EXPLANATORY NOTE

It has been the call of the administration to address the exploitation by informal or “five-six” lenders of the common folk through possession of their documents used to claim government assistance and benefits, such as their automated teller machine (ATM) cards and their corresponding pin numbers. These informal lenders even go as far as emptying out the borrower’s bank accounts leaving the borrower at the mercy of the “five-six” lenders.

The intent of the State in assisting its people, financially or otherwise, was never to serve as collateral or as means to exact payment from them but for particular and well thought of purposes ultimately uplifting the Filipino people. Instead, loan sharks take advantage of their borrower’s vulnerability and take the assistance extended by the State.

Such activity is a contrary and even a mockery of the very spirit of the laws which sought to protect and aid the Filipino people and must be ended.

VIRGILIO S. LACSON
Manila Teachers, Party List
Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City, Metro Manila  

EIGHTEENTH CONGRESS  
Second Regular Session  

HOUSE BILL NO. 7399  

Introduced by Representative VIRGILIO S. LACSON  

AN ACT  
PROHIBITING PERSONS CLAIMING GOVERNMENT BENEFITS OF ANOTHER WITHOUT CAUSE AND AUTHORITY  

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

1 Section 1. Short Title. - This Act shall be known as the "Government Benefits Protection Act".  

2 Section 2. Declaration of Policy. - It is hereby declared the policy of the State to promote the protection of each citizen’s right to property and promotion general welfare as an essential part of enjoyment of the blessings of democracy. To this end, the State shall develop policies and initiate means to discourage the unauthorized claiming of another person’s government benefits.  

3 Section 3. Coverage. – This Act shall apply to all benefits provided by the State intended to be delivered to its citizens, where such benefit particularly describes its recipient.  

4 Section 4. Prohibited Acts. – Any covered benefit under this act shall, at all times, be for the account of the named beneficiary, and it shall be unlawful for any person to:  

5 (a) Claim any government benefits of another person without the latter’s express authority stating cause why he or she cannot claim the benefit himself or herself; and  

6 (b) Dispose, transfer, or otherwise cause possession of an instrument necessary for the claim of a covered government benefit to a person not named as the intended government beneficiary under such instrument;  

7 Section 5. Prima Facie Evidence. – The possession or custody of any instrument used to claim a covered government benefit of another person without supporting
document shall be *prima facie* evidence that such instrument is being used in
violation of section 4 hereof, and therefore such instrument may immediately be
confiscated from the person in possession, control, or custody thereof.

Where there is a supporting document but does not provide lawful cause
preventing the actual inability of the intended beneficiary to claim it himself, such
document shall be *prima facie* evidence that such instrument is being used in
violation of section 4 hereof, and therefore such instrument may immediately be
confiscated from the person in possession, control, or custody thereof.

**Section 5. Data Protection.** – The apprehending officer, after filing the proper
complaint, shall immediately cause the cancellation of the instrument, informing
the covered government office of the cause. Any data necessary for the prosecution
of the offense shall be preserved or retrieved as needed through subpoena. The
covered government office shall ensure protection of data and integrity of the
intended beneficiary’s account, cancelling the reported instrument and all other
necessary implements thereof, informing all its branches and the intended
beneficiary of such cancellation.

The intended beneficiary, having only sufficiently explained that his dispossession
was not contrary to this act, shall be re-issued the his or her documents necessary
for claiming his or her benefits. Where the same cannot be issued within three (3)
days, he or shall immediately be allowed to claim any unclaimed benefit, and such
shall be reflected on his account without need for presentation of necessary
documentation except for proper government identification.

**Section 6. Penalties.** – The penalty of imprisonment of not less six (6) months but
not more than one (1) one year shall or a fine of not more than fifty thousand pesos
(P50,000.00) but not more than one hundred thousand pesos (P100,000.00), or both
at the discretion of the judge.

**Section 7. Implementing Rules.** - Within sixty (60) days from the effectivity of this
Act, all concerned government agencies and relevant stakeholders shall issue the
appropriate implementing rules and regulations of this Act.

**Section 8. Separability Clause.** - If any provision or part of this Act is declared
invalid or unconstitutional, the remaining parts or provisions not affected shall
remain in full force and effect.

**Section 9. Repealing Clause.** - All laws, decrees, orders, rules and regulations and
other issuances or parts thereof which are inconsistent with the provisions of this
Act are hereby repealed or amended accordingly.

**Section 10. Effectivity.** - This Act shall take effect fifteen (15) days after its
publication in the *Official Gazette* or in any newspaper of general circulation.