



BANGKO SENTRAL NG PILIPINAS
OFFICE OF THE DEPUTY GOVERNOR
SUPERVISION AND EXAMINATION SECTOR

CIRCULAR LETTER NO. CL-2018-008

To : ALL BANKS

Subject : Updated Validation Rules of the BSP for Financial Reporting Package Related Reports

In an effort to further assist banks in finalizing the Financial Reporting Package (FRP) Related Reports, attached are changes to the validation rules provided under Circular Letter No. CL-2017-060 dated 02 October 2017 which are used by the BSP to determine whether the entries in the reports are either balanced and reconciled or cited with mathematical defects requiring correction and the submission of amendments that are subject to penalty in accordance with existing regulations. Same validation rules emanate from the existing Reconciliation Report electronically transmitted by the BSP to banks immediately after the submitted report has been processed and validated.

The changes include the following updated validation rules used to reconcile the FRP against the following related reports:

- 1) Basel III Capital Adequacy Ratio Report¹
- 2) Risk Based Capital Adequacy Ratio Report²
- 3) Report on Cross-Border Financial Positions
- 4) Expanded Report on Real Estate Exposure
- 5) Published Balance Sheet
- 6) Report of Selected Branch Accounts (Branch Report)
- 7) Report on Compliance with Mandatory Agri-Agra Credit under R.A. 10000 (Agri-Agra Report)
- 8) Report on Repurchase Agreement

Additional validation rules will be issued through a Circular Letter (CL) as future enhancements to the reports are prescribed and/or as new formulations are introduced. As validation rules are updated and issued, a lead time of one (1) reporting cycle after the issuance of the corresponding CL shall be observed before penalties for non-adherence to the updated rules can be assessed and imposed on banks.

The validation rules under CL-2017-060 that are not part of the changes identified in this CL continue to be in effect. The complete set of the updated validation rules can be downloaded from http://www.bsp.gov.ph/SES/reporting_templates. Banks may use the aforementioned rules and formulations as reference for internally developing and

reinforcing their own validation procedures, systems and controls. Such rules and formulations, however, mainly focus in determining arithmetical consistency of the FRP-related reports within an acceptable tolerance limit and are not intended to capture errors arising from significant changes or movements in values reported from one period to another nor misclassification of transactions arising from the misuse of the report accounts.

The integrity and quality of the prudential reports prescribed for submission to BSP ultimately rests with the bank. Adequate internal controls should be in place to ensure that the information submitted by banks to BSP is consistent, correct and conforms to the prescribed reporting standards.



CHUCHI G. FONACIER
Deputy Governor

31 January 2018

Att: a/s

^{1/} For Universal Banks and Commercial Banks and their subsidiary banks and quasi-banks in accordance with Memorandum No. M-2017-038 dated 28 December 2017.

^{2/} For stand-alone Thrift Banks and Rural Banks in accordance with Memorandum No. M-2017-039 dated 28 December 2017.

