

**BANGKO SENTRAL NG PILIPINAS**

OFFICE OF THE GOVERNOR

CIRCULAR NO. 1031

Series of 2019

**Subject: Additional Guidelines on the Grant of Licenses/Authorities
and Types of Licenses of Permissible Activities**

The Monetary Board, in its Resolution No. 56 dated 10 January 2019 approved the: (i) classification of existing licenses being granted by the Bangko Sentral in accordance with the types of licenses provided under Subsection X1101.1 of the Manual of Regulations for Banks (MORB) and Subsections 41101Q.1/4501S.1/4501P.1/4110N.1/4201T.1 of the Manual of Regulations for Non-Bank Financial Institutions (MORNBFII); and (ii) corresponding amendments to the licensing requirements of the Bangko Sentral.

Section 1. The type of license attached to permissible activities of Bangko Sentral supervised financial institutions (BSFI) is presented under Section X1102 of the MORB, which shall read as follows :

Section X1102. Type of License of Permissible Activities. The type of license attached to permissible activities of Bangko Sentral supervised financial institutions (BSFIs) shall be as follows:

Type of License	Permissible Activity	Related Sections/Subsections of the MORB
A	Establishment/Sale of Branches/Branch-lite Units ¹	X151.3 X151.10(c)
	Equity Investment in Allied and Non-Allied Undertaking	X376 X377 X378 X380 X383 1381 Appendix 79
	Investments in Subsidiaries and Affiliates Abroad	X382 Appendix 79
	Trust and Other Fiduciary Business	X404 2404 3404
B	Conversion to a Lower Bank Category	X102.4
	Amendment of Articles of Incorporation (AOI) and By-Laws	X103

¹ Includes conversion of branch-lite unit/s to branch/es

Type of License	Permissible Activity	Related Sections/Subsections of the MORB
	Relocation of Head Offices	X152
C	Conversion of Microfinance-oriented Thrift Banks and Rural Banks	X102.5
	Declaration and Payment of Cash and/or Stock Dividends	X136 Appendix 114
	Relocation of Approved but Unopened Branches/Branch-lite Units	X151.7
	Relocation of Branches/Branch-lite Units	X151.9
	Temporary Closure of Branches/Branch-lite Units	X151.10(a)
	Permanent Closure and Surrender of Branch/Branch-lite Unit License	X151.10(b)
	Outsourcing/Insourcing of Banking Functions	X161 X162 Appendix 100
	Servicing Deposits Outside Bank Premises	X213
	Issuance of Bonds and Commercial Paper	X239
	Investment in Readily Marketable Bonds and Other Securities	X388.5
	Amendment of the Plan Rules of UITF	X410.6

The permissible activities indicated in the table below shall have Type A license on initial application. Subsequent applications for expansion of the range of activities/services related to the initial license granted shall be classified as Type C licenses subject to the conditions set out in the related Sections/Subsections of the MORB:

Banking Activity	Related Sections/Subsections of the MORB
Bank Offices as Outlet of Financial Products of Allied Undertakings/Investment Houses (Cross-selling Activities)	X172
Marketing, Sale and Servicing of Microinsurance Products	2172 3172 2361.8 3361.8

Section 2. The type of license attached to permissible activities of BSFIs is hereby added as Sections 41102Q/4502S/4502P/4111N/4202T of the MORNBF, which shall read as follows:

Section 41102Q/4502S/4502P/4111N/4202T. Type of License of Permissible Activities. The type of license attached to permissible activities of Bangko Sentral supervised financial institutions (BSFIs) shall be as follows:

Type of License	Permissible Activity	Related Sections/Subsections of the MORNBF
A	Establishment of Branches and Other Office	4151Q Appendix Q-2
	Trust and Other Fiduciary Business	4404Q 4101N 4402T Appendix Q-39
B	Amendment of Articles of Incorporation (AOI) and By-Laws	4104Q 4103T.1 4101S.2
C	Outsourcing/Insourcing of Banking Functions	4162Q 4406Q.9 4701Q.13 4190S 4161P 4190N Appendix Q-37
	Issuance of Bonds and Commercial Paper	4239Q
	Amendment of the Plan Rules of UITF	4410Q.6

Section 3. Subsection X1101.2 of the MORB provides the prudential criteria in determining the eligibility of BSFIs for the licenses/authorities being applied for. In this respect, Sections 2404/3404 and Subsections X151.3/X151.5/X151.10/X376.1/X376.5/X382.1/X382.3/X404.1/X404.2/X404.4 of the MORB are hereby amended to apply the prudential criteria set out under Subsection X1101.2 and to amend the licensing requirements as follows:

Permissible Activities with Type A License

A. Establishment of Branches/Branch-lite Units

Subsection X151.3 Application for authority to establish a branch/branch-lite unit. Banks seeking to establish branch or branch-lite unit shall submit the following documents to the appropriate supervising department of the Bangko Sentral:

- a. Application letter signed by the president or officer of equivalent rank of the bank which shall indicate the number of branch/es or branch-lite unit/s to be established and their proposed location/s. In this respect, application for the establishment of branch-lite unit/s shall include the range of activities that will be performed and services that will be offered by the branch-lite unit to a specifically defined market or sector;
- b. Xxx
- c. Certification signed by the president or officer of equivalent rank and the chief compliance officer that the bank is compliant with the pre-requisites for the grant of authority to establish branch/es or branch-lite units provided under Subsec. X151.2.

The foregoing regulations shall also apply to bank's application to convert a branch-lite unit into a branch.

Subsec. X151.5 Processing fees.

Upon filing of an application for establishment of branches/branch-lite unit/s, the bank shall pay the total processing fee computed for all branches/branch-lite units applied for in accordance with the following:

Banking Unit and Bank Category	Processing Fee Per Branch/Branch-lite Unit	
	Metro Manila, cities of Cebu and Davao, All Other Cities, 1st to 2nd Class Municipalities	3rd to 6th Class Municipalities
Xxx	Xxx	Xxx

Provided, That branches/branch-lite units to be established in unbanked cities and municipalities shall be exempted from the processing fee.

The above processing fees shall also apply in cases of:

- a. Relocation to cities/municipalities of a higher classification of (i) approved but unopened branches/branch-lite units under Subsec. X151.7; ii) existing branches/branch-lite units under Subsection X151.9; and (iii) head office under Sec. X152;
- b. Acquisition of existing branches/branch-lite units under item c of Subsec. X151.10;
- c. Conversion of branch-lite units into branches; and
- d. Establishment of sub-branches of foreign bank branches under Sec. X153.

