



Bangko Sentral ng Pilipinas

MAYNILA, PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 317

Series of 2002

The Monetary Board, in its Resolution No. 1939 dated December 6, 2001, approved the following amendments to Section X380 of the Manual of Regulations for Banks, pursuant to Section 26 of Republic Act No. 8791.

“SEC. X380 Non-Financial Allied Undertakings. A bank may acquire up to one hundred percent (100%) of the equity of a non-financial allied undertaking: *x x x*.

The determination of whether the corporation is engaged in a non-financial allied undertaking shall be based on the primary purpose as stated in its articles of incorporation and the volume of its principal business.

a. *UBs/KBs/TBs*

UBs/KBs and TBs may invest in equities of the following non-financial allied undertakings:

- (1) Warehousing companies;
- (2) Storage companies;
- (3) Safe deposit box companies;
- (4) Companies primarily engaged in the management of mutual funds but not in the mutual funds themselves;
- (5) Management corporations engaged or to be engaged in an activity similar to the management of mutual funds;
- (6) Companies engaged in providing computer services;
- (7) Insurance agencies/brokerages;
- (8) Companies engaged in home building and home development;
- (9) Companies providing drying and/or milling facilities for agricultural crops such as rice and corn;
- (10) Service Bureaus organized to perform for and in behalf of banks and non-bank financial institutions the services allowed to be outsourced under Circular No. 268; provided, that data processing companies may be allowed to invest up to 40% in the equity of Service Bureaus;



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- (11) Philippine Clearing House Corporation (PCHC) and Philippine Central Depository, Inc. (PDIC); and
- (12) Such other similar activities as the Monetary Board may declare as non-financial allied undertakings of banks.

UBs may further invest in health maintenance organizations (HMOs).

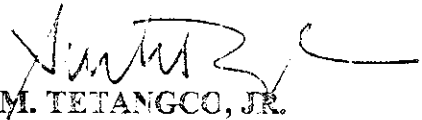
In addition, TBs may also invest in the equities of companies enumerated in Item *b* of this Section.

x x x”

All Circulars previously issued which are inconsistent with the abovesited provisions are hereby superseded.

This Circular shall take effect immediately.

FOR THE MONETARY BOARD:


AMANDO M. TETANGCO, JR.
Officer-In-Charge

January 29, 2002