



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 758

Series of 2012

Subject: Amendment to the Regulations on the Approval/Confirmation of the Election/Appointment of Directors/Officers

Pursuant to Monetary Board Resolution Nos. 588 and 596.A dated 12 and 20 April 2012 respectively, the following provisions of the Manual of Regulations for Banks (MORB) and Manual of Regulations for Non-Bank Financial Institutions (MORNBFI) are hereby amended:

Section 1. Subsection X141.4 of the MORB on confirmation of the election/appointment of directors/officers is hereby amended, as follows:

"Subsec. X141.4 Confirmation of the election/appointment of directors/officers. The election/appointment of directors/officers of banks shall be subject to confirmation by the following:

Confirming Authority	Position Level
a. Monetary Board	Directors and senior vice president and above (or equivalent ranks) of UBs and KBs, and of Islamic Banks, TBs, RBs and Coop Banks with total assets of at least P1.0 billion
b. An SES Committee to be composed of: - Deputy Governor, SES - Assistant Governors/ Managing Directors, SE I/II/III/CSSS	Directors and senior vice president and above (or equivalent ranks) of Islamic Banks, TBs, RBs and Coop Banks with total assets of less than P1.0 billion

The election/appointment of abovementioned directors/officers shall be deemed to have been confirmed by the BSP, if after sixty (60) banking days from receipt of the required reports, no advice against said election/appointment has been received by the bank concerned.

"However, the confirmation by the Monetary Board/SES Committee of the election/appointment to abovementioned position levels shall not be required, in the following cases:

- a. Reelection of a director (as a director) in the same bank or election of the same director in another bank, QB, NBFIs with trust authority or trust corporation within a banking group;
- b. Reelection of an independent director (as an independent director or not) in the same bank or election of the same director (as an independent director or not) in another bank, QB, NBFIs with trust authority or trust corporation within a banking group; and
- c. Promotion of an officer, other than to that which requires (i) prior Monetary Board approval or (ii) a different set of minimum qualifications or (iii) a different level of confirming authority as provided in the first paragraph hereof, in the same bank or appointment/transfer to another bank, QB, NBFIs with trust authority or trust corporation within a banking group:

Provided, That the director/officer concerned has been previously confirmed or in the case of a compliance officer or trust officer who will be promoted to the rank of senior vice president or above (or equivalent rank), previously approved by the Monetary Board, or if previously confirmed by the SES Committee, his/her re-election/promotion/transfer requires the same level of confirming authority as provided in the first paragraph hereof: *Provided, further*, That said director/officer has had continuous service within the same bank or banking group. This exemption shall apply to directors/officers confirmed by the Monetary Board/SES Committee starting 1 January 2011.

"The appointment of officers below the rank of senior vice president shall be subject neither to Monetary Board approval nor BSP confirmation.

"The appointment of compliance officers and trust officers regardless of rank shall be subject to prior Monetary Board approval as provided in Subsecs. X180.4 and X406.10, respectively.

"For purposes of this Subsection, the term "banking group" shall refer to the parent bank and its subsidiary banks, QBs, NBFIs with trust authority and trust corporations, as well as other banks, QBs, NBFIs with trust authority and trust corporations over which the parent bank has the power to exercise "control" as defined in Subsec. X141.2.

"The documentary requirements for the confirmation of the election/appointment of directors/officers, and approval of the appointment of

compliance officers and trust officers of banks/QBs/NBFIs with trust authority/trust corporations are shown in Annex A."

Section 2. Subsection X141.9 of the MORB on reports required is hereby amended, as follows:

"Subsec. X141.9 *Certifications required.* Banks shall furnish all of their first-time directors within a bank or banking group with a copy of the general responsibility and specific duties and responsibilities of the board of directors and of a director prescribed under Items "b", "c" and "d" of Subsec. X141.3 upon election.

"The bank must submit to the appropriate department of the SES, within ten (10) banking days from date of election, a certification under oath of the directors concerned that they have received copies of such general responsibility and specific duties and responsibilities and that they fully understand and accept the same, in accordance with Appendix 6.

