



BANGKO SENTRAL NG PILIPINAS

**OFFICE OF THE DEPUTY GOVERNOR
FINANCIAL SUPERVISION SECTOR**

MEMORANDUM NO. M-2021-025

To : All BSP-Supervised Financial Institutions (BSFIs)

Subject: Non-extension of Term Limit for Independent Directors

It is the thrust of the Bangko Sentral to promote good corporate governance and effective risk management systems in the financial industry. It is in this light that the Bangko Sentral issued regulations that institutionalize control measures to highlight accountabilities, strengthen checks and balances, and ultimately protect the interest of customers and depositors. These measures, include among others, the term limit for independent directors.

Section 132/132-Q of the Manual of Regulations for Banks/Manual of Regulations for Non-Bank Financial Institutions provides, among others, that an independent director (ID) of a BSFI may only serve as such for a maximum cumulative term of nine (9) years. After which, the ID shall be perpetually barred from serving as ID in the same BSFI but may continue to serve as its regular director. The nine (9) year maximum cumulative term for IDs shall be reckoned from 2012.

In this regard, all BSFIs are hereby advised that pursuant to Monetary Board Resolution No. 371 dated 31 March 2021, the BSP shall not approve requests for exemption from the said term limit for IDs.

For information and compliance.

 Digitally signed
by Chuchi G.
Fonacier
Date: 2021.04.23
10:07:51 +08'00'

CHUCHI G. FONACIER
Deputy Governor

23 April 2021