



Bangko Sentral ng Pilipinas

OFFICE OF THE GOVERNOR

Circular No. 662

Series of 2009

Subject: Procedures on Collection of Penalties from Banks and Other BSP-Supervised Entities

Pursuant to Monetary Board Resolution No. 1226 dated 27 August 2009, the procedures on collection of penalties from banks and other BSP-supervised entities are hereby amended.

Section 1. Item "c" of Subsection X609.1 of the Manual of Regulations for Banks (MORB) is hereby amended to read as follows:

"c. Additional charge for late payment of monetary penalty. Late payment of monetary penalty shall be subject to an additional charge of six percent (6%) per annum to be reckoned from the banking day immediately following the day said penalty becomes due and payable up to the time of actual payment. xxx."

The foregoing amendment likewise amends Subsection 4653Q.1.c of the Manual of Regulations for Non-Bank Financial Institutions (MORNBFI) except that "banking day" shall be replaced by "business day".

Section 2. The procedures on collection of penalties from banks under Appendix 29 of the MORB are hereby amended, to read as follows:

"PROCEDURES ON COLLECTION OF FINES/PENALTIES FROM BANKS AND/OR DIRECTORS/OFFICERS OF BANKS (Appendix to Subsecs. X609.1 and X609.2)

"For uniform implementation of the regulations on collection of fines/penalties from banks and/or directors/officers of banks, the following procedures shall be observed:

- "1. Upon approval of the fines/penalties by the Governor/Monetary Board, the Department/Office concerned shall send the Statement of Account (SOA)/billing letter to the bank with an advice that the penalty should be paid in full within fifteen (15) calendar days from receipt of SOA/billing letter. For entities which maintain demand deposit account (DDA) with BSP, the amount of the penalty/ies

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shall be automatically debited from the bank's DDA with the BSP after the lapse of the fifteen (15)-calendar day period. The bank shall likewise be advised that penalty or portion thereof which remained unpaid after the lapse of said fifteen (15)-day period shall be subject to additional charge of six percent (6%) per annum reckoned from the banking day immediately following the end of the fifteen (15)-day period up to the day of actual payment.

- "2. On the banking day immediately following the end of said fifteen (15)-day period, unpaid penalties shall be automatically debited, without additional charge, against the bank's DDA with the BSP by the Comptrollership Sub-sector (CoSS) based on the amount booked by the Department/Office concerned after first confirming with the CoSS the sufficiency of the bank's DDA balance to cover the amount of the penalty.
- "3. If, based on its confirmation with the CoSS, the Department/Office concerned received information that the bank's DDA balance is insufficient to cover the amount of the penalty, it shall accordingly advise and request the bank to immediately fund its DDA.
- "4. As soon as it is funded, the bank's DDA shall be debited by the CoSS for the amount of the penalty, plus the six percent (6%) additional charge for late payment of the penalty reckoned from the banking day immediately following the end of the fifteen (15)-day period up to the day of actual payment, based on the amount booked by the Department/Office concerned.
- "5. Payment by thrift, rural or cooperative banks of penalty, plus the additional charge if any by check or demand draft shall be made directly to the BSP Cash Department or to BSP Regional Cash Units in accordance with the provisions of Subsection X609.4.
- "6. In the case of penalty/ies imposed on bank directors/officers, said directors/officers shall be advised by the Department/Office concerned to pay within fifteen (15) calendar days from receipt of the SOA/billing letter directly to the BSP in the form of cash or check and in accordance with the provisions of Subsection X609.4. Penalty or portion thereof which remained unpaid after the lapse of said fifteen (15)-day period shall also be subject to additional charge of six percent (6%) per annum reckoned from the banking day immediately following the end of the fifteen (15)-day period up to the day of actual payment."

The foregoing procedural guidelines on the collection of penalties from banks and/or directors/officers of banks are hereby made applicable to quasi-banks and/or directors/officers of quasi-banks, and correspondingly included as Appendix Q-22 of the MORNBF, except that "bank" shall be replaced by "quasi-bank"; "banking day" shall be replaced by "business day", and "Subsections X609.1, X609.2 and X609.4" shall be replaced by "Subsections 4653Q.1, 4653Q.2, and 4653Q.3", respectively.

Section 3. The last paragraph of Subsection 4653Q.2 of the Manual of Regulations for Non-Bank Financial Institutions (MORNBF) on payment of fines is hereby amended to read as follows:

"For the purpose of this Section, *business day* means a day on which the BSP head office and the head office of the quasi-bank are open for business. For uniform implementation of the above regulations, the procedural guidelines embodied in *Appendix Q-22* shall be observed."

Section 4. Subsection X609.4 of the MORB on check/demand draft payments to the Bangko Sentral of thrift, rural and cooperative banks, is hereby amended to read as follows:

"TBs, RBs and Coop Banks shall make all check and demand draft payments for transactions other than those required to be paid through the banks' DDA either to the BSP Cash Department or to BSP Regional Cash Units. Such payments shall be accompanied by appropriate payment form as shown in *Appendix 35*. Payments not accompanied by the required payment forms shall be presumed to be additions to reserves and shall be credited to the demand deposit account of the paying bank.

"Check payments shall be value dated when the check is cleared."

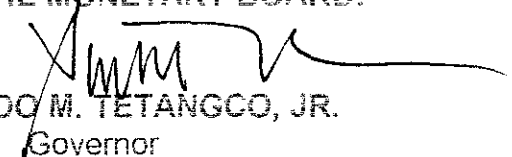
The foregoing amendment is likewise made applicable to Subsection 4653Q.3 of the MORNBF, except that "TBs, RBs and Coop Banks" or "bank" shall be replaced by "quasi-bank", and "Appendix 35" shall be replaced by "Appendix Q-22a".

Section 5. The Pro-forma Payment Form, which is shown in Appendix 35 of the MORB, is hereby revised as shown in the attached Annex A of this Circular. Appendix Q-22 of the MORNBF, which is hereby re-numbered as Appendix Q-22a, is also amended accordingly.

Section 6. The foregoing provisions are also adopted for non-stock savings and loan associations, pawnshops and non-bank financial institutions, and hereby added to the provisions of Subsection 4601S.1.c/4601P.1.c/4601N.1.c of the MORNBF on guidelines on the imposition of monetary penalties and payment of penalties or fines.

Section 7. This Circular shall take effect fifteen (15) 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

9 September 2009

PRO-FORMA PAYMENT FORM
(Appendix to Subsecs. X609.4/4653Q.3)

BANGKO SENTRAL NG PILIPINAS
Manila

(Name of Department/Office)

FOR --

The Director
Cash Department

Please issue OFFICIAL RECEIPT to _____ (name of payor)
as payment of _____ (nature of payment) and effect the
following accounting entries:

Account Code	<u>Account Title/Description</u> Accountee Type/Code/Name	DR/CR	<u>Amount</u>
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Total Debit	_____
Total Credit	P _____
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Approved by: _____
(Name of BSP Official/Position)

Date:

Received by:
Date:

Official Receipt No.: _____
Date: _____