



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 870

Series of 2015

Subject: Amendments to Appendix 6 (Reports Required of Banks) and Other Related Subsections of the Manual of Regulations for Banks (MORB)

The Monetary Board in its Resolution No. 112 dated 22 January 2015, approved the amendments to Appendix 6 (Reports Required of Banks), an appendix to Section X192 and pertinent subsections of the Manual of Regulations for Banks (MORB) as part of its initiative to rationalize the reports required from banks.

Section 1. Objective. It is the objective of the BSP to continuously institute changes in the banks' financial reporting system for the purpose of enhancing the transparency and disclosure of information reported by banks as well as to promote and encourage the adherence by banks and other supervised financial institutions to International and Philippine Financial Reporting Standards, including international best practices and standards on effective internal control and corporate governance.

Section 2. Appendix 6. REPORTS REQUIRED OF BANKS, an appendix under Section X192 of the MORB is hereby amended by deleting the reports listed in "Attachment I" from the reports required to be submitted by banks.

Section 3. The provisions under Item "b", Subsection X192.1 *Categories and signatories of bank reports* is hereby amended, to read as follows:

"a. *Categories of reports.* xxx

"b. *Authorized signatories*

- (1) *Category A-1* reports shall be signed by the bank's chief executive officer or, in his absence, by the executive vice president, and by the comptroller or, in his absence, by the chief accountant, or officers holding equivalent positions.
- (2) *Category A-2* reports shall be signed by the president, executive vice president, vice president or by an officer holding equivalent position.
- (3) *Category A-3* and *Category B* reports shall be signed by officers or their alternates, duly designated by the board of directors.

The designated signatories of *Categories A-1, A-2, A-3 and B* reports including their specimen signatures shall be contained in a resolution approved by the board of directors. A copy of the board resolution covering the initial designation and subsequent change(s) in signatories as well as specimen signatures of the signatories and alternates, shall

be made available for inspection by BSP examiners and submitted to the BSP upon request of the appropriate supervising department of the SES.

(4) Reports in computer media that are submitted by banks shall be subject to the same requirements regarding authorized signatories.

(5) xxx.

xxx.”

Section 4. The provisions under Subsection X192.6 of the MORB is hereby amended to read, as follows:

“Subsection X192.6 Reconciliation of head office and branch transactions.

“Banks shall prepare reconciliation statements covering transactions between the head office and all its branches within thirty (30) banking days after the end of each month.

“The reconciliation statement shall be made available for inspection by BSP examiners and submitted to the BSP upon request of the appropriate supervising department of the SES.”

Section 5. The provisions under Subsection X235.12 of the MORB are hereby amended to read, as follows:

“Subsection X235.12 Repurchase agreements covering government securities, commercial papers and other negotiable and non-negotiable securities or instruments. The following regulations shall govern repurchase agreements covering government securities, commercial papers and other negotiable and non-negotiable securities or instruments of banks as well as sale on a without recourse basis of said securities by banks.

“a. xxx

“b. *Responsibilities of the chief executive officer (CEO) or officer of equivalent rank.*

“It shall be the responsibility of the CEO or the officer of equivalent rank in a bank to:

“(1) xxx

“(2) Ascertain and ensure that the bank did not enter into a repurchase agreement covering government securities, commercial papers and other negotiable and non-negotiable securities or instruments that are not documented in accordance with existing BSP regulations and that the bank has strictly complied with the pertinent rules of the SEC and the BSP on the proper sale of securities

to the public and performed the necessary representations and disclosures on the securities particularly the following:

“(a) Informed the clients that such securities are not deposits and as such, do not benefit from any insurance otherwise applicable to deposits such as, but not limited to, R.A. No. 3591, as amended, otherwise known as the PDIC law;

“xxx,

“(d) Clearly stated to the client that:

“(i) The bank does not guarantee the payment of the security sold on a “without recourse basis” and in the event of default by the issuer, the sole credit risk shall be borne by the client; and

“(ii) The bank is not performing any advisory or fiduciary function.”

“c. *Treatment as Deposit Substitutes.* xxx.

“d. *Sanctions.* xxx.”

Section 6. Appendix 65 and its Annex on the Format Certification, an appendix to Subsection X235.12 of the Manual of Regulations for Banks are hereby deleted.

Section 7. Effectivity. This Circular shall take effect fifteen (15) calendar days after its publication either in the Official Gazette or in a newspaper of general circulation.

FOR THE MONETARY BOARD:


AMANDO M. TETANGCO, JR.
Governor

20 February 2015

**Reports Proposed for Deletion/Discontinued Submission
under Appendix 6 of the MORB**

For deletion without amendments to Sections/Subsections under the MORB

Category Report	Basis	Report Title	Covered Banks and Reporting Frequency		
			U/KBs	TBs	RCBs
B	X343.2c	Report on Reconciliation Statement of Demand Deposit Account with the BSP	Monthly	N.A.	N.A.
B	MAB dated 09.02.05	General Information Sheet	Annual/ As Changes Occur	Annual/ As Changes Occur	Annual/ As Changes Occur
A-2	X116.3 X105.5 X258	Schedule of Other Non-Risk Assets	Weekly	Monthly	N.A.

For deletion with amendments to Subsections under the MORB

Category Report	Basis	Report Title	Covered Banks and Reporting Frequency		
			U/KBs	TBs	RCBs
B	X192.1	Report on Designation of Authorized Signatories of Bank's Reports Classified as Category A-1, A-2, A-3 and B ¹	As designation by bank's board of directors occurs	As designation by bank's board of directors occurs	As designation by bank's board of directors occurs
B	X192.6	Report on Reconciling Items Outstanding for More than Six Months in the "Due from/Due to Head Office, Branches and Agencies" accounts (by banking unit)	N.A.	Quarterly	Semestral
B	X235.12	Notarized Certification that the bank did not enter into repurchase agreement covering government securities, commercial papers and other non-negotiable securities or instruments that are not documented	Semestral	Semestral	Semestral
B	X235.12	Report on Undocumented Repurchase Agreement	Upon Occurrence	Upon Occurrence	Upon Occurrence

¹ This refers to the Specimen Signature of Authorized Signatories and Board Resolution Designating Authorized Signatories (for thrift banks)