"The bank must submit to the appropriate department of the SES a certification under oath of the director/officer with rank of senior vice president and above, and officer whose appointment requires prior Monetary Board approval that he/she has all the prescribed qualifications and none of the disqualifications within ten (10) banking days from the date of election/re-election of the directors/meeting of the board of directors in which the officers are appointed/promoted, in accordance with Appendix 6.

Section 3. Subsection X142.4 of the MORB on appointment of officers is hereby deleted.

Section 4. Subsection X143.3 of the MORB on effect of non-possession of qualifications or possession of disqualifications is hereby amended to read as follows:

"Subsec. X143.3 *Effect of non-possession of qualifications or possession of disqualifications.* A director/officer elected/appointed who does not possess all the qualifications mentioned under Subsecs. X141.2 and X142.2 and/or has any of the disqualifications mentioned under Subsecs. X143.1 and X143.2 shall not be confirmed by the confirming authority under Subsec. X141.4 and shall be removed from office even if he/she has assumed the position to which he/she was elected/appointed pursuant to Sec. 16 of R.A. No. 8791. A confirmed director/officer or officer not requiring confirmation found to possess any of the disqualifications enumerated in the abovementioned Subsections shall be subject to the disqualification procedures provided under Subsec. X143.4."

Section 5 Subsection X143.5 of the MORB on watchlisting is hereby amended to read as follows:

"Subsec. X143.5 Watchlisting.

"x x x

"c. *Confidentiality.* Watchlist files shall be for internal use only of the BSP and may not be accessed or queried upon by outside parties including banks, QBs, NBFIs with trust authority and trust corporations except with the authority of the person concerned (without prejudice to the authority of the Governor and the Monetary Board to authorize release of the information) and with the approval of the concerned SES Department Head or SES Subsector Head or the Deputy Governor, SES or the Governor or the Monetary Board.

"The BSP will disclose information on the persons included in its watchlist files only upon submission of a duly notarized authorization from the concerned person and approval of such request by the concerned SES Department Head or SES Subsector Head or the Deputy Governor, SES or the Governor or the Monetary Board. The prescribed authorization form to be submitted to the appropriate department of the SES is in Appendix 76.

"Banks can gain access to said information in the said watchlist for the sole purpose of screening their nominees/applicants for directors/officers and/or confirming their elected directors and appointed officers. Banks must obtain the said authorization on an individual basis.

"d. x x x."

Section 6. Section X144 of the MORB on bio-data of directors and officers is hereby amended to read as follows:

"Sec. X144. Bio-data of Directors and Officers

"a. Banks shall submit to the appropriate department of the SES a bio-data with ID picture of their (i) directors/officers with rank of senior vice president and above (or equivalent ranks), (ii) officers below the rank of senior vice president requiring a different set of minimum qualifications or (iii) officers whose appointment requires prior Monetary Board approval upon every election/re-election/appointment/promotion in a prescribed form and for first-time directors/officers with rank of senior vice president and above (or equivalent ranks) within a particular bank/banking group whose election/appointment requires MB/SES Committee confirmation or whose appointment

requires prior Monetary Board approval, the duly notarized authorization form per Appendix 76, within ten (10) banking days from the date of election/re-election of the directors/meeting of the board of directors in which the officers are appointed/promoted, in accordance with Appendix 6.

"The bio-data shall be updated and submitted (i) in case of change of name due to change in civil status, within ten (10) banking days from the date the change occurred and (ii) in cases of requests for prior Monetary Board approval of interlocks.

"For other officers below the rank of senior vice president, the bank shall not be required to submit their bio-data to the BSP.

"b. The bank shall, however, keep a complete record of the bio-data of all its directors and officers and shall maintain a system of updating said records which shall be made available during on-site examination or when required by the BSP for submission for offsite verification.

"c. Banks shall also submit to the appropriate department of the SES, a duly notarized list of the incumbent members of the board of directors and officers (President or equivalent rank, down the line, format attached as Annex B), within ten (10) banking days from the annual election of the board of directors as provided in the bank's by-laws, in accordance with Appendix 6.

