



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 840

Series of 2014

Subject: Amendment to the Guidelines on the Qualifications of a Director

The Monetary Board, in its Resolution No. 738 dated 9 May 2014, approved the amendments to the provisions of Subsection X141.2a(3) of the Manual of Regulations for Banks (MORB) and Section 4141Q.2a(3) of the Manual of Regulations for Non-Bank Financial Institutions (MORNBFI) on the qualifications of a director to incorporate the exemption of certain directors from the requirement to attend a corporate governance seminar.

Section 1. Subsection X141.2a(3) of the MORB on qualifications of a director is hereby amended to read, as follows:

"X141.2 Qualifications of a director

"a. A director shall have the following minimum qualifications:

"(1) He shall be at least twenty-five (25) years of age at the time of his election or appointment;

"(2) x x x

"(3) He must have attended a special seminar on corporate governance for board of directors conducted or accredited by the Bangko Sentral: *Provided*, That incumbent directors as well as those elected after 17 September 2001 must attend said seminar on or before 30 June 2003 or within a period of six (6) months from date of election for those elected after 30 June 2003, as the case may be, *Provided further* that the following persons are exempted from attending said seminar:

- i. Foreign nationals who have attended corporate governance training covering core topics in the BSP-recommended syllabus and certified by the Corporate Secretary as having been made aware of the general responsibility and specific duties and responsibilities of the board of directors and specific duties and responsibilities of a director prescribed under Items "b", "c" and "d" of Subsection X141.3;
- ii. Filipino citizens with recognized stature, influence and reputation in the banking community and whose business practices stand as testimonies to good corporate governance;

- iii. Distinguished Filipino and foreign nationals who served as senior officials in central banks and/or financial regulatory agencies, including former Monetary Board members; or
- iv. Former Chief Justices of the Philippine Supreme Court.

“(4) He must be fit and proper for the position of a director of the bank. In determining whether a person is fit and proper for the position of a director, the following matters must be considered: integrity/probity, physical/mental fitness, competence, relevant education/financial literacy/ training, diligence and knowledge/experience. x x x”

Section 2. Applicability to non-bank financial institutions. The amendments to Subsection X141.2a(3) of the MORB shall likewise be adopted under Subsection 4141Q.2a(3) of the MORNBFI on qualifications of a director is hereby amended to read, as follows:

“4141Q.2 Qualifications of a director

“a. A director shall have the following minimum qualifications:

“(1) He shall be at least twenty-five (25) years of age at the time of his election or appointment;

“(2) x x x

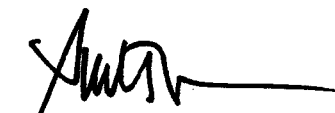
“(3) He must have attended a special seminar on corporate governance for board of directors conducted or accredited by the Bangko Sentral: *Provided*, That incumbent directors as well as those elected after 17 September 2001 must attend said seminar on or before 30 June 2003 or within a period of six (6) months from date of election for those elected after 30 June 2003, as the case may be, *Provided further* that the following persons are exempted from attending said seminar:

- i. Foreign nationals who have attended corporate governance training covering core topics in the BSP-recommended syllabus and certified by the Corporate Secretary as having been made aware of the general responsibility and specific duties and responsibilities of the board of directors and specific duties and responsibilities of a director prescribed under Items “b”, “c” and “d” of Subsection X141.3;
- ii. Filipino citizens with recognized stature, influence and reputation in the banking community and whose business practices stand as testimonies to good corporate governance;

- iii. Distinguished Filipino and foreign nationals who served as senior officials in central banks and/or financial regulatory agencies, including former Monetary Board members; or
 - iv. Former Chief Justices of the Philippine Supreme Court.
- “(4) He must be fit and proper for the position of a director of the QB/trust entity. In determining whether a person is fit and proper for the position of a director, the following matters must be considered: integrity/probity, physical/mental fitness, competence, relevant education/financial literacy/training, diligence and knowledge/experience. x x x”

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

FOR THE MONETARY BOARD:


AMANDO M. TETANGCO, JR.
Governor

2 July 2014