



Bangko Sentral ng Pilipinas

OFFICE OF THE GOVERNOR

CIRCULAR NO. 541
Series of 2006

Subject: Regulations on the Collection by Banks/NBQBs of Fees in Connection with Loans Sourced from Trust Funds Managed by their Trust Department

Pursuant to Monetary Board Resolution No. 1008 dated 11 August 2006, the following regulations on the collection by banks/non-bank financial institutions with quasi-banking functions (NBQBs) of fees, in connection with loans sourced from trust funds managed by their trust department, are hereby issued:

Section 1. Section X423 of the Manual of Regulations for Banks and Section 4423Q of the Manual of Regulations for Non-Bank Financial Institutions are hereby amended by adding another paragraph at the end of their provisions, as follows:

"No bank/NBQB shall collect, for its own account, referral and/or arrangement fees, or any other fees that take the nature of payment to the bank/NBQB from whatever source, in connection with loans sourced from trust funds managed by its trust department: *Provided*, That if such fees are collected, the same shall be properly disclosed to the trustor, and shall accrue to the benefit of the trust, in accordance with the provisions of Sections X401 and X407/Sections 4401Q and 4407Q."

Section 2. Effectivity. This Circular shall take effect fifteen (15) days after its publication either in the Official Gazette or in a newspaper of general circulation.

FOR THE MONETARY BOARD:


AMANDO M. TETANGCO, JR.
Governor

30 August 2006

PANANALAPING MATATAG, BANSANG PANATAG