

## DOJ OKs indictment of ex-head of Parañaque rural bank over Legacy scandal

JUSTICE Secretary Agnes Devanadera ordered last June 29 the filing of criminal charges against the former president of the padlocked Rural Bank of Parañaque. The bank was linked to the alleged fraudulent operations of the Legacy Group of Companies of Albay town Mayor Celso de los Angeles Jr.

Senior State Prosecutor Emile Fe de los Santos said Virgilio Odejar will be charged with violating Republic Act 7653, the New Central Bank Act, for falsification of public document.

"The act of Odejar in submitting an overvalued real and other properties acquired by making use of the property subject matter of deed of assignment in order to make it appear that the bank was solvent was deceitful and therefore it injured not only the Bangko Sentral ng Pilipinas but the public as well," she said.

Odejar would be held accountable under section 35 of RA 7653 and Article 171 section 4 in relation to Article 2 section 1 of the Revised Penal Code, according to prosecutors.

Odejar had allegedly falsely reported in financial statements that the bank's real and other properties owned or acquired had amounted to P3.728 billion, including the bank's outstanding receivables from Conventional Realty Corp. in the amount of

P667 million. Part of the properties included in the financial statement of the bank was a property in Talisay, Batangas donated by Aurora Aguinaldo to Emilio Aguinaldo IV, who later sold the property to the bank for P17.42 million.

Despite the property transfer, Odejar on behalf of the bank executed a deed of assignment in favor of Aguinaldo for a huge consideration of P696 million.

Aguinaldo, a descendant of President Emilio Aguinaldo, was also charged with Odejar.

However, the DOJ cleared him. There was insufficient evidence that Aguinaldo conspired with Odejar in the falsification of public document as the BSP failed to prove the scope and participation or involvement of Aguinaldo in the preparation of the deed of assignment which was falsified, read the DOJ resolution.

The DOJ continues to investigate other complaints against Legacy and De los Angeles, his relatives and other officials of the Legacy Group.

Charges were also filed by the Bangko Sentral ng Pilipinas, the Securities and Exchange Commission, the Philippine Deposit Insurance Corp., private investors and other private individuals. (Philstar.com)

## BoC to computerize valuation of customs goods

by MARLON RAMOS  
Inquirer.net

WHILE the government's plan to automate the 2010 elections hit a snag, the Bureau of Customs (BoC) is poised to implement its own computerization project to curb corruption and increase its revenue collection.

Last June 30, Customs commissioner Napoleon Morales said the Japan International Cooperation Agency (JICA) recently approved a \$10-million financial aid to help the BoC develop its own customs database.

Called the Philippine Customs Intelligence System (PCIS), the project is aimed at collating data regarding the correct valuation of all imported merchandise coming in from abroad.

Morales said the system would be the centerpiece of their plan to institute a paperless, queue-less transaction at the BoC.

"Soon, the days of erring Customs agents in our international ports will be a thing

of the past as brokers and importers need not go to the ports to transact business," Morales told the *Philippine Daily Inquirer*. "This new system could easily solve our problem with undervaluation and technical smuggling which will naturally increase our collection," he added.

Undervaluation and technical smuggling refer to the practice of some unscrupulous importers and brokers who intentionally declare a lower value of their imported goods to avoid paying the correct taxes to the government.

The brokers and importers then bribe corrupt Customs examiners and appraisers to elude confiscation of their shipment.

Morales said information on all the kinds of imported items and its correct appraisal would be placed in the computer software which Customs examiners and appraisers could automatically access through their computers.

The software, which Japanese Customs

officials developed, could store and manage millions of data, he said.

According to Morales, the software will use the highest valuation for a certain product as "test value."

"We will use the test value as the standard valuation of each product to determine how much an importer should pay the government in import duties," he said.

Aside from the standard valuation of imported products, Morales said the software would also provide intelligence reports about the importers.

"That feature would help our examiners detect if a certain importer had been involved in smuggling in the past," he said.

The Customs chief said BoC also started its Electronic to Mobile (E2M) program, which allowed accredited brokers and importers to file import entries through text messaging and the Internet. ■

## RP, East Asia prepare Declaration on ICM and Climate Change

THE East Asian Seas Region Ministerial Forum, to be held in Manila on 26-27 November 2009 as part of East Asian Seas (EAS) Congress 2009 and to be hosted by Philippine Department of Environment and Natural Resources (DENR)

Secretary Jose L. Atienza Jr., will be addressing climate change adaptation through integrated coastal management.

