



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 945

Series of 2017

Subject: Amendments to the Manual of Regulations for Banks and Manual of Regulations for Non-Bank Financial Institutions as of 30 June 2016

The Monetary Board, in its Resolution No. 120 dated 19 January 2017, approved the following amendments to the Manual of Regulations for Banks (MORB) and Manual of Regulations for Non-Bank Financial Institutions (MORNBFI) as of 30 June 2016.

Section 1. Annex A of Appendix 89 (*List of Areas Covered by the Regulatory Relief; Inclusive Dates of Coverage; and Implementing Guidelines on the Restructuring Scheme*) of the MORB and Appendix Q-67 [*Regulatory Relief for Non-Bank Financial Institutions with Quasi-Banking Functions (NBQBs) Affected by Calamities*] of the MORNBFI are amended to add the grant of regulatory relief to covered areas affected by the "El Nino" phenomenon pursuant to Memorandum No. M-2016-006 dated 17 May 2016 (Annexes A and A-1).

Section 2. Item "m" of Subsection X326.1 of the MORB is amended to correct the cross-reference of the definition of "Secured loan, borrowing or other credit accommodation" from Item "k" to Item "l" and shall read as follows:

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

a. *Directors* x x x

x x x

k. *Total loan portfolio* x x x

l. *Secured loan, borrowing or other credit accommodation* x x x

m. *Unsecured loan, borrowing or other credit accommodation* shall refer to any loan, or other credit accommodation or portion thereof referred in Sec. X327 which is not secured in accordance with Item "l" above."

Section 3. Item "c" of Subsection X361.4 of the MORB is amended to correct the cross-reference of "Credit Review Process" from "Sec. X302" to "Subsec. X178.16" and shall read as follows:

"Subsec. X361.4 Exemptions from rules on unsecured loans. x x x

a. x x x

x x x

c. Loan Portfolio and Other Risk Assets Review System required under Subsec. X178.16 which would serve as:

x x x"

Section 4. Item "b" of Subsection 4328Q.5 of the MORNBF is amended to correct the cross-reference of prescribed ceilings from Item "b" to Item "a" and shall read as follows:

"Subsec. 4328Q.5 (2008-4328Q) Loans, other credit accommodations and guarantees granted to subsidiaries and/or affiliates.

a. *Ceilings.* x x x

x x x

b. *Exclusions from the ceilings.* Loans, other credit accommodations and guarantees secured by assets considered as non-risk under existing Bangko Sentral regulations as well as interbank call loans shall be excluded in determining compliance with the ceilings prescribed under Item "a" above.

c. *Procedural requirements.* x x x"

FOR THE MONETARY BOARD:


NESTOR A. ESPENILLA, JR.
Officer-In-Charge

 February 2017

ANNEX A

App. 89

Annex A

LIST OF AREAS COVERED BY THE REGULATORY RELIEF; INCLUSIVE DATES OF COVERAGE; AND IMPLEMENTING GUIDELINES ON THE RESTRUCTURING SCHEME (Footnote to Secs. X257, X306, X338, Subsecs. X178.17, X192.2, X269.6 and X269.8)

I. Areas that were Declared under State of Calamity:

X X X

EL NIÑO

a) 2010

XXX XXX XXX

b) 2016

Banks with head offices and/or branches located in areas which were affected by the El Niño phenomenon: *Provided*, That a declaration of a state of calamity is issued by the National Disaster Risk Reduction Management Council or the local sanggunian, upon the recommendation of the Regional or Local Disaster Risk Reduction and Management Council.

JUAN

X X X

LANDO

XXX XXX XXX

II. Inclusive Dates of the Applicability of Temporary Relief to Banks Affected by Calamities

	For RBs/TBs/Coop Banks						For all Rediscounting Banks
	Exclusion from computation of past due loans ratio	GLL of only 1% for restructured loans	Non- imposition of penalties for late submission of supervisory reports	Non-imposition of penalties on legal reserve deficiencies from reserve week ended / to	Moratorium on monthly payments due to the BSP until	Staggered booking of allowance for loan losses for loans outstanding as of	60-day grace period to pay rediscounting obligations outstanding as of
XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Lando	10/18/15 to 10/31/16	10/18/15 to 10/31/16	10/18/15 to 04/30/16	10/22/15 to 04/21/16	04/20/16	10/18/15	10/18/15
El Niño (2016)	for a period of one (1) year from declaration date	for a period of one (1) year from declaration date	NA	for a period of one (1) year starting from reserve week	for a period of one (1) year from declaration date of a state of	declaration date of a state of calamity	declaration date of a state of calamity

ANNEX A

	of a state of calamity including those loans becoming past due six (6) months after date of declaration	of a state of calamity		following the declaration date of a state of calamity	calamity		
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III. Implementing Guidelines on the Restructuring Scheme Covering the Rediscounting Obligations with the Bangko Sentral of Rediscounting Banks in the Areas Affected by Natural Calamities

xxx xxx xxx

F. Other provisions

a. xxx xxx xxx

xxx xxx xxx

b. Effectivity date

The loan settlement scheme shall be made available, as follows:

xxx xxx xxx

x) Ineng- up to 29 February 2016;

y) Lando – up to 30 April 2016; and

z) El Niño (2016) - up to 13 November 2016.

