through the Westmont Bank (now United Overseas Bank) for the period January 1997 to December 2002, in his/her direct or indirect possession, custody or control (whether actual or constructive), whether in his/her capacity as Custodian of Records or otherwise;
2. All applications for cashier's/ manager's checks and bank transfers funded by the account of DOMSAT Holdings, Inc. with or through the Westmont Bank (now United Overseas Bank) for the period January 1997 to December 2002, and all other data and materials covering said applications, in his/her direct or indirect possession, custody or control (whether actual or constructive), whether in his/her capacity as Custodian of Records or otherwise;
3. Ledger covering the account of Philippine Agila Satellite, Inc. with Westmont Bank (now United Overseas Bank), any and all documents, records, files, books, deeds, papers, notes and other data and materials relating to the account or transactions of Philippine Agila Satellite, Inc. with or through the Westmont bank (now United Overseas Bank) for the period January 1997 to December 2002, in his/her direct or indirect possession, custody or control (whether actual or constructive), whether in his/her capacity as Custodian of Records or otherwise;
4. All applications for cashier's/manager's checks funded by the account of Philippine Agila Satellite, Inc. with or through the Westmont Bank (now United Overseas Bank) for the period January 1997 to December 2002, and all other data and materials covering said applications, in his/her direct or indirect possession, custody or control (whether actual or constructive), whether in his/her capacity as Custodian of Records or otherwise. [6]

The RTC issued a subpoena decus tecum on 21 November 2002. [7] A motion to quash was filed by the banks on three grounds: 1) the subpoena is unreasonable, oppressive and does not establish the relevance of the documents sought; 2) request for the documents will violate the Law on Secrecy of Bank Deposits; and 3) GSIS failed to advance the reasonable cost of production of the documents. [8] Domsat also joined the banks' motion to quash through its Manifestation/Comment. [9] On 9 April 2003, the RTC issued an Order denying the motion to quash for lack of merit. We quote the pertinent portion of the Order, thus:

After a careful consideration of the arguments of the parties, the Court did not find merit in the motion.

The serious objection appears to be that the subpoena is violative of the Law on Secrecy of Bank Deposit, as amended. The law declares bank deposits to be "absolutely confidential" except: x x x (6) In cases where the money deposited or invested is the subject matter of the litigation.

The case at bench is for the collection of a sum of money from defendants that obtained a loan from the plaintiff. The loan was secured by defendant GSIS which was the surety. It is the contention of defendant GSIS that the proceeds of the loan was deviated to purposes other than to what the loan was extended. The quashal of the subpoena would deny defendant GSIS its right to prove its defenses.

WHEREFORE, for lack of merit the motion is DENIED. [10]

On 26 June 2003, another Order was issued by the RTC denying the motion for reconsideration filed by the banks. [11] On 1 September 2003 however, the trial court granted the second motion for reconsideration filed by the banks. The previous subpoenas issued were consequently quashed. [12] The trial court invoked the ruling in *Intengan v. Court of Appeals*, [13] where it was ruled that foreign currency deposits are absolutely confidential and may be examined only when there is a written permission from the depositor. The motion for reconsideration filed by GSIS was denied on 30 December 2003.

Hence, these assailed orders are the subject of the petition for certiorari before the Court of Appeals. GSIS raised the following arguments in support of its petition:

I.

Respondent Judge acted with grave abuse of discretion when it favorably considered respondent banks' (second) Motion for Reconsideration dated July 9, 2003 despite the fact that it did not contain a notice of hearing and was therefore a mere scrap of paper.

II.

Respondent judge capriciously and arbitrarily ignored Section 2 of the Foreign Currency Deposit Act (RA 6426) in ruling in his Orders dated September 1 and December 30, 2003 that the US\$11,000,000.00 deposit in the account of respondent Domsat in Westmont Bank is covered by the secrecy of bank deposit.

III.

Since both respondent banks and respondent Domsat have disclosed during the trial the US\$11,000,000.00 deposit, it is no longer secret and confidential, and petitioner GSIS' right to inquire into what happened to such deposit can not be suppressed. [14]

The Court of Appeals addressed these issues in seriatim.

