



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 866

Series of 2015

Subject: Submission of Reports by Banks acting as Underwriters, Brokers, Dealers and Transfer Agents of Securities

The Monetary Board, in its Resolution No. 1837 dated 13 November 2014, approved the following guidelines governing the submission of reports by banks authorized to perform underwriting, brokering, dealing and transfer agency activities under relevant laws such as Presidential Decree No. 129, Republic Act (R.A.) No. 8791, R.A. No. 8799, R.A. No. 245, R.A. No. 1000 and the rules and regulations issued to interpret the same.

Section 1. Subsection X192.3 of the Manual of Regulations for Banks (MORB) is hereby amended to read as follows:

"Subsec. X192.3 Submission of certain required information.

- a. Banks shall submit to the appropriate department of the SES the following:
 - (1) Information on bank's profile required in *Appendix 7*. Any change in any of the required information submitted, after the initial submission, shall be reported to the said department immediately.
 - (2) Any or all of the documents/information on bank's organization structure and operational policies enumerated in *Appendix 8*. Any subsequent change/issuance should be furnished the department within fifteen (15) banking days from such change/issuance.
- b. Banks registered with SEC to act as broker, dealer or transfer agent pursuant to Sections 28 and 39 of R.A. No. 8799 and SRC Rules 28.1 and 36.4 and those accredited by DOF-BTr as GSEDs pursuant to DOF Department Order No. 20-10, shall submit to the appropriate SES department not later than December 15 every year, the following reports:
 - (1) List of bank personnel acting as salesmen or associated persons;
 - (2) List of licenses granted by SEC and/or DOF-BTr (as broker, dealer, broker-dealer, GSED and/or transfer agent); and

- (3) Notarized Certification stating that the lists submitted pursuant to Item "b" (1) and (2) of this Subsection are complete and accurate lists and that the personnel acting as salesmen or associated persons are duly licensed/authorized by the SEC to act as such.

The notarized Certification shall be signed by the President or officer of equivalent rank.

- c. *Sanctions.* The following sanctions shall be imposed on the bank and/or its concerned officers for violations of Item "b", of this Subsection:

1. On the Bank

- (a) *For willful delay to submit the documents required under Item "b" of this Subsection.* A bank failing to submit the required reports which shall be classified as a Category A-2 Report, within the prescribed deadline, shall be subject to monetary penalties applicable for delayed reporting under existing regulations.
- (b) *For the willful making of a false/misleading statement in the documents required under Item "b" of this Subsection.* A bank which has been found to have willfully made a false or misleading statement in the documents required under Item "b" of this Subsection shall be subject to the monetary penalties applicable to less serious offenses under Appendix 67 of the MORB. The willful making of a false or misleading statement shall be reckoned on a daily basis from the day following the due date of the said certification until such time that an amended or corrected document has been submitted to the BSP.

2. On the concerned officer

- (a) *For willful non-compliance.* The concerned officer/s of the bank who wilfully fail/refuse to comply with the provisions of this Circular shall be subject to the monetary penalties applicable to less serious offenses under Appendix 67 of the MORB.
- (b) *For false/misleading statements.* The concerned officers which have been found to have wilfully falsely certified or wilfully submitted misleading statements in the Certification and/or in the list of bank personnel required to be submitted under Item "b" (1) & (2) of this Subsection, shall be subject to the monetary penalties applicable to less serious offenses under Appendix 67 of the MORB, which shall be reckoned on a daily basis from the day following the due date of the said certification/list until such time that an amended or corrected certification and/or list of bank personnel have been submitted to the BSP.

The imposition of the above sanctions is without prejudice to the filing of appropriate criminal charges against the culpable persons as provided under Section 35 of R.A. No. 7653 for the wilful making of a false/misleading statement."

Section 2. Subsection 1192.3 of the MORB is hereby added as follows:

"Subsec. 1192.3 Submission of certain required information by UBs.

- a. Universal Banks (UBs) registered with the Securities and Exchange Commission (SEC) as Underwriters pursuant to PD No. 129 (The Investment Houses Law), R.A. No. 8791 (The General Banking Law), R.A. No. 8799 (The Securities Regulations Code) and the Omnibus Rules and Regulations for Investment Houses and Universal Banks Registered as Underwriters of Securities shall submit to the appropriate SES department not later than December 15 every year, the following reports:

- (1) List of bank personnel performing underwriting functions; and
- (2) Notarized Certification stating that the list submitted pursuant to Item "a" (1) of this Subsection is a complete and accurate list and that the personnel performing underwriting functions are duly licensed/authorized by the SEC to perform such functions.

The notarized Certification shall be signed by the President or officer of equivalent rank.

- b. *Sanctions.* The following sanctions shall be imposed on the bank and/or its concerned officers for violations of this Subsection:

- 1. On the Bank

- (a) *For willful delay to submit the documents required under Item "a" of this Subsection.* A bank failing to submit the required reports which shall be classified as a Category A-2 Report, within the prescribed deadline, shall be subject to monetary penalties applicable for delayed reporting under existing regulations.

- (b) *For the willful making of a false/misleading statement in the documents required under Item "a" of this Subsection.* A bank which has been found to have willfully made a false or misleading statement in the documents required under Item "a" of this Subsection shall be subject to the monetary penalties applicable to less serious offenses under Appendix 67 of the MORB. The willful making of a false or misleading statement shall be reckoned on a daily basis from the day following the due date of the said

certification until such time that an amended or corrected document has been submitted to the BSP.

2. On the concerned officer

(a) *For wilful non-compliance.* The concerned officer/s of the bank who wilfully fail/refuse to comply with the provisions of this Subsection shall be subject to the monetary penalties applicable to less serious offenses under *Appendix 67* of the MORB.

(b) *For false/misleading statements.* The concerned officers which have been found to have wilfully falsely certified or wilfully submitted misleading statements in the Certification and/or in the list of bank personnel required under Item "a" of this Subsection, shall be subject to the monetary penalties applicable to less serious offenses under *Appendix 67* of the MORB, which shall be reckoned on a daily basis from the day following the due date of the said certification/list until such time that an amended or corrected certification and/or list of bank personnel have been submitted to the BSP.

The imposition of the above sanctions is without prejudice to the filing of appropriate criminal charges against the culpable persons as provided under Section 35 of R.A. No. 7653 for the wilful making of a false/misleading statement."

Section 3. Repealing Clause. This Circular amends/modifies the provisions of Section X192, Subsection X192.3 and Appendix 6 of the MORB.

Section 4. Effectivity. This Circular shall take effect fifteen (15) calendar 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

1 January 2015