



Bangko Sentral ng Pilipinas

OFFICE OF THE DEPUTY GOVERNOR SUPERVISION AND EXAMINATION SECTOR

CIRCULAR LETTER Series of 2004

To : All Banks

In connection with reports received by the Bangko Sentral on irregularities involving forged endorsements of dividend checks issued by Paying Agent Banks of certain corporations, banks are enjoined to take the necessary precautions in accepting deposit of second-endorsed dividend checks, especially those in unusually large volume. Banks should examine thoroughly dividend checks with particular attention to the payee's endorsement.

Allegedly, second-endorsed dividend checks are being presented in large volume to various rural and thrift banks for deposit and/or encashment when the legitimate subscribers/payees of the dividend checks did not actually receive/endorse said checks. Purportedly, checks deposited in large volume come from a single source who is not the payee of the checks.

In case of forged endorsements of dividend checks or suspicion of the same, banks are advised to notify immediately the Accounting and Control Section or the Stock Transfer Department of the respective Paying Agent Banks of the issuer of the shares of stock, for proper disposition.


NESTOR A. ESPENILLA, JR.
Sector-in-Charge

20 February 2004

MAG-IMPOK SA BANGKO



2/15