Subsection X151.10 Temporary closure², permanent closure and surrender of branch/branch-lite unit license, and sale/acquisition of branches/branch-lite units

x x x

c. Sale/acquisition of branches/branch-lite unit. Banks intending to sell/acquire existing/operating branches/branch-lite units shall secure prior approval of the Bangko Sentral. *Provided That:* banks acquiring branches/branch-lite units, including those in Metro Manila, shall comply with the applicable minimum capital requirement under Subsec. X111.1. For this purpose, the prudential criteria provided under Subsec. X1101.2 shall be applied to the acquiring bank. The following documents shall be submitted to the appropriate supervising department of the Bangko Sentral:

- (1) Written consent of the PDIC on the transfer of assets and assumption of liabilities as provided under Section 26 of the PDIC Charter (R.A. No. 3591), as amended by R.A. No. 9302 and re-numbered under R.A. No. 10846. The said consent shall be obtained by both the selling bank and the acquiring bank;
- (2) For the Selling Bank:
 - (a) Application letter signed by the president or officer of equivalent rank indicating the rationale for the closure and sale of the branches/branch-lite units; and
 - (b) Corporate secretary's certificate on the approval of the stockholders, when required under the Corporation Code, and the board of directors (or equivalent management committee in the case of foreign bank branches) of the closure and sale of the branches/branch-lite units;
- (3) For the Acquiring Bank:
 - (a) Application letter signed by the president or officer of equivalent rank indicating the rationale for the acquisition of the branches/branch-lite units;
 - (b) Corporate secretary's certificate on the approval of the board of directors (or equivalent management committee in the case of foreign bank branches) of the acquisition of branches/branch-lite units; and
 - (c) Certification signed by the president or officer of equivalent rank and the chief compliance officer that the bank has complied with: (i) all the prudential criteria provided under Subsec. X1101.2; (ii) the minimum capital requirement under Subsec. X111.1; and (iii) other pertinent banking laws, rules and regulations.

An approved application to sell/acquire branches/branch-lite units shall be subject to the following conditions:

- (a) For the Selling Bank -
 - (i) Upon receipt of notice of approval, but at least forty-five (45) calendar days prior to the closure, a notice of closure shall be sent to the depositors' and other creditors' last known addresses by registered mail,

² With additional special regulatory relief in areas affected by Tropical Depression "Yolanda" as provided under *Appendix 89a (Circular No. 820 dated 06 December 2013)*

or delivery service of other mail courier, or electronic mail, and posters on the closure of branches/branch-lite units shall also be displayed in conspicuous places in the premises of the branch/branch-lite units to be sold. Proofs of receipt of notice by the depositors and other creditors shall be kept on file and made available upon request of the Bangko Sentral; and

- (ii) Within five (5) banking days from the date of closure of the branch/branch-lite unit, a notice of such closure signed by the chief compliance officer and the head of the branches department, together with a certification that the notification requirement under Item “i” above has been complied with, shall be submitted to the appropriate supervising department of the Bangko Sentral.

- (b) For the Acquiring Bank –

The acquiring bank shall comply with Subsec. X151.8 on the requirements for opening a branch/branch-lite unit.

B. Equity Investment in Allied and Non-Allied Undertaking

Subsection X376.1. Investment in Equities. Banks may invest in equities of allied or non-allied undertakings, including corporate affiliations or structures, subject to approval of the Bangko Sentral and compliance with the prudential criteria provided under Subsec. X1101.2. A bank applying for approval to invest in allied or non-allied undertakings shall submit the following documents to the appropriate supervising department of the Bangko Sentral:

- a. Application letter signed by the president or officer of equivalent rank indicating the justifications on how the investment is aligned with the bank’s business model and strategic direction. The application letter shall likewise provide the following information:
 - (1) Name of the investee company;
 - (2) Type of business activities; and
 - (3) Interest to be held by the bank and the manner in which such interest will be held;
- b. Corporate secretary’s certificate on the approval of the stockholders, when required under the Corporation Code, and the board of directors (or equivalent management committee in the case of foreign bank branches) of the proposed investment;
- c. Certification signed by the president or officer of equivalent rank and the chief compliance officer that the bank has complied with (i) all the prudential criteria prescribed under Subsec. X1101.2, (ii) the minimum capital required under Subsec. X111.1, (iii) the criteria on major investments under Subsec. X376.5(b), as applicable, and (iv) other pertinent banking laws, rules, and regulations;

d. Information on the non-bank allied/non-allied undertaking, as follows:

- (1) Financial projections (e.g., balance sheets and income statements) for the first three years of operation in case of establishment of a new allied or non-allied undertaking, or audited financial statements for the last three (3) years, in case of new or additional equity investments in an existing company; and
- (2) List of the members of the board of directors and senior officers;

e. Articles of incorporation of the investee company;

f. Corporate secretary's certificate on the approval of the stockholders, when required under the Corporation Code, and the board of directors of the investee company to allow the Bangko Sentral to examine its books; and

g. Favorable ruling/no-objection ruling or exemption from compulsory notification requirement, as applicable, from the Philippine Competition Commission.

Subsection X376.5. Guidelines for major investments. The following are the guidelines for major acquisitions or investments by a bank including corporate affiliations or structures to implement Section 50 of R.A. No. 8791.

- a. x x x
- b. x x x
- c. The Bangko Sentral may impose conditions on any approval x x x
- d. The Bangko Sentral shall have the authority to seek corrective action x x x

C. Investments in Subsidiaries and Affiliates Abroad

Subsection X382.1. Application for authority to establish or acquire subsidiaries and affiliates abroad. Banks may invest in subsidiaries and affiliates abroad subject to approval of the Bangko Sentral and compliance with the prudential criteria provided under Subsec. X1101.2. A bank applying for authority to establish or acquire subsidiaries and affiliates abroad shall submit the following documents to the appropriate supervising department of the Bangko Sentral:

- a. Application letter for authority to establish or acquire subsidiaries and/or affiliates abroad signed by the president or officer of equivalent rank, with justifications on how the investment is aligned with the bank's business model and strategic direction. The application shall likewise include economic justification for such investment, indicating among others, the services to be offered, the minimum outlay such as capital requirement of the host country, and projected results of operations for the first three (3) years of operations;
- b. Corporate secretary's certificate on the approval of the stockholders, when required under the Corporation Code, and the board of directors of the establishment or acquisition of subsidiaries or affiliates abroad;

- c. Certification signed by the president or officer of equivalent rank and the chief compliance officer certifying that:
 - (1) The bank has complied with all the prudential criteria prescribed under Subsec. X1101.2 and other pertinent banking laws, rules, and regulations;
 - (2) The bank has complied with the citizenship requirements, ownership ceilings, and other limitations on voting stockholdings in banks under existing laws, and regulations;
 - (3) The bank has sufficient experience and expertise to engage in international banking operations; and
 - (4) An application for such establishment/acquisition has been filed with the appropriate government agency of the host country; and
- d. Organizational set-up of the proposed office showing the proposed positions and the qualifications set out for senior management as well as the names of individuals who will hold said positions.

