



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

OCA CIRCULAR NO. 102-2015

TO: ALL COURT OFFICIALS AND PERSONNEL

SUBJECT: CLARIFICATION AND AMENDMENT TO A.M. NO. 04-7-02-SC (Re: Guidelines on Corporate Surety Bonds)

In its 21 April 2015 Resolution in A.M. No. 04-7-02-SC (Re: Guidelines on Corporate Surety Bonds), the Supreme Court *En Banc* resolved, among others, to:

(b) **CLARIFY** that the obligation on the part of the accused/defendant to pay the annual premium necessary for the renewal of the surety bond previously approved by the court remains;

(c) **AMEND** the phrase 'Unless and until the Supreme Court directs otherwise' appearing in the first paragraph of Section VII of A.M. No. 04-7-02-SC to read as 'Unless and until the court concerned directs otherwise;'

(d) **AMEND** the second paragraph of Section VII of A.M. No. 04-7-02-SC to include the following statement: 'If the surety company seeks to be discharged from its obligation because of the failure/refusal of the accused/defendant to pay premiums, it shall make the same notice within ten (10) days from the occurrence of such fact and the court shall decide accordingly.'

Pursuant to the above, it is hereby clarified that "the obligation on the part of the accused/defendant to pay the annual premium necessary for the renewal of the surety bond previously approved by the court remains."

Likewise, Section VII, A.M. No. 04-7-02-SC, shall now read as follows:

VII. LIFETIME OF BONDS IN CRIMINAL AND CIVIL ACTIONS/SPECIAL PROCEEDINGS

Unless and until the court concerned directs otherwise, the lifetime or duration of the effectivity of any bond issued in criminal and civil actions/special proceedings, or in any proceeding or

incident therein shall be from its approval by the court, until the action or proceeding is finally decided, resolved or terminated. This condition must be incorporated in the terms and condition of the bonding contract and shall bind the parties notwithstanding their failure to expressly state the same in the said contract or agreement.

The surety company shall notify the court concerned and the parties to the action or proceeding 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. **If the surety company seeks to be discharged from its obligation because of the failure/refusal of the accused/defendant to pay premiums, it shall make the same notice within ten (10) days from the occurrence of such fact and the court shall decide accordingly.**

The concerned Clerk of Court shall furnish the Docket and Clearance Division, Legal Office, OCA, with a copy of the final order of the court on the Motion to Withdraw as Bondsman filed by the surety company, within ten (10) days upon its issuance. (*Amendment emphasized.*)

For your information and guidance.

27 May 2015.


JOSE MIDAS P. MARQUEZ
Court Administrator