



Bangko Sentral ng Pilipinas

OFFICE OF THE GOVERNOR

**Circular No. 405
Series of 2003**

Pursuant to Monetary Board Resolution No. 1243 dated 28 August 2003, the Manual of Regulations for Banks (MORB) is hereby amended as follows:

Section 1. Item A.4(b) of Appendix 9 (Guidelines for Consolidation of Financial Statements of Banks and their Subsidiaries Engaged in Financial Allied Undertakings) of the Manual of Regulations for Banks is hereby amended to read as follows:

A. Definitions

x x x

4. *Affiliate* refers to an entity linked directly or indirectly to a bank by means of:

x x x

(b) Interlocking directorship or officership, **except in cases involving independent directors as defined under existing regulations;**

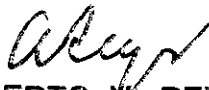
x x x

Section 2. The aforementioned definition of "Affiliate" is hereby adopted for purposes of Subsections X162.12, X233.9, X602.2 of the MORB, Circular No. 388 dated May 26, 2003 and for other purposes except where the provision of the regulation expressly states otherwise.

MAG-IMPOK SA BANGKO

This Circular shall take effect after fifteen (15) days following its publication either in the Official Gazette or in a newspaper of general circulation.

FOR THE MONETARY BOARD:


ALBERTO V. REYES
Officer-in-Charge

25 Sept. 2003