"d. If after evaluation, the appropriate department of the SES shall find grounds for disqualification, the director/officer so elected/re-elected/appointed/promoted may be recommended for removal from office, even if he/she has assumed the position to which he/she was elected/re-elected/appointed/promoted pursuant to Section 16 of R.A. No. 8791.

"x x x."

Section 7. Item "b" of Subsec. X180.4 of the MORB on Chief Compliance Officer is hereby amended to read, as follows:

"x x x

"b. Banks shall appoint a full-time CCO to manage the compliance program. Given the importance of the compliance function, the CCO is a senior officer functionally reporting to the bank's Board of Directors. Such appointment/designation shall require prior approval of the Monetary Board. The bio-data with ID picture of the proposed CCO, together with the documentary requirements prescribed in Annex A shall be submitted to the appropriate department of the SES. The CCO's qualifications shall be subject to

the provisions of Subsection X142.2 of the MORB enumerating the qualifications of bank officers, particularly considering fit and proper criteria such as integrity/probity, competence, education, diligence and experience/training.

"x x x."

Section 8. The first paragraph of Subsec. X406.10 of the MORB on approval of the appointment/designation of trust officers is hereby amended to read, as follows:

"Subsec. X406.10. Approval of the appointment/designation of trust officers. Regardless of rank, the appointment/designation of trust officers shall require prior approval of the Monetary Board. The bio-data with ID picture of the proposed trust officers, together with the documentary requirements prescribed in Annex A shall be submitted to the appropriate department of the SES.

"x x x."

Section 9. Pertinent Items of Appendix 6 of the MORB on reports required of banks are hereby amended as shown in Annex C.

Section 10. Subsection 4141Q.4 of the MORNBFi on confirmation of the election/appointment of directors/officers is hereby amended to read as follows:

"Subsec. 4141Q.4 Confirmation of the election/appointment of directors/officers. The election/appointment of directors/officers of QBs and NBFIs with trust authority shall be subject to confirmation by the following:

Confirming Authority	Position Level
a. Monetary Board	Directors and senior vice president and above (or equivalent ranks) of QBs, and NBFIs with trust authority with total assets of at least P1.0 billion
b. An SES Committee to be composed of: - Deputy Governor, SES - Assistant Governors/ Managing Directors, SE I/II/III/CSSS	Directors and senior vice president and above (or equivalent ranks) of QBs, and NBFIs with trust authority with total assets of less than P1.0 billion

The election/appointment of abovementioned directors/officers shall be deemed to have been confirmed by the BSP, if after sixty (60) business days from receipt of the required reports, no advice against said election/appointment has been received by the QB/trust entity concerned.

"However, the confirmation by the Monetary Board/SES Committee of the election/appointment to abovementioned position levels shall not be required, in the following cases:

- a. Reelection of a director (as a director) in the same QB or NBFI with trust authority or election of the same director in another bank, QB, NBFI with trust authority or trust corporation within a banking group;
- b. Reelection of an independent director (as an independent director or not) in the same QB or NBFI with trust authority or election of the same director (as an independent director or not) in another bank, QB, NBFI with trust authority or trust corporation within a banking group; and
- c. Promotion of an officer, other than to that which requires (i) prior Monetary Board approval or (ii) a different set of minimum qualifications or (iii) a different level of confirming authority as provided in the first paragraph hereof, in the same QB or NBFI with trust authority or appointment/transfer to another bank, QB, NBFI with trust authority or trust corporation within a banking group:

Provided, That the director/officer concerned has been previously confirmed or in the case of a compliance officer or trust officer who will be promoted to the rank of senior vice president or above (or equivalent rank), previously approved by the Monetary Board, or if previously confirmed by the SES Committee, his/her election/re-election/promotion/transfer requires the same level of confirming authority as provided in the first paragraph hereof: *Provided, further*, That said director/officer has had continuous service within the same QB or NBFI with trust authority or banking group. This exemption shall apply to directors/officers confirmed by the Monetary Board/SES Committee starting 1 January 2011.

