



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 842

Series of 2014

Subject: Required reports under the Basel III Risk-Based Capital Adequacy Framework for Universal and Commercial Banks and their Subsidiary Banks and Quasi-Banks

The Monetary Board, in its Resolution No. 1013 dated 26 June 2014, approved the amendments to the Manual of Regulations for Banks (MORB) and the Manual of Regulations for Non-Bank Financial Institutions (MORNBFI) to include certain provisions on the required reports under the Risk-Based Capital Adequacy Framework, particularly on the implementation of Basel III reform standards in the Philippines and sanctions thereto for non-reporting, late and/or erroneous reporting.

Section 1. The Manual of Regulations for Banks (MORB) shall be amended to include Subsection X115.4 on the required reports under Basel III which shall read as follows:

"Subsection X115.4 Required reports. Banks shall submit a report of their risk-based capital adequacy ratio on a solo basis (head office plus branches) and on a consolidated basis (parent bank plus subsidiary financial allied undertakings, but excluding insurance companies) quarterly to the appropriate department of the SES in the prescribed forms within the deadlines, i.e., fifteen (15) banking days and thirty (30) banking days after the end of reference quarter, respectively. Only banks with subsidiary financial allied undertakings (excluding insurance companies) which under existing regulations are required to prepare consolidated statements of condition on a line-by-line basis shall be required to submit report on a consolidated basis. The abovementioned reports shall be classified as *Category A-1* reports.

All universal and commercial banks as well as their subsidiary banks shall be subject to all other reporting requirements (i.e., Basel III Capital Adequacy Summary Report) under the Basel III risk-based capital as may be prescribed by the BSP.

Late and/or erroneous reporting of all reports in compliance with the Basel III requirements shall be subject to penalties provided under Subsection X192.2 of the MORB. Banks failing to submit the required reports within the prescribed deadline shall be subject to monetary penalties applicable for delayed reporting under existing regulations.

Section 2. The Manual of Regulations for Non-Bank Financial Institutions (MORNBFI) shall be amended to include Subsection 4115Q.3 on the required reports under Basel III which shall read as follows:

"Subsection 4115Q.3 Required Reports. QBs which are subsidiaries of universal/commercial banks shall submit a report of their risk-based capital adequacy ratio on a solo basis (head office plus branches) and on a consolidated basis (parent QB plus subsidiary financial allied undertakings, but excluding insurance companies) quarterly to the appropriate department of the SES in the prescribed forms within the deadlines, i.e., fifteen (15) business days and thirty (30) business days after the end of reference quarter, respectively. Only QBs with subsidiary financial allied undertakings (excluding insurance companies) which under existing regulations are required to prepare consolidated statements of condition on a line-by-line basis shall be required to submit report on a consolidated basis. The abovementioned reports shall be classified as *Category A-1* reports.

All universal and commercial banks as well as their subsidiary banks and quasi-banks shall be subject to all other reporting requirements under the Basel III risk-based capital as may be prescribed by the BSP.

Late and/or erroneous reporting of all reports in compliance with the Basel III requirements shall be subject to penalties provided under Subsection 4192Q.2 of the MORNBFI. Quasi-banks failing to submit the required reports within the prescribed deadline shall be subject to monetary penalties applicable for delayed reporting under existing regulations.

Section 3. Appendix 6/Appendix Q-3 on reports required of banks/QBs in relation to Subsections X115.4/4115Q.3 of the MORB/MORNBFI are hereby amended to reflect the required capital adequacy reports.

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:


VICENTE S. AQUINO
Officer-in-Charge

25 July 2014