Risk Based Capital Adequacy Ratio Report BASEL III													
RIN	Particulars	Schedule No.	Account Code/Formulation	Peso Accounts	Foreign Regular		FCDU/ EFCDU		Foreign Offices		Total Amount	Instructions	Type of Reconciliation Rule/Remarks
					In US\$	Peso Equiv	In US\$	Peso Equiv	In US\$	Peso Equiv			
BSL3 - 11	For Domestic Banks and Subsidiaries of Foreign Banks (v) Others	Balance Sheet	320900000000000000								x	Rule only applies to Domestic Banks and Subsidiaries of Foreign Banks	1.0/UNB
		Part II	320900000000000001								x		
BSL3 - 12	For Domestic Banks and Subsidiaries of Foreign Banks - Minority interest in subsidiary banks which are less than wholly-owned	Balance Sheet	325150000000000000								x	Rule only applies to Domestic Banks and Subsidiaries of Foreign Banks	3.0/FAIL
		Part II	325150500000000000 + 325151000000000000								x	Amount in CAR should be less than or equal to FRP	
BSL3 - 23	For Philippine Branch of a Foreign Bank (v) Others	Balance Sheet	320900000000000000								x	Rule only applies to Philippine Branch of Foreign Banks	1.0/UNB
		Part II	320900000000000002								x		
BSL3 - 47	L. Real and Other Properties Acquired	Balance Sheet	195501000000000000 + 150150000000000000								x	Amount in CAR should be greater than or equal to FRP	3.0/FAIL
		Part III.1	195501000000000000								x	Use Column 1	
BSL3 - 155 Deleted													
BSL3 - 175	Items held for safekeeping/custodianship	38	495300000000100000 + 495300000000200000 + 495220000000100000 + 495220000000200000								x		1.0/UNB
		Part III.2	495260000000000000								x	Use Notional Principal Amount Column	
BSL3 - 177 Deleted													
BSL3 - 197	For Domestic Banks and Subsidiaries of Foreign Banks - Other Comprehensive Income (iii) Remeasurements of Net Defined Benefit Liability/(Asset)	Balance Sheet	320200000000000000								x	Rule only applies to Domestic Banks and Subsidiaries of Foreign Banks	1.0/UNB
		Part II	320200000000000001								x		
BSL3 - 198	For Philippine Branch of a Foreign Bank - Other Comprehensive Income (iii) Remeasurements of Net Defined Benefit Liability/(Asset)	Balance Sheet	320200000000000000								x	Rule only applies to Philippine Branch of Foreign Banks	1.0/UNB
		Part II	320200000000000002								x		

Type of Reconciliation Rule

1. Straightforward rules
2. Formula generated rules
 - 2.1. Same account with several COLUMNS
 - 2.2. Combination of several accounts
3. Conditional rules

Revised Risk Based Capital Adequacy Ratio Report for Stand Alone Thrift Banks, Rural Banks and Cooperative Banks													
RIN	Particulars	Schedule No.	Account Code/Formulation	Peso Accounts	Foreign Regular		FCDU/ EFCDU		Foreign Offices		Total Amount	Instructions	Type of Reconciliation Rule/Remarks
					In US\$	Peso Equiv	In US\$	Peso Equiv	In US\$	Peso Equiv			
CAR780	Total Notional Principal Amount	38	400000000000000000 - 435000000000100000 - 435000000000200000								x	FRP value is greater than or equal to CAR value	3.0/FAIL
		OFF_RWA	400000000000000000								x		

- Type of Reconciliation Rule
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Report on Cross-Border Financial Positions for Universal/Commercial Banks and their Subsidiary Thrift Banks													
RIN	Particulars	Schedule No.	Account Code/Formulation	Peso Accounts	Foreign Regular		FCDU / EFCDU		Foreign Offices		Total Amount	Instructions	Type of Reconciliation Rule/Remarks
					In US\$	Peso Equiv	In US\$	Peso Equiv	In US\$	Peso Equiv			
RCBP30	Due From Other Banks	2	105200000000230000 + 105200000000290000	x	x		x		x			Convert amount in "Peso Accounts" to US\$ Use "Demand", "Savings Deposit", "NOW" and "Time Certificates of Deposit" columns	2.1/UNB
		RCBP-Total	105200000000000000								x		
RCBP240	Due to Other Banks	23	220050001000200000 + 220050000500200000	x	x		x		x			Convert amount in "Peso Accounts" to US\$	1.0/UNB
		RCBP-Total	220050000000000000								x		

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FRP Inter Validation Rules

Expanded Report on Real Estate Exposures for Universal Banks, Commercial Banks and Thrift Banks						
RIN	Particulars	Schedule No.	Account Code/Formulation	Amount	Instructions	Type of Reconciliation Rule/Remarks
REE930	Addl Info - Secured by REM on residential properties (Amount in the FRP is greater than or equal to REEs) - Past Due	11G	140150012810600001	x	Amount in the FRP is greater than or equal to REEs. USE Past Due COLUMN	3.0/FAIL
		S1-BP-RELS	140150019005650000		USE Past Due COLUMN	

