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COMMITTEE MEETING		
COMMITTEE	SUBJECT MATTER	DISCUSSIONS
Banks and Financial Intermediaries	<p><i>Motu proprio</i> investigation, in aid of legislation, on the following:</p> <ul style="list-style-type: none"> Bank of the Philippine Islands' (BPI) computer system breakdown 	<p>The Committee, chaired by Eastern Samar Rep. Ben Evardone, will continue its inquiry into the issues involving BPI and BDO after the <i>Bangko Sentral ng Pilipinas</i> (BSP), National Privacy Commission (NPC), and the Department of Information and Communications Technology (DICT) have submitted their respective findings on the matter.</p> <p>BPI Executive Vice President Ramon Jocson cited "human error" as the cause of the computer glitch in BPI's banking system wherein the transactions made by affected BPI clients from April 27 to May 2, 2017 were reposted on the same clients' accounts on June 6.</p> <p>The glitch caused panic among account holders who saw their deposits decreased and amused others who saw their savings increased significantly.</p> <p>Replying to the query of Rep. Edgar Sarmiento (1st District, Samar), Jocson explained that the incident started when one of the two authorized programmers who have access to the BPI system was tasked to extract a file from the bank's backup files for the purpose of reconciling data with a certain credit card company. However, said programmer deviated from the procedure and committed an error which created a transaction log file that disrupted the system.</p> <p>Jocson added that the computer glitch affected ATM withdrawals, point-of-sale transactions, and cash acceptance machine deposits involving the accounts of 1.5 million of BPI's eight million clients.</p> <p>BPI President and Chief Executive Officer Cezar Consing assured the Committee that account holders who have incurred charges or penalties due to delays in transactions with the bank as a result of the computer glitch, which lasted for 37 hours from June 7 to June 9, shall be remunerated.</p> <p>When asked by Rep. Winston "Winnie" Castelo (2nd District, Quezon City) if BPI already received complaints relative to the incident, Consing said that no complaint has so far been filed against the company.</p> <p>Meanwhile, Rep. Arnolfo "Arnie" Teves Jr. (3rd District, Negros Oriental) noted that the banking system still lacks the necessary protocols that can assure the public that their deposits in the banks are safe. He called for a thorough investigation of the alleged error committed by the BPI's programmer, pointing out that such a single error could affect the integrity of the entire banking system.</p> <p>On the query of Deputy Speaker Ferdinand Hernandez (2nd District, South Cotabato) if the incident involved "computer</p>

<p>Continuation... Banks and Financial Intermediaries</p>	<ul style="list-style-type: none"> Reported skimming of ATM deposit accounts of Banco de Oro Unibank (BDO) 	<p>hacking,” Consing answered in the negative, insisting that the cause was purely due to “human error.”</p> <p>Likewise, Melchor Plabasan, deputy director of BSP’s Information Technology Specialist Group, said that BSP’s investigators have not yet come across any evidence pointing to the possibility of hacking based on their preliminary investigation.</p> <p>BDO President and Chief Executive Officer Nestor Tan said that “skimming,” which is the unauthorized copying of the information contained in the magnetic strip of ATM cards, started about 12 to 15 years ago worldwide. Since then, 7,800 BDO accounts which the company believes to have been compromised have been blocked and replaced with new cards. Recently, there are 95 BDO accounts that have fallen victim to skimming.</p> <p>To address this problem, Tan said the BSP issued a directive for the banking industry to convert all ATM systems into the Europay, Mastercard and Visa (EMV) system which has added security features. The EMV will be fully implemented by June 2018.</p>
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TECHNICAL WORKING GROUP MEETING				
COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/ DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Natural Resources (Technical Working Group)	HBs 54, 113, 1665 & 2633	Reps. Bag-ao, Baguilat, Cosalan, and Villarin	Regulating the rational exploration, development and utilization of mineral resources, and ensuring the equitable sharing of benefits for the state, indigenous peoples and local communities	The technical working group (TWG), chaired by BAYAN MUNA Party-List Rep. Carlos Isagani Zarate, will deliberate further on the five bills in its next meeting.
	HB 2715	Rep. Zarate	Reorienting the Philippine mining industry towards national industrialization and ensuring the highest industry development standards	<p>The Board of Investments (BOI), an agency attached to the Department of Trade and Industry (DTI), presented the proposed new fiscal regime and revenue sharing arrangement for large-scale metallic mining crafted by the Mining Industry Coordinating Council (MICC).</p> <p>The MICC is an interagency body co-chaired by the heads of the Department of Finance (DOF) and the Department of Environment and Natural Resources (DENR). It was created by virtue of EO 79 which provides policies and guidelines to ensure environmental protection and responsible mining in the utilization of mineral resources. The DTI is a member of the MICC.</p> <p>Director Nestor Arcansalin of the BOI’s Resource-Based Industries Service (RBIS) said that pursuant to EO 79, the MICC developed a unitary fiscal regime that would maximize government share in mining projects and would establish a simple formula for the computation of the government’s share.</p> <p>Based on the MICC’s proposal, the government share will be 10% of gross revenue or 55% of Adjusted Net Mining Revenue (ANMR), whichever is higher. If</p>

<p>Continuation... Natural Resources (Technical Working Group)</p>				<p>ANMR margin exceeds 50% due to increase in metal prices or other factors, the government shall get an additional share of 60% of the excess ANMR. (ANMR means gross revenue less allowable costs.)</p> <p>Chamber of Mines of the Philippines (COMP) Vice President for Legal and Policy Ronald Recidoro presented the COMP's comments on the MICC proposal. He underscored the importance of having a new tax regime for mining that is equitable and competitive in order to attract quality investments into the mineral resource sector.</p> <p>Comparing the MICC's proposed tax structure with the tax regimes of other countries using various types of measurements, Recidoro said the government's share is too high which correspondingly makes the return on investment too low.</p> <p>The BOI, DOF and COMP were requested to submit comparative studies on the current fiscal regime in the Philippines and that of other countries.</p>
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