



Bangko Sentral ng Pilipinas
MAYNILA, PILIPINAS

OFFICE OF THE GOVERNOR

Circular No. 508
Series of 2006

Subject: Exemptions of Officers and Employees from the Prohibition of Maintaining Demand Deposits in their Places of Assignment

Pursuant to Monetary Board Resolution No. 49 dated 13 January 2006, Section X204 of the Manual of Regulations for Banks (MORB) is hereby amended, as follows:

"Section X204. Current Accounts of Bank Officers and Employees.
AS A GENERAL RULE, officers and employees of banks, their spouses and relatives within the second degree of consanguinity and affinity, including partnerships, associations or corporations in which such officers and employees, their spouses and relatives within the second degree of consanguinity and affinity, individually or as a group, own or control at least a majority of the capital are prohibited from maintaining demand deposits or current accounts with the banking office in which they are assigned.

HOWEVER, OFFICERS AND EMPLOYEES WITHOUT DIRECT ACCESS AND INVOLVEMENT IN THE HANDLING OF TRANSACTIONS AND/OR RECORDS PERTAINING TO DEMAND DEPOSIT OPERATIONS MAY BE ALLOWED TO MAINTAIN DEMAND DEPOSITS OR CURRENT ACCOUNTS IN THE BANKING OFFICE WHERE THEY ARE ASSIGNED SUBJECT TO THE FOLLOWING CONDITIONS:

1. IT SHALL BE THE RESPONSIBILITY OF THE BANK CONCERNED TO IDENTIFY THE OFFICERS, EMPLOYEES, DEPARTMENTS OR UNITS WITH DIRECT INVOLVEMENT IN ITS DEMAND DEPOSIT OPERATIONS AND/OR DEPOSIT RECORDS.
2. THE OPENING OF CURRENT ACCOUNTS OF OFFICERS AND EMPLOYEES SHALL BE SUBJECT TO APPROVAL OF THE HEAD OF THE BRANCHES DEPARTMENT OR ANY DESIGNATED HIGHER RANKING OFFICER;

PANANALAPING MATATAG, BANSANG PANATAG

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

FOR THE MONETARY BOARD:


AMANDO M. TETANGCO, JR.
Governor

24 January 2006