"The appointment of officers below the rank of senior vice president shall be subject neither to Monetary Board approval nor BSP confirmation.

"The appointment of compliance officers and trust officers regardless of rank shall be subject to prior Monetary Board approval as provided in Subsecs. 4180Q.2 and 4406Q.10, respectively.

"For purposes of this Subsection, the term "banking group" shall refer to the parent bank and its subsidiary banks, QBs, NBFIs with trust authority and trust corporations, as well as other banks, QBs, NBFIs with trust authority and trust corporations over which the parent bank has the power to exercise "control" as defined in Subsec. 4141Q.2.

"The documentary requirements for the confirmation of the election/appointment of directors/officers, and approval of the appointment of compliance officers and trust officers of banks/QBs/NBFIs with trust authority/trust corporations are shown in Annex A."

Section 11. Subsection 4141Q.9 of the MORNBFI on reports required is hereby amended, as follows:

"Subsec. 4141Q.9 *Certifications required.* QBs and NBFIs with trust authority shall furnish all of their first-time directors within a QB or NBFI with trust authority or banking group with a copy of the general responsibility and specific duties and responsibilities of the board of directors and of a director prescribed under Items "b", "c" and "d" of Subsec. 4141Q.3.

"The QB/NBFI with trust authority must submit to the appropriate department of the SES, within ten (10) business days from date of election, a certification under oath of the directors concerned that they have received copies of such general responsibility and specific duties and responsibilities and that they fully understand and accept the same, in accordance with Appendix Q-3.

"The QB/NBFI with trust authority must submit to the appropriate department of the SES a certification under oath of the director/officer with rank of senior vice president and above, and officer whose appointment requires prior Monetary Board approval that he/she has all the prescribed qualifications and none of the disqualifications within ten (10) business days from the date of election/re-election of the directors/meeting of the board of directors in which the officers are appointed/promoted, in accordance with Appendix Q-3.

Section 12. Subsection 4143Q.3 of the MORNBFI on effect of non-possession of qualifications or possession of disqualifications is hereby amended to read as follows:

"Subsec. 4143Q.3 *Effect of non-possession of qualifications or possession of disqualifications.* A director/officer elected/appointed who does not possess all the qualifications mentioned under Subsec. 4141Q.2 and the second and last paragraphs of Sec. 4142Q and/or has any of the disqualifications mentioned under Subsecs. 4143Q.1 and 4143Q.2 shall not be confirmed by the

confirming authority under Subsec. 4141Q.4 and shall be removed from office even if he/she has assumed the position to which he/she was elected/appointed. A confirmed director/officer or officer not requiring confirmation found to possess any of the disqualifications enumerated in the abovementioned Subsections shall be subject to the disqualification procedures provided under Subsec. 4143Q.4."

Section 13. Subsection 4143Q.5 of the MORNBF I on watchlisting is hereby amended to read as follows:

"Subsec. 4143Q.5 *Watchlisting*.

"x x x

"c. *Confidentiality*. Watchlist files shall be for internal use only of the BSP and may not be accessed or queried upon by outside parties including banks, QBs, NBFIs with trust authority and trust corporations except with the authority of the person concerned (without prejudice to the authority of the Governor and the Monetary Board to authorize release of the information) and with the approval of the concerned SES Department Head or SES Subsector Head or the Deputy Governor, SES or the Governor or the Monetary Board.

"The BSP will disclose information on the persons included in its watchlist files only upon submission of a duly notarized authorization from the concerned person and approval of such request by the concerned SES Department Head or SES Subsector Head or the Deputy Governor, SES or the Governor or the Monetary Board. The prescribed authorization form to be submitted to the appropriate department of the SES is in Appendix Q-45.

"QBs and NBFIs with trust authority can gain access to said information in the said watchlist for the sole purpose of screening their nominees/applicants for directors/officers and/or confirming their elected directors and appointed officers. QBs and NBFIs with trust authority must obtain the said authorization on an individual basis.

