



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE DEPUTY GOVERNOR
FINANCIAL SUPERVISION SECTOR

MEMORANDUM NO. M-2020 – 065

To : **ALL NON-STOCK SAVINGS AND LOAN ASSOCIATIONS (NSSLAs)**

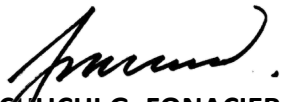
Subject : **GUIDELINES ON THE CLASSIFICATION OF AN NSSLA AS A “COMPLEX” NSSLA FOR REGULATORY PURPOSES**

Consistent with the Bangko Sentral’s risk-based supervision approach and in line with the principle of proportionality, the criteria in the classification of NSSLAs as “complex” as contained in Circular Nos. 1016¹ and 1046² dated 05 October 2018 and 29 August 2019, respectively, are provided, as follows:

Complex NSSLAs shall refer to institutions declared by the Bangko Sentral as such with total assets of at least P5 billion and having at least any one (1) of the following characteristics: (a) with extensive membership base such as those whose membership includes employees or retirees of two or more companies/agencies/institutions, and/or their relatives; (b) with serious issue(s) on the “well-defined group” requirement under R.A. No. 8367 (Revised NSSLA Act of 1997); or (c) with non-conventional business model, such as those using non-traditional delivery platform like electronic platforms and agents.

Accordingly, Complex NSSLAs are subject to the heightened regulatory requirements.

For information and guidance.


CHUCHI G. FONACIER
Deputy Governor

18 August 2020

¹ Compliance Framework for Non-Stock Savings and Loan Association

² Enhanced Guidelines on Sound Credit Risk Management Practices for Non-Stock Savings and Loan Associations (NSSLAs); Amendments to the Manual of Regulations for Non-Bank Financial Institutions