REGULATORY RELIEF FOR NBQBs AFFECTED BY CALAMITIES
(Footnote to Subsec. 4192Q.2 and Secs. 4306Q and 4257Q)

x x x

For TBs/ RBs/Coop Banks/NBQBs

a. During a temporary grace period for payment or upon their restructuring and subject to reporting to the Bangko Sentral, exclusion of the loans of borrowers in affected areas, which should have been reclassified as past due loans under Sec. 4306Q x x x;¹

xxx xxx xxx

d. For all types of credits extended x x x;

e. Non-imposition of monetary penalties x x x;¹

f. Allowing banks to provide financial assistance to their officers and employees who were affected by the calamity even if not within the scope of the existing Bangko Sentral-approved Fringe Benefit Program (FBP) subject to subsequent submission of request for approval of the amendment to FBP to the appropriate supervision and examination department for regularization²; and

g. In the case of El Niño (2016), Moratorium without penalty on monthly payments due to the Bangko Sentral, for a period of one (1) year from declaration date of a state of calamity, for banks with ongoing rehabilitation; and

For All Rediscounting Banks

a. Upon application, granting of a 60-day grace period to settle the outstanding rediscounting obligations as of the dates specified in Item "II" of Annex A, with the Bangko Sentral of all rediscounting banks with head office, or with branches or with end-user borrowers in the affected areas except those with serious violations or findings with the SES;¹ and

b. In addition to above, x x x

¹ Not applicable to El Niño (2016)

² Item "f" also covers UBs/KBs affected by Luis, Mario, Ruby, Seniang and Lando

**LIST OF AREAS COVERED BY THE REGULATORY RELIEF; INCLUSIVE DATES OF COVERAGE;
AND IMPLEMENTING GUIDELINES ON THE RESTRUCTURING SCHEME**
(Footnote to Subsec. 4192Q.2 and Secs. 4306Q and 4257Q)

I. Areas that were Declared under State of Calamity:

XXX XXX XXX

LANDO

XXX XXX XXX

EL NIÑO (2016)

NBQBs with head offices and/or branches located in areas which were affected by the El Niño phenomenon: *Provided*, That a declaration of a state of calamity is issued by the National Disaster Risk Reduction Management Council or the local sanggunian, upon the recommendation of the Regional or Local Disaster Risk Reduction and Management.

II. Inclusive Dates of the Applicability of Temporary Relief to Banks Affected by Calamities

	For RBs/TBs/Coop Banks						For all Rediscounting Banks
	Exclusion from computation of past due loans ratio	GLL of only 1% for restructured loans	Non- imposition of penalties for late submission of supervisory reports	Non- imposition of penalties on legal reserve deficiencies from reserve week ended / to	Moratorium on monthly payments due to the BSP until	Staggered booking of allowance for loan losses for loans outstanding as of	60-day grace period to pay rediscounting obligations outstanding as of
XXX	XXX	XXX	XXX	XXX		XXX	XXX
Lando	10/18/15 to 10/31/16	10/18/15 to 10/31/16	10/18/15 to 04/30/16	10/22/15 to 04/21/16		10/18/15	10/18/15
El Niño (2016)	for a period of one (1) year from declaration date of a state of calamity including those loans becoming past due six (6) months after date of declaration	for a period of one (1) year from declaration date of a state of calamity	NA	for a period of one (1) year starting from reserve week following the declaration date of a state of calamity	for a period of one (1) year from declaration date of a state of calamity	declaration date of a state of calamity	declaration date of a state of calamity

III. Implementing Guidelines on the Restructuring Scheme Covering the Rediscounting Obligations with the Bangko Sentral of Rediscounting Banks in the Areas Affected by Natural Calamities

xxx xxx xxx

F. Other provisions

xxx xxx xxx

b. Effectivity date

The loan settlement scheme shall be made available, as follows:

xxx xxx xxx

d) Lando – up to 30 April 2016

e) El Niño (2016) - up to 13 November 2016