The Court of Appeals resorted to a liberal interpretation of the rules to avoid miscarriage of justice when it allowed the filing and acceptance of the second motion for reconsideration. The appellate court also underscored the fact that GSIS did not raise the defect of lack of notice in its opposition to the second motion for reconsideration. The appellate court held that failure to timely object to the admission of a defective motion is considered a waiver of its right to do so.

The Court of Appeals declared that Domsat's deposit in Westmont Bank is covered by Republic Act No. 6426 or the Bank Secrecy Law. We quote the pertinent portion of the Decision:

It is our considered opinion that Domsat's deposit of \$11,000,000.00 in Westmont Bank is covered by the Bank Secrecy Law, as such it cannot be examined, inquired or looked into without the written consent of its owner. The ruling in *Van Twest vs. Court of Appeals* was rendered during the effectivity of CB Circular No. 960, Series of 1983, under Sec. 102 thereof, transfer to foreign currency deposit account or receipt from another foreign currency deposit account, whether for payment of legitimate obligation or otherwise, are not eligible for deposit under the System.

CB Circular No. 960 has since been superseded by CB Circular 1318 and later by CB Circular 1389. Section 102 of Circular 960 has not been re-enacted in the later Circulars. What is applicable now is the decision in *Intengan vs. Court of Appeals* where the Supreme Court has ruled that the under R.A. 6426 there is only a single exception to the secrecy of foreign currency deposits, that is, disclosure is allowed only upon the written permission of the depositor. Petitioner, therefore, had inappropriately invoked the provisions of Central Bank (CB) Circular Nos. 343 which has already been superseded by more recently issued CB Circulars. CB Circular 343 requires the surrender to the banking system of foreign exchange, including proceeds of foreign borrowings. This requirement, however, can no longer be found in later circulars.

In its Reply to respondent banks' comment, petitioner appears to have conceded that what is applicable in this case is CB Circular 1389. Obviously, under CB 1389, proceeds of foreign borrowings are no longer required to be surrendered to the banking system.

Undaunted, petitioner now argues that paragraph 2, Section 27 of CB Circular 1389 is applicable because Domsat's \$11,000,000.00 loan from respondent banks was intended to be paid to a foreign supplier Intersputnik and, therefore, should have been paid directly to Intersputnik and not deposited into Westmont Bank. The fact that it was deposited to the local bank Westmont Bank, petitioner claims violates the circular and makes the deposit lose its confidentiality status under R.A. 6426. However, a reading of the entire Section 27 of CB Circular 1389 reveals that the portion quoted by the petitioner refers only to the procedure/conditions of drawdown for service of debts using foreign exchange. The above-said provision relied upon by the

petitioner does not in any manner prescribe the conditions before any foreign currency deposit can be entitled to the confidentiality provisions of R.A. 6426. [15]

Anent the third issue, the Court of Appeals ruled that the testimony of the incumbent president of Westmont Bank is not the written consent contemplated by Republic Act No. 6426.

The Court of Appeals however upheld the issuance of subpoena praying for the production of applications for cashier's or manager's checks by Domsat through Westmont Bank, as well as a copy of an Agreement and/or Contract and/or Memorandum between Domsat and/or Philippine Agila Satellite and Intersputnik for the acquisition and/or lease of a Gorizon Satellite. The appellate court believed that the production of these documents does not involve the examination of Domsat's account since it will never be known how much money was deposited into it or withdrawn therefrom and how much remains therein.

On 29 February 2008, the Court of Appeals rendered the assailed Decision, the decretal portion of which reads:

WHEREFORE, the petition is partially GRANTED. Accordingly, the assailed Order dated December 30, 2003 is hereby modified in that the quashal of the subpoena for the production of Domsat's bank ledger in Westmont Bank is upheld while respondent court is hereby ordered to issue subpoena duces tecum ad testificandum directing the records custodian of Westmont Bank to bring to court the following documents:

a) applications for cashier's or manager's checks by respondent Domsat through Westmont Bank from January 1997 to December 2002;

b) bank transfers by respondent Domsat through Westmont Bank from January 1997 to December 2002; and

c) copy of an agreement and/or contract and/or memorandum between respondent Domsat and/or Philippine Agila Satellite and Intersputnik for the acquisition and/or lease of a Gorizon satellite.