"d. x x x."

Section 14. Section 4144Q of the MORNBF I on Monetary Board confirmation of directors and senior officers is hereby amended to read as follows:

"Sec. 4144Q. Bio-data of Directors and Officers

"a. QBs and NBFIs with trust authority shall submit to the appropriate department of the SES a bio-data with ID picture of their (i) directors/officers with rank of senior vice president and above (or equivalent ranks), (ii) officers below the rank of senior vice president requiring a different set of minimum qualifications or (iii) officers whose appointment requires prior Monetary Board approval upon every election/re-election/appointment/promotion in a prescribed form and for first-time directors/officers with rank of senior vice president and above (or equivalent ranks) within a particular QB/NBFI with trust authority/banking group whose election/appointment requires Monetary Board/SES Committee confirmation or officers whose appointment requires prior Monetary Board approval, the duly notarized authorization form per Appendix Q-45, within ten (10) business days from the date of election/re-election of the directors/meeting of the board of directors in which the officers are appointed/promoted in accordance with Appendix Q-3.

"The bio-data shall be updated and submitted (i) in case of change of name due to change in civil status, within ten (10) business days from the date the change occurred and (ii) in cases of requests for prior Monetary Board approval of interlocks.

"For other officers below the rank of senior vice president, the QB/NBFI with trust authority shall not be required to submit their bio-data to the BSP.

"b. The QB/NBFI with trust authority shall, however, keep a complete record of the bio-data of all its directors and officers and shall maintain a system of updating said records which shall be made available during on-site examination or when required by the BSP for submission for offsite verification.

"c. QBs/NBFIs with trust authority shall also submit to the appropriate department of the SES a duly notarized list of the incumbent members of the board of directors and officers (President or equivalent rank, down the line, format attached as Annex B), within ten (10) business days from the annual election of the board of directors as provided in the QB's/NBFI with trust authority's by-laws, in accordance with Appendix Q-3.

"c. If after evaluation, the appropriate department of the SES shall find grounds for disqualification, the director/officer so elected/re-elected/appointed/promoted may be recommended for removal from office even if he/she has assumed the position to which he/she was elected/re-elected/appointed/promoted pursuant to Section 16 of R.A. No. 8791."

Section 15. Item "b" of Subsec. 4180Q.2 of the MORN BFI is hereby amended to read, as follows:

"x x x

"b. The appointment/designation of a compliance officer shall require prior approval of the Monetary Board. The bio-data with ID picture of the proposed compliance officer, together with the documentary requirements prescribed in Annex A shall be submitted to the appropriate department of the SES.

"x x x."

Section 16. The first paragraph of Subsec. 4406Q.10 of the MORNBF1 is hereby amended to read, as follows:

"Subsec. 4406Q.10 Approval of the appointment/designation of trust officers. Regardless of rank, the appointment/designation of trust officers shall require prior approval of the Monetary Board. The bio-data with ID picture of the proposed trust officers, together with the documentary requirements prescribed in Annex A shall be submitted to the appropriate department of the SES.

"x x x."

Section 17. Pertinent Items of Appendix Q-3 of the MORNBF1 on reports required of QBs are hereby amended as shown in Annex D.

Section 18. Subsection 4143N.6 of the MORNBF1 on watchlisting is hereby amended to read as follows:

"Subsec. 4143N.6 Watchlisting.

"x x x

"d. Confidentiality. Watchlist files shall be for internal use only of the BSP and may not be accessed or queried upon by outside parties including banks, QBs, NBFIs with trust authority, trust corporations and such institutions under the supervisory and regulatory powers of the BSP except with the authority of the person concerned (without prejudice to the authority of the Governor and the Monetary Board to authorize release of the information) and with the approval of the concerned SES Department Head or SES Subsector Head or the Deputy Governor, SES or the Governor or the Monetary Board.

