



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE DEPUTY GOVERNOR
FINANCIAL SUPERVISION SECTOR

CIRCULAR LETTER NO. CL-2018-049

To : ALL BANKS AND NON-BANK FINANCIAL INSTITUTIONS

**Subject : Final Decision of the Supreme Court dated 14 August 2017
Relative to the Revocation of License to Operate as a Non-Stock
Savings and Loan Association (NSSLA) of PAL Employees' Savings
and Loan Association, Inc.**

This is further to Circular Letter No. CL-2013-018 dated 12 March 2013, informing all banks and non-bank financial institutions that the Monetary Board, in its Resolution No. 238 dated 7 February 2013, approved the revocation of license to operate as an NSSLA of PAL Employees' Savings and Loan Association, Inc. (PESALA) pursuant to Section 22 of Republic Act No. 8367, otherwise known as the "Revised Non- Stock Savings and Loan Association Act of 1997".

Subsequent to the revocation of its license as an NSSLA, PESALA filed a Complaint dated 11 March 2013, for Injunction and Nullification of Resolution, with application for *Status Quo Ante Order (SQAQO)*, Temporary Restraining Order (TRO) and Writ Preliminary Injunction (WPI), with the Regional Trial Court, Pasay City. The Complaint was raffled to Branch 117 ("RTC Pasay"). RTC Pasay, in its order dated 22 April 2013, granted PESALA's application for a writ of preliminary injunction. RTC Pasay also denied BSP's Motion to Dismiss dated 4 April 2013 in Order dated 3 December 2013. BSP filed a Petition for *Certiorari* with the Court of Appeals (CA) questioning the aforementioned Orders of RTC Pasay.

On 4 November 2016, the CA granted the Petition for *Certiorari* in Decision dated 4 November 2016. PESALA's Motion for Reconsideration was denied by the CA in Resolution dated 12 January 2017.

On 10 March 2017, PESALA filed a Petition for Review on *Certiorari* to the Supreme Court (SC) asking the High Court to reverse the Decision and Resolution of the CA. The SC, in Minute Resolution dated 24 April 2017, denied PESALA's Petition. PESALA's Motion for Reconsideration was denied with finality in Resolution dated 14 August 2017.

In view of the aforementioned pronouncements of the CA and SC, there is now no legal impediment to the enforcement of MB Res. No. 238 dated 7 February 2013 revoking PESALA's license to operate as an NSSLA.



CHUCHI G. FONACIER
Deputy Governor

10 July 2018