



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE DEPUTY GOVERNOR FINANCIAL SUPERVISION SECTOR

MEMORANDUM NO. M-2020-057

To : All BSP-Supervised Financial Institutions (BSFIs)

Subject : Amendments to the Operational Relief Measures for BSFIs

The Monetary Board, in its Resolution No. 900 dated 16 July 2020, approved the amendments to the operational relief measures for BSP-supervised financial institutions under Memorandum No. M-2020-011 dated 19 March 2020, as amended, and M-2020-015 dated 30 March 2020.

Section 1. The provisions of BSP Memorandum No. M-2020-011, as amended, are hereby further amended to read, as follows:

xxx

The measures ease certain BSP regulatory requirements governing banking operations. The period of eligibility may be extended depending on the developments related to the COVID-19 situation.

The additional operational relief measures that are available to BSFIs are as follows:

1. Increase in the single borrower's limit (SBL). Increase in the SBL under Section 362 of the Manual of Regulations for Banks (MORB)/Section 342-Q of the Manual of Regulations for Non-Bank Financial Institutions (MORNBFI) from 25 percent to 30 percent until 31 March 2021, pursuant to national interest.
2. Relaxation in the maximum penalty that may be imposed for reserve deficiencies under Section 255 of the MORB/Section 215-Q of the MORNBFI. For the duration of the enhanced community quarantine until 31 March 2021, the maximum penalty that may be imposed by the BSP for reserve deficiencies shall be the Overnight Lending Facility rate plus 10 basis points: *Provided, That* the maximum reserve deficiency of the BSFI shall be 200 basis points, and the excess above that shall be subject to regular penalties.
3. Relaxation of the notification requirements related to changes in banking days and hours. A bank need not inform the BSP of changes in its banking days, in the case of temporary closure of the bank, and changes in its banking hours, as required under Section 108 of the MORB until 31 March 2021.

4. Relaxation of the notification requirements on the temporary closure of bank branch/branch-lite units and BSFI offices/service units, including their head office

- a. Bank Branch/Branch-Lite or NSSLA Service Unit. The temporary closure of a bank branch/branch-lite unit or NSSLA service unit from March 2020 to March 2021 shall not be subject to the notification requirements under Section 105 of the MORB/Subsection 4151S.8 of the MORNBFI: *Provided*, That information on the closure shall be posted on the bank's/NSSLA's website or social media accounts or displayed in conspicuous places in the premises of the affected bank branch/branch-lite or NSSLA service unit, if the latter requirement is practicable.

Consistent with existing guidelines, the bank branch/branch-lite unit or NSSLA service unit that is temporarily closed shall be re-opened within a period of one (1) year from the date of temporary closure. The temporary closure of said unit beyond one (1) year shall be deemed as a permanent closure and surrender of license of the bank branch/branch-lite unit or NSSLA service unit. Re-opening thereof shall be deemed as an establishment of a new bank branch/branch-lite unit under Section 105 of the MORB and the establishment of an NSSLA service unit under Subsection 4151S.2 of the MORNBFI.

- b. The temporary closure of the head office of a bank/NSSLA that continues to operate through its other branches/branch-lite units/offices/service units will, likewise, be covered by the provisions of Item 4.a.
- c. Other BSFI Head Office/Offices/Units. The temporary closure of other BSFI head office/offices/units from March 2020 to March 2021 shall be subject to the posting of information on the closure on the BSFI's website/social media account or in conspicuous places in the premises of the affected BSFI head office/office/unit, if the latter requirement is practicable.

A BSFI shall submit a consolidated report on the bank head office/branches/branch-lite-units or BSFI head office/offices/service units that were temporarily closed from March 2020 to March 2021 to the appropriate supervising department of the BSP on or before 31 March 2021. The BSFI shall periodically update the appropriate supervising department of the BSP on the status of the re-opening of said bank head office/branches/branch-lite units or BSFI head office/offices/service units until such time that these units are fully operational.

5. Relaxation in the regulations governing the submission of reports and other documents to the BSP-Financial Supervision Sector (FSS)

- a. xxx
- d. Reports or documents sent through an official e-mail address of the BSFI to the BSP-FSS shall be recognized as an authorized submission without

need for a physical signature: *Provided*, That, the submission shall be made in accordance with the provisions of M-2020-007 dated 14 March 2020.

6. Extension in the period of compliance with BSP supervisory requirements

a. xxx

b. The period within which a BSFI is required to comply with the submission of documentary requirements related to activities that fall under a Type C license, as applicable, shall be extended. BSFIs shall be given an additional three months from effectivity of the Memorandum to submit the documentary requirements related to activities under a Type C license that fall due within the months of March to June 2020.

c. xxx

Section 2. The provisions of BSP Memorandum No. M-2020-015 are hereby amended to read, as follows:

xxx This shall be effective until 31 March 2021. The period of applicability may be extended depending on the developments of the COVID-19 situation.

xxx

For guidance.


CHUCHI G. FONACIER
Deputy Governor

21 July 2020