"The BSP will disclose information on the persons included in its watchlist files only upon submission of a duly notarized authorization from the concerned

person and approval of such request by the concerned SES Department Head or SES Subsector Head or the Deputy Governor, SES or the Governor or the Monetary Board. The prescribed authorization form to be submitted to the appropriate department of the SES is in Appendix Q-45.

"FIs can gain access to said information in the said watchlist for the sole purpose of screening their nominees/applicants for directors/officers and/or confirming their elected directors and appointed officers. FIs must obtain the said authorization on an individual basis.

"e. x x x."

Section 19. Section 4145N of the MORNBFI on bio-data is hereby added as follows:

"Sec. 4145N. Bio-data of Directors and Officers

"a. Financial institutions (FIs) shall submit to the appropriate department of the SES a bio-data with ID picture of their directors/officers with rank of senior vice president and above (or equivalent ranks) upon every election/re-election/appointment/promotion in a prescribed form and for first-time directors/officers with rank of senior vice president and above (or equivalent ranks) within a particular FI, the duly notarized authorization form per Appendix Q-45, within ten (10) business days from the date of election/re-election of the directors/meeting of the board of directors in which the officers are appointed/promoted in accordance with Appendix N-1.

"The bio-data shall be updated and submitted in case of change of name due to change in civil status, within ten (10) business days from the date the change occurred.

"For other officers below the rank of senior vice president, the FI shall not be required to submit their bio-data to the BSP.

"b. The FI shall, however, keep a complete record of the bio-data of all its directors and officers and shall maintain a system of updating said records which shall be made available during on-site examination or when required by the BSP for submission for offsite verification.

"c. The FI shall also submit to the appropriate department of the SES a duly notarized list of the incumbent members of the board of directors and officers (President or equivalent rank, down the line, format attached as Annex B), within ten (10) business days from the annual election of the board of directors as provided in the FI's by-laws, in accordance with Appendix N-1."

Section 20. Pertinent Items of Appendix N-1 of the MORNBFi on the list of reports required from non-bank financial institutions are hereby amended as shown in Annex E.

Section 21. Subsection 4143S.6 of the MORNBFi on watchlisting is hereby amended to read as follows:

"Subsec. 4143S.6 Watchlisting.

"x x x

"d. Confidentiality Watchlist files shall be for internal use only of the BSP and may not be accessed or queried upon by outside parties including banks, QBs, NBFIs with trust authority, trust corporations, NSSLAs, and such institutions under the supervisory and regulatory powers of the BSP except with the authority of the person concerned (without prejudice to the authority of the Governor and the Monetary Board to authorize release of the information) and with the approval of the concerned SES Department Head or SES Subsector Head or the Deputy Governor, SES or the Governor or the Monetary Board.

"The BSP will disclose information on the persons included in its watchlist files only upon submission of a duly notarized authorization from the concerned person and approval of such request by the concerned SES Department Head or SES Subsector Head or the Deputy Governor, SES or the Governor or the Monetary Board. The prescribed authorization form to be submitted to the appropriate department of the SES is in Appendix Q-45.

"NSSLAs can gain access to said information in the said watchlist for the sole purpose of screening their nominees/applicants for trustees/officers and/or confirming their elected trustees and appointed officers. NSSLAs must obtain the said authorization on an individual basis.

"e. x x x."

Section 22. Section 4147S of the MORNBFi on bio-data is hereby added as follows:

"Sec. 4147S. Bio-data of Trustees and Officers

"a. NSSLAs shall submit to the appropriate department of the SES a bio-data with ID picture of their trustees/officers with rank of senior vice president and above (or equivalent ranks) upon every election/re-election/appointment/promotion in a prescribed form and for first-time

trustees/officers with rank of senior vice president and above (or equivalent ranks) within a particular NSSLA, the duly notarized authorization form per Appendix Q-45, within ten (10) business days from the date of election/re-election of the directors/meeting of the board of directors in which the officers are appointed/promoted in accordance with Appendix S-2.

"The bio-data shall be updated and submitted in case of change of name due to change in civil status, within ten (10) business days from the date the change occurred.

