



Bangko Sentral ng Pilipinas

OFFICE OF THE GOVERNOR

Circular No. 390
Series of 2003

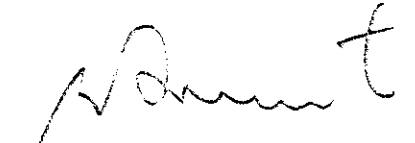
The Monetary Board, in its Resolution No. 560 dated April 24, 2003, allowed the outsourcing of certain front/back office functions, i.e., trade support services and downstream processing activities, by parent to a subsidiary or vice-versa, under Circular 268 dated December 5, 2000, subject however to the following conditions:

1. The bank intending to outsource aforementioned functions (the bank) shall certify that the front office functions to be done by its parent/subsidiary (service provider) shall be limited to trade support services;
2. The bank shall remain a parent/subsidiary of its subsidiary/parent (service provider) and such service provider shall service only entities belonging to its business group;
3. The bank shall certify that no inherent banking functions involving deposit transactions shall be outsourced to its parent/subsidiary (service provider); and
4. The bank shall submit a Service Level Agreement (duly signed by concerned parties), and any amendments thereto, detailing the functions to be outsourced, the respective responsibilities of the bank and its parent/subsidiary (service provider) and a confidentiality clause.

It is understood that any breach in any of the above conditions shall subject the outsourcing of the aforementioned banking functions to all the requirements of Circular No. 268.

This Circular shall take effect immediately.

FOR THE MONETARY BOARD


RAFAEL B. BUENAVENTURA
Governor

30 June 2003

MAG-IMPOK SA BANGKO