



Bangko Sentral ng Pilipinas

MAYNILA, PILIPINAS

OFFICE OF THE GOVERNOR

Circular No. 256
Series of 2000

Pursuant to Monetary Board Resolution No. 1233 dated July 21, 2000, the following rules and regulations are hereby issued to implement Section 11 of Republic Act No. 8791, "The General Banking Law of 2000".

Section 1. Foreign individuals and non-bank corporations may own or control up to forty percent (40%) of the voting stock of a domestic bank: *Provided*, That the aggregate foreign-owned voting stocks owned by foreign individuals and non-bank corporations in a domestic bank shall not exceed forty percent (40%) of the outstanding voting stock of the bank. The percentage of foreign-owned voting stocks in a bank shall be determined by the citizenship of the individual stockholders in that bank.

Section 2. A Filipino individual and a domestic non-bank corporation may each own up to forty percent (40%) of the voting stock of a domestic bank. There shall be no aggregate ceiling on the ownership by such individuals and corporations in a domestic bank.

Section 3. The citizenship of the corporation which is a stockholder of a bank shall follow the citizenship of the controlling stockholders of the corporation, irrespective of the place of incorporation. For purposes hereof, the term "controlling stockholders" shall refer to individuals holding more than fifty percent (50%) of the voting stock of the corporate stockholder of the bank.

Section 4. The right of Philippine corporations, however, under Section 8 of Republic Act No. 7721 (Act Liberalizing the Entry of Foreign Banks), to wit:

"x x x Any right, privilege or incentive granted to foreign banks or their subsidiaries or affiliates under this Act, shall be equally enjoyed by and extended under the same conditions to Philippine banks. Philippine corporations whose shares of stocks are listed in the Philippine Stock Exchange or are of long standing for at least ten (10) years shall have the right to acquire, purchase or own up to sixty percent (60%) of the voting stock of a domestic bank."

ITAGUYOD ANG PHILIPPINES 2000



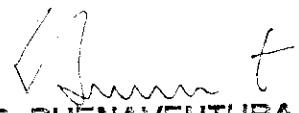
MAG-IMPOK SA BANGKO

shall continue to be in force and effect.

Section 5. This circular supersedes the provisions of Subsection X126.1 of the Manual of Regulations for Banks insofar as inconsistent herewith.

This circular shall take effect immediately.

FOR THE MONETARY BOARD:


RAFAEL E. BUENAVENTURA
Governor

August 15, 2000