The East Asian Seas region is recognized as being highly vulnerable to the impacts of climate change.

Like the Philippines, other countries of the region are beginning to see and feel the impacts of climate change, such as an increase in the frequency and intensity of tropical storms, resulting in flooding, destruction of property, and loss of lives. There is an urgent need for countries to systematically adapt to, what appears to be, the inevitable scenarios of rising sea levels and unpredictable weather patterns.

The Intergovernmental Panel on Climate Change (IPCC) 4th Assessment Reports refers to ICM as the most appropriate process to deal with climate change, sea level rise and other current and long-term coastal challenges. Executive Order 533 adopts ICM as a national strategy to ensure sustainable development of the

country's coastal and marine environment and resources. Several other countries in the region have adopted similar policies and legislation.

The Ministerial Forum will discuss how ICM can be systematically applied in addressing adaptation to climate change. They will also discuss the formulation of a policy and endorsing a regional action agenda for scaling up ICM programs as an on-the-ground approach to climate change adaptation, particularly among local governments of the region.

The Ministerial Forum is being hosted by the Government of the Philippines, and co-organized by the DENR and Partnerships in Environmental Management for the Seas of East Asia (PEMSEA).

The high-level gathering will immediately follow the International Conference of the EAS Congress 2009, which is being convened under the theme of "Partnerships at Work: Local Implementation and Good Practices," 23-26 November. (PNA)

## Peso moving in tandem with most Asian currencies —Bangko Sentral

by DES FERRIOLS  
Philstar.com

BANGKO Sentral ng Pilipinas (BSP) Governor Amando Tetangco Jr. said the peso is not performing exceptionally worse than its regional peers and has actually begun to perform better at the end of the first semester.

Tetangco rarely reacts to movements in the foreign exchange rates but he took exceptions to reports that the peso was the worst-performing currency in Asia in the first quarter.

"The Philippine peso has been moving in tandem with the movements of most currencies in Asia," Tetangco pointed out. "With the continuing risk aversion in the external markets, the peso has weakened by 1.6 percent on a year-to-date basis as of 29 June 2009."

But Tetangco was quick to point out that the currency is actually performing better than some Asian currencies.

Tetangco cited data indicating that other currencies in the region have also depreciated against the dollar this year such as the Singapore dollar (1.8 percent), Malaysian ringgit (1.9 percent), South Korean won (two percent), and Japanese yen (5.1 percent).

Meanwhile, Tetangco admitted that the country's two closest competitors have seen their currencies appreciate such as the Indonesian rupiah, the Thai baht and the Indian rupee which have strengthened from their levels at the start of the year.

"But the peso's current value as well as its average value year-to-date remain within the DBCC's assumed range of 46-49 per dollar for the year 2009," Tetangco pointed out.

Tetangco said the BSP had no intentions of intervening in the peso-dollar exchange rate except to reduce volatility in either direction.

"The BSP will continue to monitor closely the evolving developments in monetary and foreign exchange conditions to enable it to take appropriate measures consistent with its primary mandate of promoting price stability under the inflation targeting framework," he said.

"Under this framework, the BSP allows the peso's value to be determined by market forces, with the BSP's participation limited to ensuring orderly conditions in the foreign exchange market," Tetangco added.

Despite the gyrations in the peso-dollar exchange rate, central bank officials said they were not worried about the depreciation of the Philippine currency because volatility levels remained tame.

The BSP said that despite the occasional swings, the market-determined exchange rate still worked as an efficient mechanism for allocating resources.

As long as the BSP could keep volatility within manageable levels, officials said the peso remained well within the range of regional currencies where economies are going through the same grinder as the Philippines.

Although the slowdown in the economy could affect external price competitiveness, the BSP said the impact was not so great since the movement of the peso was still in tandem with the movement of other regional currencies.

However, the BSP pointed out that during times of economic difficulty, the exchange rate could not be used as a determining factor for the strength of the country's exports since market demand was the bigger factor to consider. ■

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