



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE DEPUTY GOVERNOR
SUPERVISION AND EXAMINATION SECTOR

MEMORANDUM NO. M-2014-005

To : ALL BANKS

Subject : Frequently Asked Questions on Circular No. 802 dated 21 June 2013 on the Amendment of Section X156 of the Manual of Regulations for Banks (MORB) on Submission to the Bangko Sentral ng Pilipinas (BSP) of the Notice of Intended Closure of Banks and/or Their Branches or Other Offices Due to Local Holidays

1. *Can the Chief Compliance Officer qualify as a co-signatory of the required Certification in lieu of the President?*

Circular No. 802 provides, among others, that the required notice shall be supported by a certification jointly signed by the President of the bank or officer of equivalent position and the head of the branches department, if any. The phrase "officer of equivalent position" pertains to head of the bank such as the Chief Executive Officer. Considering that the Chief Compliance Officer (CCO) is not an officer of equivalent position of the President, the CCO is not qualified as a co-signatory of the required certification.

2. *Is there any prescribed form for the Notice and should the Certification be notarized? May we be advised of the name and designation of the addressee (for the Notice) in the Supervisory Data Center (SDC)?*

There is no prescribed form for the notice as long as it contains the relevant information such as the bank/branch/office to be closed, the date of closure and the specific local festivity. The certification is not required to be notarized as it is not specifically provided for under Circular No. 802.

The addressee of the notice is Mr. Vicente T. De Villa III, Director of SDC. However, to facilitate compliance with the submission deadline, banks are allowed to send scanned copy of each of the notice and certification duly signed by the appropriate signatories. Said scanned copy can be submitted to the following SDC email addresses:

Type of Banks	Email Address
Universal/Commercial Banks	SDCKB-NICB@bsp.gov.ph
Thrift Banks	SDCTB-NICB@bsp.gov.ph
Rural/Cooperative Banks	SDCRB-NICB@bsp.gov.ph

- 3. May the bank be allowed to submit scanned copies of the notice/certification thru e-mail to facilitate compliance with BSP Circular 802?**

Please see reply to Item 2 above.

- 4. If scanned copies will be allowed to be submitted thru e-mail or LN, do banks still need to submit the original copies to the BSP?**

Yes, the original copy of the notice and certification are still required to be submitted to the SDC.

- 5. If submitted documents are to be kept for future reference, how many years is the retention period?**

For universal, commercial, and thrift banks, no specific retention period is required. However, banks are advised to comply with Section X808 of the MORB on Record Keeping and Retention in relation to Anti-Money Laundering Transactions, i.e., for 5 years from date of the transaction. In cases where specific laws/regulations require a different retention period, the longer retention period shall be observed by the bank.

For rural and cooperative banks, it must be in accordance with Appendix 50 of the MORB on the Guidelines on Retention and Disposal of Records of Rural and Cooperative Banks.

- 6. Is there any penalty for delayed and/or non-submission of the requirements (Notice and Certification) to BSP? If so, what particular Circular/Section of the MORB will apply?**

Circular No. 802 amended Section X156 of the MORB. Under Section X199 of the MORB on general provision on sanctions, except as otherwise provided, any violation of the provisions of Part One of the MORB shall be subject to Sections 36 and 37 of R.A. No. 7653 or The New Central Bank Act, as implemented under Appendix 67 of the MORB. Moreover, the bank's overall compliance with regulatory issuances is being considered in the evaluation of the risk management system and non-compliance thereof may subject the bank and its management to appropriate supervisory action.

- 7. Can a bank be allowed to close during a holiday approved by the local government without prior notice to the BSP? No notice/certification, no closure?**

Third paragraph of Circular No. 802 clearly provides the requirements to enable banks and/or their branches, extension offices (EOs) or other banking offices (OBOs) to close on certain days in celebration of important historical and/or religious events not covered by Presidential Proclamation (i.e., the said closure has the prior approval of the banker's association in the locality and in the case

of bank branches, their respective head offices; the said closure will only be allowed in the municipality or city where the festivities are centered; and the banks and/or their branches, EOs or OBOs shall submit, either individually or through their head offices, to the Supervisory Data Center, a prior notice of their intended closure on account of a specific local festivity not covered by a Presidential Proclamation, at least two (2) working days before the intended date of closure). These are intended to be conditions precedent for the temporary closure of the head offices/branches/EOs/OBOs.

8. *Can a bank submit the notice/certification more than 2 banking days before the intended date of closure?*

Yes. Submission of certification is at least two (2) working days before the intended date of closure.

9. *What bankers association will approve in case of bank branches (Provision in letter c "Provided, That said closure has the prior approval of the bankers' association in the locality and in the case of bank branches, their respective head offices")?*

In the case of bank branches, the bankers' association in the locality where the festivity/event will be celebrated should approve the closure. Furthermore, this should also be approved by its head office.

10. *Can the BSP consider as Notice and Certification from banks if a Governor of a Province furnished BSP with copies of the approved holiday and Certification from local bankers club?*

No. The notice from the Governor of the province on approved holidays and certification from local bankers club are among the documentary requirements. However, the required certification should still be submitted by the bank and jointly signed by its President and head of the branches department, if any. The Governor of the province or the local bankers' club cannot certify on matters concerning the operations of the individual banks.

11. *Are banks still required to submit the required notice and certification in case of closure of head offices/branches/EOs/OBOs due to local holidays covered by a Republic Act?*

First paragraph of Circular No. 802 provides that banks and/or their branches/EOs/OBOs, doing business in the Philippines, shall observe for the conduct of their business a regular banking week of five (5) days, except when such days are non-working holidays, including local holidays, declared by President Proclamations.

When a specific date is declared a holiday in a specific place or province through a Republic Act, it is already considered a non-working holiday, thus no notice and certification are required.

12. Are changes in banking days/hours due to emergency (e.g., fire, flood) covered by this Circular?

No. Circular No. 802 does not govern changes in banking hours/days due to emergency, rather, it is Subsection X156.2 of the MORB that applies.

For information and guidance.


NESTOR A. ESPENILLA, JR.
Deputy Governor

30 January 2014