



Bangko Sentral ng Pilipinas

OFFICE OF THE GOVERNOR

CIRCULAR NO. 4
Series of 2004

Pursuant to Monetary Board Resolution No. 1352 dated 16 September 2004, Section 5 of Circular No. 410 dated 29 October 2003 is hereby amended to read as follows:

**"Section 5. EFFECTIVITY OF SELECTION AND INCLUSION
IN BSP LIST**

The selection of external auditors shall be valid for a period of three years. BSP selected external auditors shall apply for the renewal of their selection every three years. The provisions of Section 2 (General Requirements) and Section 4 (Application and Pre-qualification Requirements) of this Circular shall likewise apply for each application for renewal.

The Supervision and Examination Sector (SES) shall make an annual assessment of the performance of external auditors and will recommend deletion from the list even prior to the three-year renewal period, if based on assessment, the external auditors' report did not comply with BSP requirements.

External auditors who meet the requirements specified in this Circular shall be included in the list of BSP selected external auditors. In case of partnership, inclusion in the list of BSP selected external auditors shall apply to the audit firm only and not to the individual signing partners or auditors under its employment.

The BSP will circularize to all banks, quasi banks, trust entities and NSSLAs the list of selected external auditors once a year. The BSP, however, shall not be liable for any damage or loss that may arise from its selection of the external auditors to be engaged by banks, quasi-banks, trust entities or NSSLAs for regular audit or special engagements."

MAG-IMPOK SA BANGK



This Circular shall take effect fifteen (15) days after publication in the Official Gazette or in a national paper of general circulation.

FOR THE MONETARY BOARD:



ARMAENDO L. SURATOS
Officer-in-Charge

29 September 2004