Subsection X382.3. Conditions for approval of application. The approval of the application to establish or acquire a subsidiary or an affiliate abroad shall be subject to the following conditions:

- a. The senior officers who will be in-charge of the bank's subsidiary or affiliate abroad shall have sufficient background and expertise that are relevant to the positions and possess the qualifications necessary to carry out the corresponding duties and responsibilities;
- b. x x x
- c. x x x
- d. x x x
- e. x x x
- f. x x x
- g. x x x
- h. x x x ;
- i. x x x ; and
- j. Investments in subsidiaries and/or affiliates abroad shall be subject to the limitations and restrictions under Section X383.

D. Trust and Other Fiduciary Business

Subsection X404.1. Application for authority to perform trust and other fiduciary business.

Banks may engage in trust and other fiduciary business subject to approval of the Monetary Board and compliance with the prudential criteria provided under Subsec. X1101.2. Banks applying for authority to engage in trust and other fiduciary business shall submit the following documents to the appropriate supervising department of the Bangko Sentral:

- a. Application letter signed by the president or officer of equivalent rank with justifications on how the license is aligned with the bank's business model and strategic direction;
- b. Corporate secretary's certificate on the approval of the board of directors (or equivalent management committee in the case of foreign bank branches) to engage in trust and other fiduciary business;
- c. Certification signed by the president or officer of equivalent rank and the chief compliance officer certifying that the institution has complied with all the: (i) prudential criteria prescribed under Subsec. X1101.2; (ii) required minimum capital under Subsec. X111.1; and (iii) pertinent banking laws, rules and regulations on trust and other fiduciary business;
- d. The articles of incorporation or governing charter of the institution which shall include among its powers or purposes, acting as trustee or administering any trust or holding property in trust or on deposit for the use, or in behalf of others; and
- e. The by-laws of the institution which shall include among other things, provisions on the following:
 - (1) The organization plan or structure of the department, office or unit which shall conduct the trust and other fiduciary business of the institution;
 - (2) The creation of a trust committee, the appointment of a trust officer and subordinate officers of the trust department; and
 - (3) A clear definition of the duties and responsibilities as well as the line and staff functional relationships of the various units, officers and staff within the organization.

Subsection X404.2. Required capital. x x x

TBs. P650.0 million or such amounts as may be required by the Monetary Board in the future.

Subsection X404.4. Pre-operating requirements. A bank authorized to engage in trust and other fiduciary business shall comply with the following, before engaging in actual operations:

- a. Deposit with the Bangko Sentral eligible government securities amounting to P500,000 as minimum basic security deposit for the faithful performance of trust and other fiduciary duties required under Subsec. X405.1;
- b. Completion of the following activities and retention of corresponding supporting documents:
 - (1) Establishment of the trust department, development of policies and procedures related to the trust business, risk management system and internal controls, and

- delineation of duties and responsibilities of the different units in the trust department; and
- (2) Establishment of personnel and management positions for trust operations and defining the corresponding qualification requirements and duties and responsibilities. Records of profiles of individuals holding the positions shall be maintained.

The guidelines on the issuance of the Certificate of Authority to register with the SEC and to operate trust and other fiduciary business are provided under Sec. X103.

Subsection 404.5. shall be inserted in the MORB, which shall read as follows:

Subsection X404.5. Licensing fees. Applicable licensing fee provided under Sec. X1103 shall be immediately charged upon approval of the bank's application for the authority to perform trust and other fiduciary business.

Section 2404. Grant of Authority to Engage in Limited Trust Business to Thrift Banks.

- a. x x x
- b. x x x
- c. Required capital. A TB applying for authority to engage in limited trust business must have minimum capital accounts under existing regulations or such amounts as may be required by the Monetary Board in the future.
- d. Requirements for engaging in limited trust business. x x x
The guidelines on the issuance of the Certificate of Authority to register with the SEC and to operate trust and other fiduciary business are provided under Sec. X103.
- e. Administration of properties held in trust. x x x
- f. Applicability of the rules and regulations on trust, other fiduciary business and investment management activities. x x x

Subsection 2404.1. shall be inserted in the MORB, which shall read as follows:

Subsection 2404.1 Application for Authority to Perform Limited Trust Business. A TB may engage in limited trust business subject to approval of the Bangko Sentral and compliance with the prudential criteria provided under Subsec. X1101.2. A TB applying for authority to engage in limited trust business shall submit the following documents to the appropriate supervising department of the Bangko Sentral:

1. Application letter signed by the president or officer of equivalent rank including justifications on how the license is aligned with the bank's business model and strategic direction;
2. Corporate secretary's certificate on the approval of the board of directors (or equivalent management committee in the case of foreign bank branches) to perform limited trust business; and

3. Certification signed by the president or officer of equivalent rank and the chief compliance officer certifying that the institution has complied with all the: (i) prudential criteria prescribed under Subsec. X1101.2; (ii) minimum capital required under existing regulations or such amounts as may be required by the Monetary Board; and (iii) other pertinent banking laws, rules and regulations.

Subsection 2404.2. shall be inserted in the MORB, which shall read as follows:

Subsection 2404.2. Licensing fees. Applicable licensing fee provided under Sec. X1103 shall be immediately charged upon approval of the bank's application for the authority to perform trust and other fiduciary business.

Section 3404. Grant of Authority to Engage in Limited Trust Business to Rural Banks.

- a. x x x
- b. x x x
- c. Required capital. An RB applying for authority to engage in limited trust business must have minimum capital accounts of P100.0 million, or such amounts as may be required by the Monetary Board in the future.
- d. Requirements for engaging in limited trust business. x x x

The guidelines on the issuance of the Certificate of Authority to register with the SEC and to operate trust and other fiduciary business are provided under Sec. X103.