No pronouncement as to costs. [16]

GSIS filed a motion for reconsideration which the Court of Appeals denied on 19 June 2009. Thus, the instant petition ascribing grave abuse of discretion on the part of the Court of Appeals in ruling that Domsat's deposit with Westmont Bank cannot be examined and in finding that the banks' second motion for reconsideration in Civil Case No. 99-1853 is procedurally acceptable. [17]

This Court notes that GSIS filed a petition for certiorari under Rule 65 of the Rules of Court to assail the Decision and Resolution of the Court of Appeals. Petitioner availed of the improper remedy as the appeal from a final disposition of the Court of Appeals is a petition for review under Rule 45 and not a special civil action under Rule 65. [18] Certiorari under Rule 65 lies only when there is no appeal, nor plain, speedy and adequate remedy in the ordinary course of law. That action is not a substitute for a lost appeal in general; it is not allowed when a party to a case fails to appeal a judgment to the proper forum. [19] Where an appeal is available, certiorari will not prosper even if the ground therefor is grave abuse of discretion. Accordingly, when a party adopts an improper remedy, his petition may be dismissed outright. [20]

Yet, even if this procedural infirmity is discarded for the broader interest of justice, the petition sorely lacks merit.

GSIS insists that Domsat's deposit with Westmont Bank can be examined and inquired into. It anchored its argument on Republic Act No. 1405 or the "Law on Secrecy of Bank Deposits," which allows the disclosure of bank deposits in cases where the money deposited is the subject matter of the litigation. GSIS asserts that the subject matter of the litigation is the U.S. \$11 Million obtained by Domsat from the Banks to supposedly finance the lease of a Russian satellite from Intersputnik. Whether or not it should be held liable as a surety for the principal amount of U.S. \$11 Million, GSIS contends, is contingent upon whether Domsat indeed utilized the

amount to lease a Russian satellite as agreed in the Surety Bond Agreement. Hence, GSIS argues that the whereabouts of the U.S. \$11 Million is the subject matter of the case and the disclosure of bank deposits relating to the U.S. \$11 Million should be allowed.

GSIS also contends that the concerted refusal of Domsat and the banks to divulge the whereabouts of the U.S. \$11 Million will greatly prejudice and burden the GSIS pension fund considering that a substantial portion of this fund is earmarked every year to cover the surety bond issued.

Lastly, GSIS defends the acceptance by the trial court of the second motion for reconsideration filed by the banks on the grounds that it is pro forma and did not conform to the notice requirements of Section 4, Rule 15 of the Rules of Civil Procedure. [21]

Domsat denies the allegations of GSIS and reiterates that it did not give a categorical or affirmative written consent or permission to GSIS to examine its bank statements with Westmont Bank.

The Banks maintain that Republic Act No. 1405 is not the applicable law in the instant case because the Domsat deposit is a foreign currency deposit, thus covered by Republic Act No. 6426. Under said law, only the consent of the depositor shall serve as the exception for the disclosure of his/her deposit.

The Banks counter the arguments of GSIS as a mere rehash of its previous arguments before the Court of Appeals. They justify the issuance of the subpoena as an interlocutory matter which may be reconsidered anytime and that the pro forma rule has no application to interlocutory orders.

It appears that only GSIS appealed the ruling of the Court of Appeals pertaining to the quashal of the subpoena for the production of Domsat's bank ledger with Westmont Bank. Since neither Domsat nor the Banks interposed an appeal from the other portions of the decision, particularly for the production of applications for cashier's or manager's checks by Domsat through Westmont Bank, as well as a copy of an agreement and/or contract and/or memorandum between Domsat and/or Philippine Agila Satellite and Intersputnik for the acquisition and/or lease of a Gorizon satellite, the latter became final and executory.

GSIS invokes Republic Act No. 1405 to justify the issuance of the subpoena while the banks cite Republic Act No. 6426 to oppose it. The core issue is which of the two laws should apply in the instant case.

