

[Act No. 3612, December 03, 1929]

AN ACT TO AMEND ARTICLE EIGHT OF CHAPTER FORTY-ONE AND SECTION TWENTY-SEVEN HUNDRED AND FORTY-THREE OF ACT NUMBERED TWENTY-SEVEN HUNDRED AND ELEVEN, KNOWN AS THE ADMINISTRATIVE CODE, AS AMENDED BY ACT NUMBERED THIRTY-FIVE HUNDRED AND NINETEEN, TO MAKE MORE EFFECTIVE THE SUPERVISION OF THE INSULAR TREASURER OVER MUTUAL BENEFIT, RELIEF, AND BENEVOLENT SOCIETIES OR ASSOCIATIONS, AND FOR OTHER PURPOSES.

Be it enacted by the Senate and House of Representatives of the Philippines in Legislature assembled and by the authority of the same:

SECTION 1. Section sixteen hundred and twenty-eight of the Administrative Code is hereby amended so as to read as follows:

"SEC. 1628. *Mutual benefit, relief, and benevolent society or association defined.*—Any society or association, whether incorporated or not, formed or organized for the purpose of paying sick benefits to members, or of furnishing support to members while out of employment, or of furnishing professional assistance to members, or of paying to relatives of deceased members a fixed or any sum of money, irrespective of whether such aim or purpose is carried out by means of fixed dues, assessments, or voluntary contributions, or of providing for any method of accident or life insurance among its members out of dues or assessments collected from the membership, and any society or association making either or any of such purposes incidental features of its organization on the basis of fixed dues or assessments specifically provided for to meet such incidental features, shall be known as mutual benefit, relief, and benevolent society or association within the purview of this article: *Provided, however,* That any business enterprise or undertaking the controlling interest of which belongs to a mutual benefit, relief, and benevolent society or association shall be subject to the same supervision and examination by the Insular Treasurer as prescribed in this article."

SEC. 2. Article eight, chapter forty-one of the Administrative Code is hereby amended by inserting therein the following sections:

"SEC. 1628-A. *Power to require testimony and documents.*—The Insular Treasurer may require of any person, society, order, or association such testimony or documents as will enable him to determine whether or not a society or association comes within the purview of this article, or which may otherwise be needed by him for the proper enforcement of said article. Copies of the constitution and by-laws of a society or association, or of amendments thereto, whether printed or not, shall when duly certified by the secretary or corresponding officer of the society or

association, be *prima facie* evidence of the legal adoption of such constitution and by-laws or amendments.

"SEC. 1628-B. *License—Preservation of records.*—Every mutual benefit, relief, and benevolent society or association shall, before transacting business, apply to the Insular Treasurer for a license permitting such society or association to transact business, and shall file with the application a certified copy of its articles of incorporation, by-laws, and rules if incorporated, or, if not incorporated, certified copies of its constitution, by-laws, and rules, and shall from time to time file with the office of the Insular Treasurer duly certified copies of every amendment to, or revision of, the said articles of incorporation, constitution, by-laws, and rules within thirty days after the passage or adoption of such amendment or revision.

"Any society or association holding a license from the Insular Treasurer to transact business but which has ceased to operate as such for a period of one year or more shall, before resuming business coming within the scope of the provisions of this article, either through reorganization, re-amendment of its constitution and by-laws or otherwise, be required to apply for a new license from the Insular Treasurer: *Provided*, That societies or associations already existing upon the approval of this Act shall be required to obtain license as required by the provisions of this section within six months after the approval of this Act.

"Any officer, agent, or other person transacting business or in any way acting for any such society or subordinate body thereof, before the issuance of the new license required herein, shall be subject to the penalties provided for in section two thousand seven hundred and forty-three of this Code.

"All mutual benefit, relief, and benevolent societies or associations shall keep and carefully preserve a record of all transactions and the minutes of all meetings of, or resolutions adopted by, the directors, officers, or members, which shall be open to the inspection of any director, officer, or member of the society or association.

"SEC. 1628-C. *Duties of Insular Treasurer—Appeal from his decision—Promulgation of rules and regulations.*—The Insular Treasurer shall see that all provisions of this article are faithfully complied with, and he may direct to any agent, officer, or other person in charge of any society or association coming within the purview of this article, any inquiry or recommendation touching the financial affairs thereof and such agent, officer, or other person shall be bound to make prompt and explicit answer to such inquiry or recommendation.

"The Insular Treasurer may take exception to any provision of the articles of incorporation, constitution, bylaws, or rules, or to any amendment or revision thereof,, of a mutual benefit, relief, and benevolent society or association applying for a license or filing said amendment or revision ifr, in his opinion, .such provision of the articles of incorporation, constitution, by-laws, or rules, or such amendment or revision thereof is (1) contrary to any law in force in the Philippine Islands, or (2) financially

unsound, or (3) oppressive or discriminatory in application against any class of the membership of the society or association, or (4) unjust or unreasonable. If he takes exception to any provision of the articles of incorporation, constitution, by-laws, or rules, he shall not issue the license solicited. If exception is taken to any amendment or revision of the articles of incorporation, constitution, by-laws, or rules, such exception shall render the amendment or revision concerned null and void unless appealed from. In either case, he shall notify the society or association of his exception in writing and the reasons therefor. If he finds that the provisions of the articles of incorporation, constitution, by-laws, and rules of any applicant society or association meet with the requirements of the law, he shall issue the license applied for.

"The society or association or any person who deems himself aggrieved by the decision of the Insular Treasurer may appeal therefrom to the Secretary of Finance without prejudice to any proper court action.

"The Insular Treasurer shall, subject to the approval of the Secretary of Finance, issue such circulars, rules and regulations, and instructions as lie may from time to time deem necessary to secure enforcement of the provisions of this article.

"SEC. 1628-D. *Distribution of funds.*—Every provision of the statutes of any mutual benefit, relief, and benevolent society or association requiring the payment of dues or assessments by the members, whatever form, shall distinctly state the purpose of the same, and the portion thereof which may be used for expenses.

"SEC. 1628-E. *Death benefit and other relief funds kept separate.*—The death benefit and other relief funds, including the net accretions thereof, and the moneys collected for relief purposes of any form, of any society or association shall be available only for the purpose of paying the benefit expressly authorized to be paid out of said funds and the expenses directly connected with the operation thereof.

"SEC. 1628-F. *Benefits not attachable.*—No money or other benefit, charity or relief, or aid to be paid, provided or rendered, by any such society or association shall be liable to attachment, garnishment or other process, or be seized, taken, appropriated, or applied by any legal or equitable process or operation of law to pay any debt or liability of a member or beneficiary, or any other person who may have a right thereunder, either before or after payment.

"SEC 1628-G. *Investment of benefit and other relief funds.*—No mutual benefit, relief, and benevolent society or fun association shall invest its benefit and other relief funds except such portion thereof as shall not be required to meet pending claims and other obligations of said funds, which portion may be invested only in any of the ways provided herein and in no other manner:

"(a) In interest-bearing deposits in any bank doing business in the Philippine Islands.