

346 PROCEDURAL AND REPORTORIAL REQUIREMENTS

Procedural requirements. The following provisions shall apply if the bank's DOSRI are parties to, or act as representatives or agents of others in, any of the transactions enumerated under Sec. 342 (*Transactions Covered*):

- a. *Approval of the board, when to obtain.* Except with prior written approval of the majority of the directors, excluding the director concerned, no loan, other credit accommodation and guarantee shall be granted nor shall any of the transactions enumerated under Sec. 342 (*Transactions Covered*) be entered into.
- b. *Approval by the board, how manifested.* The approval shall be manifested in a resolution passed by the board of directors during a meeting and made of record.
- c. *Determination of majority of the directors.* The determination of the majority of the directors, excluding the director concerned, shall be based on the total number of directors of the bank as provided in its articles of incorporation and by-laws.
- d. *Contents of the resolution.* The resolution of the board of directors shall contain the following information:
 - (1) Name of the director or officer concerned and his involvement as regards the credit accommodation, such as principal, endorser, spouse of borrower, etc.;
 - (2) Nature of the loan or other credit accommodation, purpose, amount, credit basis for such loan or other credit accommodation, security and appraisal thereof, maturity, interest rate, schedule of repayment and other terms of the loan or other credit accommodation;
 - (3) Date of resolution;
 - (4) Names of the directors who participated in the deliberations of the meeting; and
 - (5) Names in print and signatures of the directors approving the resolution: *Provided*, That in instances where a director who participated in the board meeting and who approved such resolution failed to sign, the corporate secretary may issue a certification to this effect indicating the reason for the failure of the said director to sign the resolution.
- e. *Transmittal of copy of board approval; contents thereof.* A copy of the written approval of the board of directors, as herein required, shall be submitted to the appropriate supervising department of

the Bangko Sentral within twenty (20) banking days from the date of approval. The copy may be a duplicate of the original, or a reproduction copy showing clearly the signatures of the approving directors: *Provided*, That if a reproduction copy is to be submitted, it shall contain on its face or reverse side a signed certification by the secretary that it is a reproduction of the original written approval: *Provided, further*, That such written approval shall not be required for loans, other credit accommodations and advances granted to officers under a fringe benefit plan approved by the Bangko Sentral.

Reportorial requirements. Each bank shall maintain a record of loans, other credit accommodations and guarantees covered by these regulations in a manner and form that will facilitate verification of such transactions by Bangko Sentral examiners.

The appropriate supervising department of the Bangko Sentral may require banks to furnish such data or information as may be necessary for purposes of implementing the provisions of the foregoing rules.

Financing plans and amendments thereto shall be submitted to Bangko Sentral within thirty (30) calendar days from approval thereof by the bank's board of directors. The appropriate supervising department of the Bangko Sentral may require the banks concerned to submit a regular report monitoring the various transactions under the bank's financing plans for officers/ employees.

All banks providing financial assistance to bank officers/employees shall submit a report on "*Availments of Financial Assistance to Officers and Employees*" to the Bangko Sentral within fifteen (15) banking days after end of reference semester.