- e. Administration of properties held in trust. x x x
- f. Applicability of the rules and regulations on trust, other fiduciary business and investment management activities. x x x

Subsection 3404.1 shall be inserted in the MORB, which shall read as follows:

Subsection 3404.1. Application for Authority to Perform Limited Trust Business. An RB may engage in limited trust business subject to approval of the Bangko Sentral and compliance with the prudential criteria provided under Subsec. X1101.2. An RB applying for authority to engage in limited trust business shall submit the following documents to the appropriate supervising department of the Bangko Sentral:

1. Application letter shall be signed by the president or officer of equivalent rank including justifications on how the license is aligned with the bank's business model and strategic direction;
2. Corporate secretary's certificate on the approval of the board of directors (or equivalent management committee in the case of foreign bank branches) to engage in limited trust business; and
3. Certification signed by the president or officer of equivalent rank and the chief compliance officer certifying that the institution has complied with all: (i) the prudential criteria prescribed under Subsec. X1101.2; (ii) minimum capital required

under existing regulations or P100.0 million, whichever is higher, or such amounts as may be required by the Monetary Board; and (iii) other pertinent banking laws, rules, and regulations.

Subsection 3404.2. shall be inserted in the MORB, which shall read as follows:

Subsection 3404.2. Licensing fees. Applicable licensing fee provided under Sec. X1103 shall be immediately charged upon approval of the bank's application for the authority to perform trust and other fiduciary business.

Section 4. Sections/Subsections X151.7/X151.9/X151.10/X162.3/X213/X410.6 are hereby amended to amend the requirements on permissible activities as follows:

Permissible Activities with Type C License

A. Relocation/Voluntary Closure of Branches/Branch-lite Units

Subsection X151.7. Opening of branches/branch-lite units. Approved branches/branch-lite units shall be opened, as follows:

x x x

The opening of approved branches/branch-lite units may, however, be suspended or revoked by the appropriate supervising department of the Bangko Sentral upon approval of the Deputy Governor x x x

(2) The bank or any of its subsidiary bank is initiated under PCA or is under condition/s subject to PCA or if already under PCA, continuously fails to comply with the MOU/PCA plan (PCAP), except, if such branches/branch-lite units are critical elements of the MOU/PCAP or shall support the fulfillment of the MOU/PCAP;

(3) x x x

Relocation of approved but not yet opened branches/branch-lite units may be allowed subject to notification to the Bangko Sentral and continuing compliance with the prudential criteria prescribed under Subsec. X1101.2. For this purpose, banks shall submit the following documents, within 10 banking days from the approval of the board of directors of the relocation, to the appropriate supervising department of the Bangko Sentral:

- (a) Notification letter signed by the president or officer of equivalent rank indicating the rationale for relocation;
- (b) Corporate secretary's certificate on the approval of the board of directors (or equivalent management committee in the case of foreign bank branches) to relocate approved but unopened branches/branch-lite units;
- (c) Certification signed by the president or officer of equivalent rank and the chief compliance officer of the bank's continuing compliance with all the prudential

- criteria prescribed under Subsec. X1101.2 and other pertinent banking laws, rules and regulations; and
- (d) Authorization to debit their demand deposit accounts for the applicable processing fee under Subsec. X151.5 in case of relocation to cities/municipalities of a higher classification.

The opening of the relocated branch/branch-lite unit shall be made within the prescribed period mentioned above from date of approval of its establishment.

As an incentive to merger/consolidation of banks or purchase/acquisition of majority x x x

Subsection X151.9 Relocation of branches/branch-lite units³. Relocation of existing branches/branch-lite units, whether to be opened at the new site on the next banking day or within one (1) year from the date of closure of the branch/branch-lite unit, may be allowed subject to continuing compliance with the prudential criteria prescribed under Subsec. X1101.2, and in accordance with the following procedures:

- a. A notice of relocation of branch/ branch-lite unit signed by the president or officer of equivalent rank, together with a corporate secretary's certificate on the approval of the board of directors (or equivalent management committee in the case of foreign bank branches) of the said relocation, certification signed by the president or officer of equivalent rank and the chief compliance officer of the bank's continuing compliance with all the prudential criteria prescribed under Subsec. X1101.2 and other pertinent banking laws, rules and regulations, and an undertaking that the bank shall comply with the notification requirement under Item "b" below, shall be submitted by the bank to the appropriate supervising department of the Bangko Sentral within 10 banking days from the approval of the board of directors (or equivalent management committee in the case of foreign bank branches) of the relocation. The notice shall include information as to the new relocation site, the timetable for said relocation, and the branch/branch-lite unit that will handle the transactions of the branch/branch-lite unit to be relocated, as may be applicable.
- b. Notice of relocation shall be sent by the bank to the depositors' and other creditors' last known addresses x x x;

x x x

- e. Branches/branch-lite units may be relocated anywhere subject to applicable processing fee under Subsec. X151.5. In this respect, in addition to item "a" above, banks shall submit an authorization to debit their demand deposit accounts for the processing fee; and

- f. x x x

³ With additional special regulatory relief in areas affected by Tropical Depression "Yolanda" as provided under *Appendix 89a (Circular No. 820 dated 06 December 2013)*.

Subsection X151.10 Temporary closure⁴, permanent closure and surrender of branch/branch-lite unit license, and sale/acquisition of branches/branch-lite units

a. Temporary closure of existing branches/branch-lite unit/s. Temporary closure of existing branches/branch-lite units for the purpose of undertaking renovations/major repairs of office premises/facilities and for other valid reasons may be allowed: Provided, That the branch/branch-lite unit shall be reopened within a period of one (1) year from the date of temporary closure in accordance with the following procedures:

- (1) A notice of temporary closure signed by the president or officer of equivalent rank, together with a corporate secretary's certificate on the approval of the board of directors (or equivalent management committee in the case of foreign bank branches) of the temporary closure and stating the justifications/reasons therefor; and an undertaking that the bank shall comply with the notification requirement under Item "2" below, shall be submitted to the appropriate supervising department of the Bangko Sentral within ten(10) banking days from the approval of the board of directors of the temporary closure. x x x
- (2) Notice of temporary closure shall be sent by the bank to the depositors' and other creditors' last known addresses x x x;

x x x

b. Permanent closure and surrender of branch/branch-lite unit license. Permanent closure and surrender of branch/branch-lite unit license may be allowed subject to the following requirements:

- (1) Submission of a notice of permanent closure and surrender of branch/branch-lite unit/s license signed by the president or officer of equivalent rank, together with a corporate secretary's certificate on the approval of the board of directors (or equivalent management committee in the case of foreign bank branches) of the permanent closure and surrender of branch/branch-lite unit/s license and an undertaking that the bank shall comply with the notification requirement under Item "2" below. Said documents shall be submitted to the appropriate supervising department of the Bangko Sentral within 10 banking days from the approval of the board of directors of the permanent closure.
- (2) Notice of closure shall be sent by the bank to the depositors' and other creditors' last known addresses by registered mail service of the PhilPost or delivery service of other mail couriers or electronic mail, and posters shall also be displayed in conspicuous places in the premises of the branch/branch-lite unit/s to be closed. Proofs of receipt of notice by the depositors and other creditors shall be kept on file and made available upon request of the Bangko Sentral;

x x x

⁴ With additional special regulatory relief in areas affected by Tropical Depression "Yolanda" as provided under *Appendix 89a* (Circular No. 820 dated 06 December 2013).

