



Republic of the Philippines
Supreme Court
Office of the Court Administrator
Manila

OCA CIRCULAR NO. 115-2003

TO: THE COURT OF APPEALS, SANDIGANBAYAN, COURT OF TAX APPEALS, REGIONAL TRIAL COURTS, SHARIA DISTRICT COURTS, METROPOLITAN TRIAL COURTS, MUNICIPAL TRIAL COURTS IN CITIES, MUNICIPAL TRIAL COURTS, MUNICIPAL CIRCUIT TRIAL COURTS, SHARIA CIRCUIT COURTS.

SUBJECT: FIXING THE LIFETIME OF BONDS IN CIVIL ACTIONS OR PROCEEDINGS

For the information and guidance of all concerned, quoted hereunder is the resolution of the Court En Banc in Administrative Matter No. 03-03-18-SC dated 5 August 2003, to wit:

WHEREAS, in civil actions or proceedings the filing of bonds may be required, *inter alia*, (a) before a writ (e.g., writ of attachments, injunction, or replevin) may be issued; (b) before a person (e.g., a guardian, receiver, executor, administrator, or trustee) may be allowed to perform his duties; or (c) before an execution of judgment pending appeal may be granted;

WHEREAS, the purposes of the bond in such cases are for, among other things, the protection of the rights and interests of the parties which may be affected by the grant of the writ, by the action of the person authorized to perform certain duties, or by the execution of judgment pending appeal;

WHEREAS, there have been instances that motions or claims filed against the bonds could not prosper for the reason that the bond had long ceased to be effective either because the premiums thereon had not been paid by the party who/which obtained the bonds, or the bonding company was no longer in business at the time;

WHEREAS, measures should be adopted to ensure that the liability on the bonds must be continuing until the final resolution or disposition of the action or proceedings or any

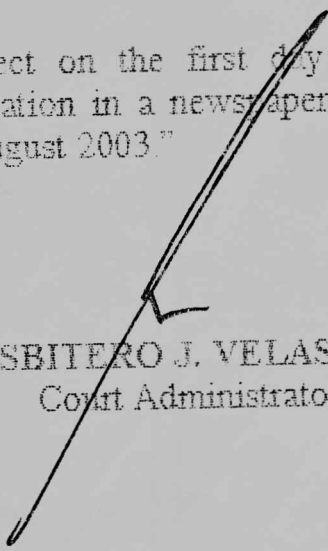
incident therein in connection with which the bonds were issued.

NOW, THEREFORE, the Court hereby RESOLVES that:

1. Unless and until the court directs otherwise, the lifetime or duration of the effectivity of any bond issued in civil actions or proceedings or in any incident therein shall be from its approval by the court until the action or proceedings is finally decided, resolved, or terminated. This condition must be incorporated in the contract or agreement between the party who procured the bond and the surety or bonding company and which contract or agreement shall be submitted to the court for approval. The same condition shall be deemed incorporated in the contract or agreement and shall bind the parties notwithstanding their failure to expressly state the same in the said contract or agreement.
2. The surety or bonding company shall notify the court concerned and the parties to the action or proceedings of any act, event, or circumstances that may affect its business or operations, such as corporate rehabilitation; amendment of its articles of incorporation that shortens corporate lifetime, bankruptcy; insolvency; or issuance of writs of execution, attachment, or garnishment against it. The notice, which shall be given within ten (10) days from the occurrence of the act, event or circumstance, shall have as attachments thereto, certified true copies or authenticated documents evidencing the same, act, event, or circumstance.
3. Upon the effectivity of this Resolution, no surety bond shall be approved by the court unless it complies with the conditions set forth herein.

This resolution shall take effect on the first day of September 2003, following its publication in a newspaper of general circulation not later than 15 August 2003."

29 August 2003.


PRESBITERO J. VELASCO, JR.
Court Administrator