



Bangko Sentral ng Pilipinas

OFFICE OF THE GOVERNOR

MEMORANDUM NO. M – 2006 - 002

To : ALL BANKS AND NON-BANK FINANCIAL INSTITUTIONS UNDER BSP SUPERVISION

Subject: Third Party Custodianship - Special Power of Attorney (SPA) For Investor-Clients

The Monetary Board, in its Resolution No. 581 dated 5 May 2006 approved a thirty (30) calendar day period from date of this Memorandum within which banks/non-banks will effect revisions to non-conforming SPAs issued by investor-clients to strictly conform to the limited authority provisions of Section 7 of Circular No. 524 dated 31 March 2006, subject to the following conditions:

1. The clean-up of SPAs will cover those issued by clients prior to Circular No. 524 dated 31 March 2006;
2. Custodians will allow transfers of securities from proprietary accounts of dealers to their omnibus principal custody accounts within the period;
3. There will be no penalties imposed for dealer-banks and accredited securities custodians that allowed non-compliant SPAs prior to Circular No. 524 dated 31 March 2006 or those issued under Circular Letter dated 4 August 2005 if corrected within the thirty day period; and
4. Non-compliance with other provisions of Circular No. 524 dated 31 March 2006 are not covered/qualified to be corrected within the thirty day period and are therefore subject to the usual penalty/sanctions under existing regulations.

For information and guidance.

FOR THE MONETARY BOARD:

AMANDO M. TETANGCO, JR.
Governor

5 June 2006

PANANALAPING MATATAG, BANSANG PANATAG