B. Outsourcing/Insourcing of Banking Functions

Subsection X162.3 Authority to outsource. Banks may outsource designated activities subject to notification to the Bangko Sentral and compliance with the prudential criteria prescribed under Subsec. X1101.2. For this purpose, Banks shall submit the following documents to the appropriate supervising department of the Bangko Sentral within 10 banking days after approval of the board of directors of the proposal to outsource/insource banking functions:

1. Notification letter signed by the president or officer of equivalent rank indicating the description of the activities to be outsourced;
2. Corporate secretary's certificate on the approval of the board of directors (or equivalent management committee in the case of foreign bank branches) of the outsourcing activity; and
3. Certification, signed by the president or officer of equivalent rank and the chief compliance officer, that the bank has complied with all the prudential criteria under Subsec. X1101.2 as well as other pertinent banking laws, rules and regulations on outsourcing.

In case of non-compliance with the prudential criteria prescribed under Subsection X1101.2, the bank must secure prior approval from the appropriate supervising department of the Bangko Sentral whose evaluation will be based on the bank's ability to manage risks attendant to outsourcing.

C. Servicing Deposits Outside Bank Premises

Section X213 Servicing Deposits Outside Bank Premises. A bank may solicit and accept deposits outside of its premises through its employees subject to notification to the Bangko Sentral, compliance with the prudential criteria prescribed under Subsec. X1101.2 and the following conditions:

- a. The bank shall observe x x x;
- b. Transactions with depositors x x x; and
- c. The bank's board of directors shall adopt clearly-defined written policies, procedures and controls for the operation of deposit servicing activities outside of bank premises, including but not limited to the criteria for determining to whom the service will be made available, and the terms and conditions for such services.

Servicing of deposits outside the bank premises include deposit pick-up/delivery services using vehicles accompanied by an authorized bank teller/mobile bank teller, and establishment of tellering booths in BIR offices.

Within 10 banking days from the approval of the board of directors of the proposal to engage in solicitation and acceptance of deposits outside the bank premises, the bank

shall submit the following to the appropriate supervising department of the Bangko Sentral:

- a. Notification letter signed by the president or officer of equivalent rank that the bank will engage in servicing of deposits outside the bank premises;
- b. Corporate secretary's certificate on the approval of the board of directors (or equivalent management committee in the case of foreign bank branches) of the servicing of deposits outside the bank premises; and
- c. Certification signed by the president or officer of equivalent rank and the chief compliance officer, that the bank has complied with (i) all the prudential criteria prescribed under Subsec. X1101.2, (ii) conditions set out in this Section; and (iii) other pertinent banking laws, rules and regulations.

Additional conditions for the establishment of tellering booths in BIR offices:

- a. As determined by the BIR, tellering booths may be established in identified BIR offices during the tax collection period. The establishment of tellering booths shall be covered by a service level agreement between the bank and the BIR; and
- b. Tax collections received shall be subject to rules on government deposits.

The Bangko Sentral reserves the right to deploy any of its supervisory tools to promote adherence to the provisions set forth in this Section in accordance with Subsection X1101.3.

D. Amendment of the Plan Rules of UITF

Subsection X410.6 Plan Rules. Xxx

k. X x x. The Plan may be amended by a resolution of the board of directors of the trustee: Provided, however, That participants in the fund shall be immediately notified of such amendments and shall be allowed to withdraw their participations within a reasonable time but in no case less than thirty (30) calendar days after the amendments are approved by the board, if they are not in conformity with the amendments made thereto: Provided, further, That amendments to the Plan may be allowed subject to notification to the Bangko Sentral and continuing compliance of the trust entity with the prudential criteria prescribed under Subsec. X1101.2. For this purpose, the trustee shall submit the following documents to the appropriate supervising department of the Bangko Sentral, within 10 banking days from the approval of the board of directors of the amendments:

- (1) Notification letter signed by the president or officer of equivalent rank indicating the amendments in the UITF;
- (2) Corporate secretary's certificate on the approval of the board of directors (or equivalent management committee in the case of foreign bank branches) of the amendments;

- (3) Certification signed by the president or officer of equivalent rank and the chief compliance officer, that the trust entity has complied with all the prudential criteria prescribed under Subsec. X1101.2 and other pertinent banking laws, rules and regulations; and
- (4) Amended Plan Rules and Appendices.

Provided, finally, That amendments to the Plan that involve change in the investment objective and/or strategy, and risk profile shall be subject to the approval of the Bangko Sentral. For purposes of imposing monetary penalties provided under Subsec. X184.3 for Delayed/Unsubmitted reports, the notification on the amendments to the Plan shall be considered as "Category A-3" report.

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Section 5. Sections/Subsections X172.7/X172.8/2172 are hereby amended to apply the prudential criteria set out under Subsection X1101.2 for initial application for a license/authority and to set out the requirements for application for expansion of activities/licenses classified as Type C License:

**Permissible Activities with Type A License upon Initial Application and
Expansion of Activities/Licenses classified as Type C License**

A. Bank Offices as Outlet of Financial Products of Allied Undertakings/Investment Houses (Cross-Selling Activities)

Subsection X172.7 Financial product providers. The bank shall exercise due care and diligence in selecting financial product providers. The bank shall consider the integrity, operational capability, financial capacity and track record of the financial product provider. In particular, the bank shall ensure that the financial product provider has in place a mechanism to resolve all queries, problems, and other concerns arising from cross-selling activities and this shall form part of the agreement between the bank and the financial product provider.

x x x

Subsection X172.8 (2012 – 1172.2; 2008 - 1631.2) Authority to cross-sell. A bank may engage in cross-selling activities subject to approval of the Bangko Sentral and compliance with the prudential criteria prescribed under Subsec. X1101.2. A bank applying for authority to cross-sell financial products shall submit the following to the appropriate supervising department of the Bangko Sentral:

- a. Application letter to engage in cross-selling activities signed by the president, or officer of equivalent rank, which shall contain the following: (i) justifications on how the license to engage in cross-selling financial products is aligned with the bank's business model and strategic direction; (ii) types of financial products that will be offered and the target clients; and (iii) names of financial product providers and

description of their relationships with the bank and how they are related in the context of a financial conglomerate. In cases when the bank shall cross-sell simple insurance products of financial product providers that do not belong to the same financial conglomerate as the bank, the bank shall disclose any existing businesses or contractual agreements it has with the concerned financial product providers.

