



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 716
Series of 2011

Subject: Amendment of the Risk-Based Capital Adequacy Framework for Banks/Quasi-Banks on the Definition of Qualifying Capital Instruments

The Monetary Board, in its Resolution No. 320 dated 3 March 2011, decided to amend Circular No. 709 dated 10 January 2011 on the definition of qualifying capital instruments under the Risk-Based Capital Adequacy Framework for Philippine banks/quasi-banks, as follows: :

"Section 1. Effective 1 January 2011, capital instruments issued by banks/quasi-banks should comply with the following minimum conditions in order to be eligible as Hybrid Tier 1 or Lower Tier 2 capital, as applicable:

"1. X X X

"2. For Lower Tier 2 capital:

" X X X

" k) The bank/quasi-bank must submit a written external legal opinion that the abovementioned requirements, including the subordination features, have been met:

" X X X

"Section 2. X X X"

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:

AMANDO M. TETANGCO, JR.
Governor

25 March 2011