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Published Balance Sheet for all Banks with Resources of P1 Billion and above							
RIN	Particulars	Schedule No.	Account Code/Formulation	Entered Amount	FRP Computed Amount	Instructions	Type of Reconciliation Rule/Remarks
PBS370	Other Liabilities	Balance Sheet	230600000000000000 + 230650000000000000 + 230700000000000000 + 230750000000000000 + 230800000000000000 + 230780000000000000		x		2.2/UNB
		SOLO/CONSO	240100000000000000	x			
PBS610	c. Net NPLs	10, 11a, 12	140100018512600000 - 140100018512600000 + 140150018512600000 - 140150019000600000 + 140200018512600000 - 140200019012600000		x	For Sched 10, USE Total Amortized Cost COLUMN less Total Allowance for credit losses COLUMN; For Sched 11A, USE Sum of Non-Performing, net of ITL and ITL COLUMNS; For Sched 12 USE Total COLUMN	2.2/UNB
		SOLO	499101000000000000	x			

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Report of Selected Branch Accounts for all Banks										
RIN	Particulars	Schedule No.	Account Code/Formulation	Peso Accounts	Foreign Regular	FCDU/ EFCDU	FX Offices	Total Amount	Instructions	Type of Reconciliation Rule/Remarks
					Peso Equiv	Peso Equiv	Peso Equiv			
B820	Current (Total)	Schedule 11a	140150000000000000					x	USE Current COLUMN	1.0/UNB
		ALR	140150000000000000					x		
B830	Past Due (Total)	Schedule 11a	140150000000000000					x	USE Past Due COLUMN	1.0/UNB
		ALR	140150000000000000					x		

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Report on Compliance with the Mandatory Agrarian Reform and Agricultural Credit under RA No. 10000 for all Banks													
RIN	Particulars	Schedule No.	Account Code/ Formulation	Peso Accounts	Foreign		FCDU/ Peso		Foreign Offices		Total Amount	Instructions	Type of Reconciliation Rule/Remarks
					In US\$	Peso Equiv	In US\$	Peso Equiv	In US\$	Peso Equiv			
AGR110	Others	Schedule 24	220100001595100000 + 220100001512100000	x		x						ADD Peso Accounts and Peso Equivalent of Foreign Regular COLUMNS	2.1/UNB
		Main Report A	220100001595100000								x	USE Amount on Date of Report COLUMN	
AGR240	Due to Head Office/Branches/Agencies Abroad	Schedule 20	23085000000000000000 - 23085000000500000000 - 23085000001000000000	x		x						ADD Peso Accounts and Peso Equivalent of Foreign Regular COLUMNS	2.1/UNB
		Main Report A	23085000000000000000								x	USE Amount on Date of Report COLUMN	
AGR340	Other Comprehensive Income b.4. Others	Balance Sheet	32090000000000000000 + 32020000000000000000 + 32025000000000000000	x		x						ADD Peso Accounts and Peso Equivalent of Foreign Regular COLUMNS	2.1/UNB
		Main Report A	32090000000000000000								x	USE Amount on Date of Report COLUMN	
AGR350	Due From Head Office/Branches/Agencies Abroad	Schedule 20	15525000000000000000 - 15525000000500000000 - 15525000001000000000	x		x						ADD Peso Accounts and Peso Equivalent of Foreign Regular COLUMNS	2.1/UNB
		Main Report A	15525000000000000000								x	USE Amount on Date of Report COLUMN	

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Report on Repurchase Agreement							
RIN	Particulars	Schedule No.	Account Code/Formulation	Total Amount	FRP Computed Amount	Instructions	Type of Reconciliation Rule/Remarks
REPO10	End of Month Balance	FRP Schedule 24	220100002505100000 + 220100002510100000 + 220100002510200000		x		1.0/UNB
		REPO Schedule 1	220100002508000000	x			
REPO20	Outstanding Balance as of end of reporting month	FRP Schedule 24	220100002505100000 + 220100002510100000 + 220100002510200000		x		1.0/UNB
		REPO Schedule 2	220100002508000000	x			

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