- b. Corporate secretary's certificate on the approval of the board of directors (or equivalent management committee in the case of foreign bank branches) of the cross-selling of financial products; and
- c. Certification, signed by the president or officer of equivalent rank and the chief compliance officer, that the bank has complied with all the prudential criteria under Subsec. X1101.2 as well as other pertinent banking laws, rules and regulations on cross-selling.

Banks may subsequently offer additional financial products from the same or from other financial product providers without prior approval of the Bangko Sentral subject to continuing compliance with the prudential criteria prescribed under Subsec. X1101.2 and submission, within 10 banking days upon approval by the board of directors of the proposal to offer additional financial products, of the following documents to the appropriate supervising department of the Bangko Sentral:

- a. Notification letter signed by president or officer of equivalent rank indicating the description of the additional financial products that will be offered and the target clients;
- b. Names of the other financial product providers and description of their relationships with the bank and how they are related in the context of a financial conglomerate. In cases when the bank shall cross-sell simple insurance products of financial product providers that do not belong to the same financial conglomerate as the bank, the bank shall disclose any existing business or contractual agreements it has with the concerned financial product providers;
- c. Corporate secretary's certificate on the approval of the board of directors (or equivalent management committee in the case of foreign bank branches) of the cross-selling of additional financial products of the financial product providers; and
- d. Certification, signed by the president or officer of equivalent rank and the chief compliance officer, of the bank's continuing compliance with the prudential criteria prescribed under Subsec. X1101.2 as well as pertinent banking laws, rules and regulations on cross-selling.

B. Marketing, Sale and Servicing of Microinsurance Products

Section 2172. Marketing, Sale and Servicing of Microinsurance Products by Thrift Banks⁵.

Xxx

TBs may apply for authority to sell and/or market microinsurance products subject to compliance with the prudential criteria prescribed under Subsec. X1101.2 and the following requirements.

a. Issuance of license from the Insurance Commission (IC)

- (1) Submit to the appropriate supervising department of the Bangko Sentral, a notice of intention to act as microinsurance agent or broker. The Bangko Sentral shall then issue a no objection letter pursuant to Memorandum to All Banks No. 2011-15 dated 18 March 2011 on the Reminder on the Proper Offering of Microfinance Services; and
- (2) Secure license from the IC as a microinsurance agent or broker, as may be applicable⁶

b. Grant of Authority to Sell and/or Market Microinsurance Products. The bank shall secure prior Bangko Sentral approval and shall submit the following documents to the appropriate supervising department of the Bangko Sentral:

- (1) Application letter signed by the president or officer of equivalent rank including justifications on how the license is aligned with the bank's business model and strategic direction. In addition, the application letter shall contain a description of the relationship of the bank with the financial product provider in the context of the financial conglomerate, as applicable, as well as description of the financial products. In cases when the bank shall cross-sell microinsurance products of financial product providers that do not belong to the same financial conglomerate as the bank, the bank shall disclose any existing businesses or contractual agreements it has with the concerned financial product providers;
- (2) Corporate secretary's certificate on the approval of the board of directors (or equivalent management committee in the case of foreign bank branches) of the presentation, sale and servicing (i.e., collect premiums and pay claims) of microinsurance products;
- (3) Certification, signed by the president or officer of equivalent rank and the chief compliance officer that the bank has complied with all the prudential criteria

⁵ Insurance Commission (IC) issued Circular Letter (CL) No. 2015-54 dated 16 October 2015 requiring the adoption and implementation of the Enhanced Microinsurance Regulatory Framework

⁶ To act as a microinsurance agent of an authorized insurance provider, a bank needs to acquire the appropriate license from the IC. The requirements for such application consist of: (i) attendance in prescribed microinsurance training course and passing the qualifying examination at the end of the course; and (ii) amending a bank's articles of incorporation (AOI). In view of the latter requirement, applicable bank shall amend their AOI by including a secondary purpose of acting as a microinsurance agent, and shall submit simultaneously the amended AOI to the appropriate BSP office and the IC. (See IC Memo Circular No. 6-2011 dated 15 February 2011).

prescribed under Subsec. X1101.2 and other pertinent banking laws, rules and regulations, and that:

- (a) The microinsurance product is authorized for cross selling under existing BSP rules and regulations;
- (b) The microinsurance product is approved by the IC and issued by an entity duly licensed and held in good standing by the IC;
- (c) The bank conducted product due diligence to be suitable to its customers. As part of product due diligence, the bank has likewise determined that the microinsurance product-issuing insurance provider has a customer care and claims-handling mechanism in place to handle consumer concerns;
- (d) The organic informational and promotional materials for the microinsurance products comply with BSP requirements; and
- (e) The bank personnel concerned has undertaken the necessary training and passed the qualifying examination for the presentation and sale of microinsurance products, in compliance with the requirements set forth by the IC on marketing personnel for insurance products;
- (f) The bank has duly executed a written agreement with the insurance provider on the presentation, sale and servicing by the bank of the financial products of the latter, including the terms of compensation for the services;
- (g) The bank shall maintain the following documents as part of its records:
 - (i) Copies of the latest Certificate of Authority from the IC covering all insurance companies whose microinsurance products are being marketed or sold by the bank;
 - (ii) Copies of the letters of approval from the IC covering all the microinsurance products to be marketed or sold; and
 - (iii) Bank's license from the IC as a microinsurance agent or broker or in lieu of a bank's license as a microinsurance agent or broker, copies of the license from the IC covering all its marketing personnel for microinsurance products; and

(4) Bank's license from the IC as a microinsurance agent or broker.

A bank authorized to sell and/or market microinsurance products must amend its AOI to include acting as microinsurance agent/broker as secondary purpose. The guidelines on the issuance of the Certificate of Authority to register with the SEC to amend the AOI are provided under Sec. X103.