Republic Act No. 1405 was enacted in 1955. Section 2 thereof was first amended by Presidential Decree No. 1792 in 1981 and further amended by Republic Act No. 7653 in 1993. It now reads:

Section 2. All deposits of whatever nature with banks or banking institutions in the Philippines including investments in bonds issued by the Government of the Philippines, its political subdivisions and its instrumentalities, are hereby considered as of an absolutely confidential nature and may not be examined, inquired or looked into by any person, government official, bureau or office, except upon written permission of the depositor, or in cases of impeachment, or upon order of a competent court in cases of bribery or dereliction of duty of public officials, or in cases where the money deposited or invested is the subject matter of the litigation.

Section 8 of Republic Act No. 6426, which was enacted in 1974, and amended by Presidential Decree No. 1035 and later by Presidential Decree No. 1246, provides:

Section 8. Secrecy of Foreign Currency Deposits. - All foreign currency deposits authorized under this Act, as amended by Presidential Decree No. 1035, as well as foreign currency deposits authorized under Presidential Decree No. 1034, are hereby declared as and considered of an absolutely confidential nature and, except upon the written permission of the depositor, in no instance shall foreign currency deposits be examined, inquired or looked into by any person, government official, bureau or office whether judicial or administrative or

legislative or any other entity whether public or private; Provided, however, That said foreign currency deposits shall be exempt from attachment, garnishment, or any other order or process of any court, legislative body, government agency or any administrative body whatsoever. (As amended by PD No. 1035, and further amended by PD No. 1246, prom. Nov. 21, 1977.)

On the one hand, Republic Act No. 1405 provides for four (4) exceptions when records of deposits may be disclosed. These are under any of the following instances: a) upon written permission of the depositor, (b) in cases of impeachment, (c) upon order of a competent court in the case of bribery or dereliction of duty of public officials or, (d) when the money deposited or invested is the subject matter of the litigation, and e) in cases of violation of the Anti-Money Laundering Act (AMLA), the Anti-Money Laundering Council (AMLC) may inquire into a bank account upon order of any competent court. [22] On the other hand, the lone exception to the non-disclosure of foreign currency deposits, under Republic Act No. 6426, is disclosure upon the written permission of the depositor.

These two laws both support the confidentiality of bank deposits. There is no conflict between them. Republic Act No. 1405 was enacted for the purpose of giving encouragement to the people to deposit their money in banking institutions and to discourage private hoarding so that the same may be properly utilized by banks in authorized loans to assist in the economic development of the country. [23] It covers all bank deposits in the Philippines and no distinction was made between domestic and foreign deposits. Thus, Republic Act No. 1405 is considered a law of general application. On the other hand, Republic Act No. 6426 was intended to encourage deposits from foreign lenders and investors. [24] It is a special law designed especially for foreign currency deposits in the Philippines. A general law does not nullify a specific or special law. *Generalia specialibus non derogant*. [25] Therefore, it is beyond cavil that Republic Act No. 6426 applies in this case.

Intengan v. Court of Appeals affirmed the above-cited principle and categorically declared that for foreign currency deposits, such as U.S. dollar deposits, the applicable law is Republic Act No. 6426.

In said case, Citibank filed an action against its officers for persuading their clients to transfer their dollar deposits to competitor banks. Bank records, including dollar deposits of petitioners, purporting to establish the deception practiced by the officers, were annexed to the complaint. Petitioners now complained that Citibank violated Republic Act No. 1405. This Court ruled that since the accounts in question are U.S. dollar deposits, the applicable law therefore is not Republic Act No. 1405 but Republic Act No. 6426.

The above pronouncement was reiterated in *China Banking Corporation v. Court of Appeals*, [26] where respondent accused his daughter of stealing his dollar deposits with Citibank. The latter allegedly received the checks from Citibank and deposited them to her account in China Bank. The subject checks were presented in evidence. A subpoena was issued to employees of China Bank to testify on these checks. China Bank argued that the Citibank dollar checks with both respondent and/or her daughter as payees, deposited with China Bank, may not be looked into under the law on secrecy of foreign currency deposits. This Court highlighted the exception to the non-disclosure of foreign currency deposits, i.e., in the case of a written permission of the depositor, and ruled that respondent, as owner of the funds unlawfully taken and which are undisputably now deposited with China Bank, he has the right to inquire into the said deposits.

