



**BANGKO SENTRAL NG PILIPINAS**

OFFICE OF THE GOVERNOR

**CIRCULAR NO. 823**

Series of 2014

**Subject: Amendment of Section X181 (2008 – X171) on Bank Protection**

The Monetary Board, in its Resolution No. 2038 dated 5 December 2013, approved the revisions to Section X181 (2008 – X171) of the Manual of Regulations for Banks (MORB) on Bank Protection.

**Section 1.** The relevant provisions of Section X181 of the MORB particularly those relating to the appointment of the bank's security officer are hereby amended, as follows:

1. Subsection X181.2 (2008 – X171.2) on the Designation of Security Officer is amended to read as follows:

*§ X181.2 (2008 - X171.2) Designation of a Chief Security Officer*

*The board of directors of each bank, or the country head in the case of a foreign bank branch, shall designate a Chief Security Officer.*

*A full-time Chief Security Officer shall be designated whenever the bank operates an extensive physical network of branches and other offices that regularly handle cash. For purposes of this section, extensive branch network means a bank has at least ten (10) branches and/or other cash handling banking offices.*

*A bank that falls outside the preceding criteria is considered to have reduced security risk exposure and may designate a senior officer to act as concurrent Chief Security Officer provided that such designation shall not result to a conflict of interest situation.*

*In banking group or conglomerate structure, the parent bank or the primary bank may establish a group-wide security management system to facilitate a consolidated approach in handling security risks. This, however, does not relieve each bank from appointing its own Chief Security Officer.*

2. The new Subsection X181.3 (2008 – X171.2) contains the Qualifications and Responsibilities of the Chief Security Officer. It will read as follows:

*§ X181.3 Qualifications and Responsibilities of the Chief Security Officer*

*Before appointing its Chief Security Officer, the board of directors must ensure that its security officer-designate meets the following minimum qualifications:*

- a. *Be at least 30 years of age;*
- b. *Be a college graduate;*
- c. *Have at least five (5) years experience in the field of law enforcement and/or security operations, two (2) years of which is in a managerial position; and*
- d. *Possess all the qualifications and none of the disqualifications provided for under Sections X142 and X143 of the MORB.*

*In the event that the senior officer, acting concurrently as the bank's Chief Security Officer, does not meet the minimum experience defined above under item "c", said officer shall be supported by a competent consultant/adviser who may be a person or a firm independent of the bank with special knowledge, skill and experience on security management matters. The hiring of said consultant/adviser shall be approved by the Board of Directors of the bank or the country head in the case of a foreign bank branch.*

*When assessing competency, the board of directors of the bank should consider the reputation and integrity, the extent of relevant education/training and the knowledge and experience of the consultant/adviser on security management matters.*

*All Chief Security Officers, including those acting in concurrent capacity, shall be responsible for:*

- a. *Developing and administering a security program appropriate to the risk profile of the bank;*
- b. *Constituting a security management team, as appropriate;*
- c. *Conducting a security awareness program among bank employees on a continuing basis;*
- d. *Investigating bank robberies/hold-ups, recommending the filing of appropriate charges in court as the evidence may warrant and assisting in the prosecution of the perpetrator(s) thereof;*
- e. *Establishing an effective working relationship with the BSP, PNP, and other law enforcement agencies in the prevention of bank crimes and other natural and man-made hazards;*
- f. *Implementing new techniques, methods and equipment to enhance bank protection measures in a cost effective manner.*

3. Subsection X181.7 of the MORB on Common Security Service Provision is amended and incorporated in the new Subsection X181.2. Hence, said subsection is hereby deleted. The following Subsections shall be re-numbered as follows:

<u>From</u>	<u>To</u>	<u>Subsection Title</u>
Subsection X181.3	Subsection X181.4	<i>Security Program</i>
Subsection X181.4	Subsection X181.5	<i>Minimum Security Measures</i>
Subsection X181.5	Subsection X181.6	<i>Reports</i>
Subsection X181.6	Subsection X181.7	<i>Bangko Sentral Inspection</i>

**Section 2. Transitory Provisions.** This Circular shall take effect fifteen (15) days following its publication either in the Official Gazette or in a newspaper of general circulation. Banks, however, are given three (3) months from date of effectivity to submit a certification to the appropriate supervising department of the BSP whether or not they are compliant with this circular. Within the same period, non-compliant banks shall submit an acceptable plan of action to achieve compliance within six (6) months from effectivity.

**FOR THE MONETARY BOARD:**



**AMANDO M. TETANGCO, JR.**  
Governor

10 January 2014