Subsection 2172.1 shall be inserted in the MORB, which shall read as follows:

Subsection 2172.1. A TB may subsequently sell and/or market additional microinsurance products without prior approval of the Bangko Sentral subject to continuing compliance with the prudential criteria prescribed under Subsec. X1101.2 and submission of the following to the appropriate supervising department of the Bangko Sentral within 10 banking days upon approval by the board of directors:

- a. Notification letter signed by the president or officer of equivalent rank describing the additional microinsurance product that will be sold and/or marketed and the target clients;
- b. Corporate secretary's certificate on the approval of the board of directors (or equivalent management committee in the case of foreign bank branches) of the selling and/or marketing of additional microinsurance products; and
- c. Certification, signed by the president or officer of equivalent rank and the chief compliance officer, of the bank's continuing compliance with the prudential criteria prescribed under Subsec. X1101.2 as well as with pertinent banking laws, rules and regulations on marketing, sale, and servicing of microinsurance products by thrift banks.

Section 6. Subsection 41101Q.2/4501S.2/4501P.2/4110N.2/4201T.2 of the MORNBFI provides the prudential criteria in determining the eligibility of BSFI for the licenses/authorities being applied for. In this respect, Sections/Subsections 4151Q.1/4151Q.5/4404Q.3/4404Q.4/4101N/4101N.1/4402T of the MORNBFI are hereby amended to apply the prudential criteria set out under Subsection 41101Q.2/4501S.2/4501P.2/4110N.2/4201T.2 and to amend the licensing requirements as follows:

Permissible Activities with Type A License

A. Establishment of Branches

Subsection 4151Q.1 Evaluation guideposts. The rate at which branches, agencies, extension offices, etc. are to be established shall depend upon the ability of the company to conduct operations from the head office, as well as correspondent/banking arrangements, and subject to the prudential criteria prescribed under Subsec. X41101Q.2.

Subsection 4151Q.5 Documentary requirements. All applications shall be supported by the following documents:

- a. Application letter signed by the president of the entity or officer of equivalent rank including justifications on how the license is aligned with the entity's business model and strategic direction with information on:
 - (1) Services to be offered, as well as any extension offices, etc. to be opened; and
 - (2) Areas to be served.
- b. Corporate secretary's certificate on the approval of the board of directors of the establishment of a branch; and
- c. Certification signed by the president or officer of equivalent rank and the chief compliance officer that the applicant entity has complied with all the prudential criteria prescribed under Subsec. 41101Q.2.

B. Trust and Other Fiduciary Business

Subsection 4404Q.1 shall be inserted in the MORNBF, which shall read as follows:

Subsection 4404Q.1 Application for Authority to Perform Trust and Other Fiduciary Business. An institution may engage in trust and other fiduciary business subject to approval of the Monetary Board and compliance with the applicable prudential criteria provided under Subsec. 41101Q.2. Entities applying for authority to engage in trust and other fiduciary business shall submit the following documents to the appropriate supervising department of the Bangko Sentral:

- a. Application letter signed by the president or officer of equivalent rank with justifications on how the license is aligned with the institution's business model and strategic direction;
- b. Corporate secretary's certificate on the approval of the board of directors to engage in trust and other fiduciary business; and
- c. Certification signed by the president or officer of equivalent rank and the chief compliance officer certifying that the institution has complied with the: (i) applicable prudential criteria prescribed under Subsec. 41101Q.2; and (ii) other pertinent laws, rules and regulations on trust and other fiduciary business.

Subsection 4404Q.2. shall be inserted in the MORB, which shall read as follows:

Subsection 4404Q.2. Licensing fees. Applicable licensing fee provided under Sec. 41103Q shall be immediately charged upon approval of the institution's application for the authority to perform trust and other fiduciary business.

Subsection 4404Q.3 Prerequisites for engaging in trust and other fiduciary business. An institution, applying for authority to engage in trust and other fiduciary business, shall submit the following requirements to the appropriate supervising department of the Bangko Sentral:

- a. x x x
- b. x x x
- c. x x x
- d. x x x
- e. Where the applicant is not authorized to engage in quasi-banking functions, it shall meet the following additional requirements:
 - (1) The adoption of a formula or criteria for QBs in the determination of compliance with the capital-to-risk assets ratio and ceilings on loans to DOSRI; and
 - (2) The substitution of the reserve requirements with the cash ratio, as follows:
 - (a) Primary reserves to Bills Payable; and
 - (b) Primary and secondary reserves to Bills Payable; where primary reserves consist of cash on hand, cash in vault, COCIs, due from the Bangko Sentral and due from banks; and where secondary reserves consist of Bangko Sentral supported government securities, T-Bills and other government securities.

Subsection 4404Q.4 (2008 - 4404Q.2) Pre-operating requirements. An institution authorized to engage in trust and other fiduciary business shall comply with the following, before engaging in actual operations:

- a. Deposit with the Bangko Sentral eligible government securities amounting to P500,000 as minimum basic security deposit for the faithful performance of trust and other fiduciary duties required under Subsec. 4405Q.1; and
- b. Completion of the following activities and retention of corresponding supporting documents:
 1. Establishment of the trust department, development of policies and procedures related to the trust business, risk management system and internal controls, and delineation of duties and responsibilities of the different units in the trust department; and
 2. Establishment of personnel and management positions for trust operations and defining the corresponding qualification requirements and duties and responsibilities. Records of profiles of individuals holding the positions shall be maintained.

The guidelines on the issuance of the Certificate of Authority to register with the SEC and to operate trust and other fiduciary business are provided under Sec. 4104Q.

Section 4101N Applicable Regulations on Trust and Other Fiduciary Activities. Trust operations and investment management activities of NBFIs not performing quasi-banking functions shall be subject to the applicable regulations on such activities of NBFIs performing quasi-banking functions under Q Regulations of this Manual, and to the regulations implementing the Truth in Lending Act in Sec. 4307Q.

Subsection 4101N.1 Sanctions. Pursuant to Section 91 of R.A. No. 8791, the Monetary Board may impose sanctions and monetary penalty for any violation of the provisions of the Q Regulations pertaining to trust entities and the regulations implementing the Truth in Lending Act in Sec. 4309Q. X x x

Section 4402T Applicable Regulations on Trust and Other Fiduciary Activities. In addition to the provisions in the "T" regulation of the MORNBF, trust operations and other fiduciary activities, including investment management shall be subject to the following regulations provided under the MORNBF, in so far as applicable to the TC:

- a. x x x
- b. x x x
- c. x x x
- d. x x x
- e. x x x
- f. x x x
- g. x x x
- h. x x x

- i. x x x
- j. x x x
- k. Section 4404Q Authority to Perform Trust and Other Fiduciary Business.