Applying Section 8 of Republic Act No. 6426, absent the written permission from Domsat, Westmont Bank cannot be legally compelled to disclose the bank deposits of Domsat, otherwise, it might expose itself to criminal liability under the same act. [27]

The basis for the application of subpoena is to prove that the loan intended for Domsat by the Banks and guaranteed by GSIS, was diverted to a purpose other than that stated in the surety bond. The Banks, however,

argue that GSIS is in fact liable to them for the proper applications of the loan proceeds and not vice-versa. We are however not prepared to rule on the merits of this case lest we pre-empt the findings of the lower courts on the matter.

The third issue raised by GSIS was properly addressed by the appellate court. The appellate court maintained that the judge may, in the exercise of his sound discretion, grant the second motion for reconsideration despite its being pro forma. The appellate court correctly relied on precedents where this Court set aside technicality in favor of substantive justice. Furthermore, the appellate court accurately pointed out that petitioner did not assail the defect of lack of notice in its opposition to the second motion of reconsideration, thus it can be considered a waiver of the defect.

WHEREFORE, the petition for certiorari is DISMISSED. The Decision dated 29 February 2008 and 19 June 2009 Resolution of the Court of Appeals are hereby AFFIRMED.

SO ORDERED.

Corona, C.J., (Chairperson), Velasco, Jr., Leonardo-De Castro, and Del Castillo, JJ., concur.

[1] Penned by Associate Justice Agustin S. Dizon with Associate Justices Amelita G. Tolentino and Lucenito N. Tagle, concurring. Rollo, pp. 32-44.

[2] Id. at 48-91.

[3] Id. at 55.

[4] Id. at 92-93.

[5] Id. at 9.

[6] CA rollo, pp. 178-179.

[7] Id. at 201-203.

[8] Id. at 181.

[9] Id. at 201-205.

[10] Id. at 225.

[11] Id. at 265.

[12] Id. at 317.

[13] 427 Phil. 293 (2002).

[14] CA rollo, pp. 16, 20 and 25.

[15] Rollo, pp. 39-40.

[16] Id. at 43-44.

[17] Petition. Id. at 13.

[18] Bicol Agro-Industrial Producers Cooperative, Inc. v. Obias, G.R. No. 172077, 9 October 2009, 603 SCRA 173, 184-185 citing National Irrigation Administration v. Court of Appeals, 376 Phil. 362, 371 (1999).

[19] *National Power Corporation v. Laohoo*, G.R. No. 151973, 23 July 2009, 593 SCRA 564, 588 citing *Leca Realty Corporation v. Republic*, G.R. No. 155605, 27 September 2006, 503 SCRA 563, 571.

[20] *Sable v. People*, G.R. No. 177961, 7 April 2009, 584 SCRA 619, 629-630 citing *Mercado v. Court of Appeals*, 484 Phil. 438, 444 (2004); *VMC Rural Electric Service Cooperative, Inc. v. Court of Appeals*, G.R. No. 153144, 16 October 2006, 504 SCRA 336, 352.

[21] Section 4. Hearing of motion. -- Except for motions which the court may act upon without prejudicing the rights of the adverse party, every written motion shall be set for hearing by the applicant.

Every written motion required to be heard and the notice of the hearing thereof shall be served in such a manner as to ensure its receipt by the other party at least three (3) days before the date of hearing, unless the court for good cause sets the hearing on shorter notice.

[22] *Republic v. Eugenio, Jr.*, G.R. No. 174629, 14 February 2008, 545 SCRA 384, 415-416.

[23] Sec. 1, Republic Act No. 1405.

[24] See *China Banking Corporation v. Court of Appeals*, G.R. No. 140687, 18 December 2006, 511 SCRA 110, 117.

[25] *Tomawis v. Balindong*, G.R. No. 182434, 5 March 2010, 614 SCRA 354, 367-368 citing *Agpalo, Statutory Construction*, p. 415 (2003).

[26] *Supra* note 24.

[27] Section 10. Penal provisions. - Any willful violation of this Act or any regulation duly promulgated by the Monetary Board pursuant hereto shall subject the offender upon conviction to an imprisonment of not less than one year nor more than five years or a fine of not less than five thousand pesos nor more than twenty-five thousand pesos, or both such fine and imprisonment at the discretion of the court.

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