



Bangko Sentral ng Pilipinas

MAYNILA, PILIPINAS

OFFICE OF THE GOVERNOR

Circular No. 695
Series of 2010

Subject : Definition of "Related Interest" for Purposes of DOSRI Ceilings

Pursuant to Monetary Board Resolution No. 1425 dated 08 October 2010, Item (4) of Subsection X326.1.e of the Manual of Regulations for Banks (MORB) is hereby amended to read as follows:

"§ X326.1 Definitions. For purposes of these regulations, the following definitions shall apply:

" x x x

"e. *Related interest* shall refer to any of the following:

"x x x

- "(4) Corporation, association, or firm of which a director or officer of the bank, or his spouse is also a director or officer of such corporation, association or firm, except (a) where the securities of such corporation, association or firm are listed and traded in the big board or commercial and industrial board of domestic stock exchanges and less than fifty percent (50%) of the voting stock thereof is owned by any one (1) person or by persons related to each other within the first degree of consanguinity or affinity, (b) where the director, officer or stockholder of the bank sits as a representative of the bank in the board of directors of such corporation: *Provided*, That the bank representative shall not have any equity interest in the borrower corporation except for the minimum shares required by law, rules and regulations, or by the by-laws of the corporation, or (c) where the corporation is at least ninety-nine percent (99%)-owned by a non-stock corporation as defined in Section 87 of the Corporation Code of the Philippines: *Provided*, That the purpose of the loan is to finance hospitals and other medical services:

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Provided, further, That the loan is fully secured: Provided, furthermore, That in the case of Items (a), (b) and (c) above, the borrowing corporation is not among those mentioned in Items "e(5)", "e(6)", "e(7)" and "e(8)" of this Section;

" X X X "

This Circular shall take effect fifteen (15) 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

22 October 2010