Section 7. Sections/Subsections 4406Q.9/4701Q.13/4190S/4161P/4190N/4410Q.6 of the MORNBF are hereby amended to set out the requirements for Type C licenses as defined under Subsections 41101Q.2/4501S.2/4501P.2/4110N.2:

Permissible Activities with Type C License

Subsection 4406Q.9 Outsourcing services in trust departments. The rules on outsourcing of banking functions as shown in Sec. X162 of the MORB and *Appendix Q-37* shall be adopted insofar as they are applicable to trust departments of QBs performing trust and other fiduciary business and investment management activities.

Subsection 4701Q.13 Outsourcing of internet and mobile electronic services. The rules on outsourcing of banking functions as shown in Sec. X162 of the MORB and *Appendix Q-37* shall be adopted insofar as they are applicable to QBs' outsourcing of internet and mobile electronic services.

Section 4190S Guidelines on Outsourcing. The rules on outsourcing of banking functions as shown in Sec. X162 of the MORB and *Appendix Q-37* shall be adopted insofar as they are applicable to NSSLAs.

Section 4161P Guidelines on Outsourcing. The rules on outsourcing of banking functions as shown in Sec. X162 of the MORB and *Appendix Q-37* shall be adopted insofar as they are applicable to pawnshops.

Section 4190N Guidelines on Outsourcing. The rules on outsourcing of banking functions as shown under Sec. X162 of the MORB and *Appendix Q-37* shall likewise apply to NBFIs.

Subsection 4410Q.6 Plan Rules. Xxx

k. X x x. The Plan may be amended by a resolution of the board of directors of the trustee: Provided, however, That participants in the fund shall be immediately notified of such amendments and shall be allowed to withdraw their participations within a reasonable time but in no case less than thirty (30) calendar days after the amendments are approved by the board, if they are not in conformity with the amendments made thereto: Provided, further, That amendments to the Plan may be allowed subject to notification to the Bangko Sentral and continuing compliance of the trustee with the prudential criteria prescribed under Subsec. 41101Q.2. For this purpose, the trustee shall submit the following documents to the appropriate supervising department of the Bangko Sentral within 10 banking days from the approval of the board of directors of the amendments:

- a) Notification letter signed by the president or officer of equivalent rank indicating the amendments in the UITF;
- b) Corporate secretary’s certificate on the approval of the board of directors of the amendments;
- c) Certification signed by the president or officer of equivalent rank and the chief compliance officer, that the trustee has complied with all the prudential criteria prescribed under Subsec. 41101Q.2 and other pertinent laws, rules and regulations; and
- d) Amended Plan Rules and Appendices.

Provided, finally, That amendments to the Plan that involve change in the investment objective and/or strategy, and risk profile shall be subject to the approval of the Bangko Sentral. For purposes of imposing monetary penalties provided under Subsec. 4192Q.2 for Delayed/Unsubmitted reports, the notification on the amendments to the Plan shall be considered as “Category A-3” report.

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Section 8. Sections X1103/41103Q/4503P/4112N/4203T of the MORB/ MORNBFi are hereby added to cover the types of fees applicant BSFiS are required to pay consequent to its filing of an application for Types A and B license/authority.

Section X1103/41103Q/4503P/4112N/4203T. Processing and Licensing Fees. All applications shall be charged with the following processing fees pursuant to Section II.3.i of Appendix 118 of the MORB and Q-71/S-12/P-11/N-14 of the MORNBFi:

Type of License/ Authority	Processing Fees			
	Universal and Commercial Bank	Thrift Bank	Rural and Cooperative Banks	Non-Bank Financial Institutions
A	50,000	20,000	15,000	10,000
B	50,000	20,000	15,000	10,000

Certain Type A licenses shall be charged with the following licensing fees upon approval pursuant to Section II.3.ii of Appendix 118 of the MORB and Q-71/S-12/P-11/N-14 of the MORNBFi:

Type of License/ Authority	Licensing Fees*			
	Universal and Commercial Bank	Thrift Bank	Rural and Cooperative Banks	Non-Bank Financial Institutions
A	200,000	100,000	50,000	50,000

*Licensing fee shall be net of the processing fee.

The foregoing tables shall not apply to licensing applications with separate fee structure under specific sections of the MORB/MORNBFi.

Section 9. The following Subsections of the MORB are hereby deleted:

Deleted Subsections	Title/Description	Covered by Section/Subsection
Subsection X382.2	Requirements for establishing subsidiaries or affiliates abroad	Subsection X382.1
Subsection X404.3	Prerequisites for engaging in trust and other fiduciary business	Subsection X404.1
Subsection X151.19	Telling booths	Section X213
Subsection 4151Q.3	Other requirements/factors to be considered	Subsection 41101Q.2
Subsection 4151Q.4	Conditions precluding processing of applications	Subsection 41101Q.2

Section 10. The following provisions with reference to "special licensing fee" under Subsection X151.5 are hereby deleted:

Subsections	Deleted Provision
Sec. X152	Xxx Provided, That head offices located outside the cities previously considered as restricted areas as defined under Subsec. X151.4 which will be relocated therein shall be subject to the special licensing fee under Subsec. X151.5 upon approval of the relocation. Xxx
Subsection X153.2	Xxx Provided, That sub-branch applications in the cities previously considered as restricted areas as defined under Subsec. X151.4 shall also be subject to the special licensing fee under Subsec. X151.5, as applicable.

Section 11. Transitory Provisions. Applications filed with the Bangko Sentral prior to the effectivity of this Circular shall not be charged with processing and licensing fees provided under Sections X1103/41103Q/4503P/4112N/4203T.

For application related to branching activities covered under Subsection X151.5, as amended, approved after the effectivity of this Circular, the processing fees provided under the said Subsection, as amended, shall be collected upon approval of the application.

Applications for Type C licenses received prior to the effectivity of this Circular shall be deemed to have complied with the notification/certification requirements if after thirty (30) banking days from the effectivity of this Circular, the appropriate supervising department of the FSS does not advise the BSFI concerned of any deficiency on such application.

The foregoing provision shall be incorporated as a footnote to Sections X1102/41102Q/4502S/4502P/4111N/4202T of the MORB/MORNBFI.

Section 12. Effectivity. This Circular shall take effect fifteen (15) calendar days following its publication either in the Official Gazette or in a newspaper of general circulation.

FOR THE MONETARY BOARD:


NESTOR A. ESPENILLA, JR.
Governor

07 February 2019