

191 VOLUNTARY LIQUIDATION

The following guidelines shall be observed when a bank decides to undertake voluntary liquidation as a consequence of voluntary dissolution, such as (i) by vote of the board of directors and stockholders, where no creditors are affected; (ii) judgment of the SEC after hearing the petition for voluntary dissolution; (iii) amending the articles of incorporation to shorten the corporate term.

Prior Monetary Board approval. Upon voluntary dissolution of a bank pursuant to the provisions of the Corporation Code, voluntary liquidation may be undertaken by the bank itself through its board of directors, by a trustee appointed by the bank, or by a receiver appointed to the bank: *Provided, however,* That no voluntary dissolution shall be undertaken by a bank without prior approval of the Monetary Board: *Provided, further,* That requests for approval of a voluntary dissolution shall be accompanied by a liquidation plan which lays down the procedure to be adopted by the bank in the event of liquidation: *Provided, finally,* That written notice shall be sent to the Monetary Board before actual liquidation is undertaken in accordance with the liquidation plan previously approved by the Monetary Board.

Liquidation plan. The minimum requirements to be set forth in a liquidation plan are the following:

- a. *Inventory/Appraisal of assets and liabilities.* Submission to the Monetary Board within thirty (30) days from written notice of liquidation, a schedule/inventory and status/appraisal reports on assets and liabilities of the bank.
- b. *Notice to creditors requirement.* Notice by registered mail to all recorded claimants of the bank, and notice by publication in a newspaper of general circulation at least once a week for two (2) consecutive weeks, to be made within thirty (30) days from submission of aforesaid inventory of assets and liabilities.
- c. *Conversion of assets into money.* Projected timetable in the conversion, manner of sale (public auction, sealed bidding, or on negotiated basis), notice by publication requirement, and report on liquidation to be submitted to the Monetary Board.
- d. *Final notice to claimants/creditors.* Undertaking of the board of directors/ trustee/receiver to cause, within thirty (30) days from conversion into money of all or substantially all of the assets of the bank, the publication in a newspaper of general circulation at least once a week for two (2) consecutive weeks of a notice giving claimants/creditors fifteen (15) days within which to file their claims.
- e. *Inventory of remaining claims against the bank.* Submission to the Monetary Board of a complete

list of all remaining claims against the bank, within thirty (30) days from the deadline given in the final notice to claimants/creditors.

f. *Plan for distribution of proceeds of sales and distribution of liquidating dividends.* Submission to the Monetary Board of a distribution plan of assets within thirty (30) days from conversion of all or substantially all of the assets of the bank.

Final liquidation report. The board of directors/trustee/receiver shall submit to the Monetary Board a final liquidation report after winding up the affairs of the bank.