

## 201 AUTHORITY TO ACCEPT OR CREATE DEMAND DEPOSITS

Banks may accept or create demand deposits subject to withdrawal by check.

A UB/KB may accept or create demand deposits subject to withdrawal by check, without prior authority from the Bangko Sentral.

A TB/RB/Coop Bank may accept or create demand deposits upon prior authority of the Bangko Sentral.

### **Prerequisites to accept or create demand deposits for thrift banks/rural banks/cooperative banks.**

In addition to the *Standard Pre-qualification Requirements for the Grant of Banking Authorities* enumerated in *Appendix 5*, a TB/RB/Coop Bank applying for authority to accept or create demand deposits shall also comply with the following requirements:

- a. The applicant TB/RB/Coop Bank must have complied with the minimum capital required under Sec. 121.  
The terms *capital* and *net assets* shall have the same meaning as in Sec. 121;
- b. It has neither unpaid assessment due nor past due obligations with the PDIC; and
- c. The applicant bank must have been examined by the Bangko Sentral within one (1) year prior to the date of submission of complete documentary requirements with the appropriate supervising department of the Bangko Sentral.

**Requirements for accepting demand deposits.** After a TB's/RB's/Coop Bank's application to accept demand deposits has been approved, it may actually accept such deposits, subject to the following conditions:

- a. Submission of a certification signed by the President/Chairman of the Board of the bank stating that the requirements enumerated in this Section on Prerequisites to accept or create demand deposits for thrift banks/rural banks/cooperative banks have been complied with up to the day before the checking account services are actually offered/extended to the public;
- b. That if it is not a member of the Philippine Clearing House Corporation (PCHC), it has appointed a commercial bank, or a normally operating thrift bank which is a direct participant in the clearing with the PCHC/Bangko Sentral and has complied with the minimum capital required for commercial banks, thru which it shall participate in the check clearing system; and
- c. That it has complied with all other conditions that the Bangko Sentral may impose.

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The applicant bank shall submit a written notice to the appropriate supervising department of the Bangko Sentral of the actual date when the demand deposit service is offered to the public not later than ten (10) banking days from such offering of the service.

**Sanctions.** If any part of the certification submitted by the bank as required in these guidelines is found to be false, the following sanctions shall be imposed, without prejudice to the sanctions under Section 35 of R.A. No. 7653:

a. *On the bank*

Suspension of its authority to accept or create demand deposits for one (1) year

b. *On the certifying officer*

A fine of P5,000 per day from the time the certification was made up to the time the certification was found to be false