



Bangko Sentral ng Pilipinas

OFFICE OF THE DEPUTY GOVERNOR SUPERVISION AND EXAMINATION SECTOR

MEMORANDUM NO. M-2006- 014

To : **ALL BANKS**

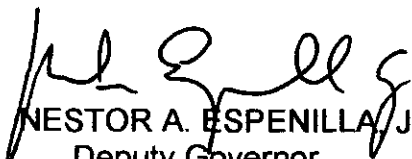
Subject : **Sale/Offer of Insurance Products by Banks**

Based on media reports stating that some foreign life insurance companies are allegedly soliciting business in the Philippines without proper license and authorization, please be reminded of the provisions of BSP Circular No. 357 dated 8 November 2002, implementing Section 20 of Republic Act No. 8791, otherwise known as the General Banking Law (GBL) of 2000, on the guidelines which govern the use of the head office and/or any or all branches of universal banks and commercial banks as outlets for the presentation and sale of financial products of their allied undertakings.

Under said Circular, prior approval of the Monetary Board is required before banks can engage in cross selling of products and said products are limited to those of the banks' allied undertakings only (subsidiaries and affiliates as defined in said Circular). In case of sale of insurance products of insurance company affiliates, said affiliates must be accredited or pre-cleared by the Insurance Commission.

Non-compliance with above-mentioned regulations will subject concerned banks to the sanctions provided in said Circular.

For compliance.


NESTOR A. ESPENILLA JR.
Deputy Governor

17 August 2006

PANANALAPING MATATAG, BANSANG PANATAG