"For other officers below the rank of senior vice president, the NSSLA shall not be required to submit their bio-data to the BSP.

"b. The NSSLA shall, however, keep a complete record of the bio-data of all its trustees and officers and shall maintain a system of updating said records which shall be made available during on-site examination or when required by the BSP for submission for offsite verification.

"c. The NSSLA shall also submit to the appropriate department of the SES a duly notarized list of the incumbent members of the board of trustees and officers (President or equivalent rank, down the line, format attached as Annex B), within ten (10) business days from the election of the board of trustees as provided in the NSSLA's by-laws, in accordance with Appendix S-2."

Section 23. Pertinent Items of Appendix S-2 of the MORNBF I on the list of reports required from NSSLAs are hereby amended as shown in Annex F.

Section 24. Item 12 of Section 9 of Circular No. 710 dated 19 January 2011 on trust corporation is hereby amended to read as follows:

"12. Approval/Confirmation of the election/appointment of directors and officers.

The appointment/election of the Board of Directors, and Senior Vice Presidents and above (or equivalent rank), other than the President/Trust Officer whose appointment requires prior approval of the Monetary Board, shall be subject to the confirmation of the Monetary Board.

"However, the confirmation by the Monetary Board of the election/appointment to abovementioned position levels shall not be required, in the following cases:

- a. Reelection of a director (as a director) in the same trust corporation or election of the same director in another bank, QB, NBF I with trust authority or trust corporation within a banking group;

- b. Reelection of an independent director (as an independent director or not) in the same trust corporation or election of the same director (as an independent director or not) in another bank, QB, NBFi with trust authority or trust corporation within a banking group; and
- c. Promotion of an officer, other than to that which requires (i) prior Monetary Board approval or (ii) a different set of minimum qualifications, in the same trust corporation or appointment/transfer to another bank, QB, NBFi with trust authority or trust corporation within a banking group:

Provided, That the director/officer concerned has been previously confirmed or in the case of a compliance officer or trust officer who will be promoted to the rank of senior vice president or above (or equivalent rank), previously approved by the Monetary Board: *Provided, further*, That said director/officer has had continuous service within the same trust corporation or banking group. This exemption shall apply to directors/officers confirmed by the Monetary Board starting 1 January 2011.

"The appointment of officers below the rank of senior vice president shall be subject neither to Monetary Board approval nor BSP confirmation.

"The appointment of president/trust officer and compliance officer regardless of rank shall be subject to prior Monetary Board approval pursuant to Items 9 and 10 of Sec. 9 of Circular No. 710 dated 19 January 2011.

"For purposes of this Subsection, the term "banking group" shall refer to the parent bank and its subsidiary banks, QBs, NBFIs with trust authority and trust corporations, as well as other banks, QBs, NBFIs with trust authority and trust corporations over which the parent bank has the power to exercise "control" as defined in Subsec. 4141Q.2 of the MORBNFI.

"The documentary requirements for the confirmation of the election/appointment of directors/officers, and approval of the appointment of compliance officers and trust officers of banks/QBs/NBFIs with trust authority/trust corporations are shown in Annex A.

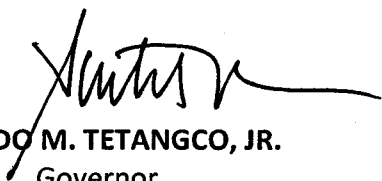
"The trust corporation shall keep a complete record of the bio-data of all its directors and officers and shall maintain a system of updating said records which shall be made available during on-site examination or when requested by the BSP for submission for offsite verification.

"If the appropriate department of the SES finds grounds for disqualification, the director/officer so elected/appointed may be recommended for removal from office even if he/she has assumed the position to which he/she was elected/appointed."

Section 25. Circular Letter No. 2011-045 dated 01 July 2011 on the documentary requirements for the confirmation of the election/appointment of the members of the Board of Directors/senior officers and approval of the appointment of Trust and Compliance Officers is hereby superseded by Annex A hereof.

This Circular shall take effect fifteen (15) calendar 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

11 May 2012