

**STANDARD PRE-QUALIFICATION REQUIREMENTS FOR THE GRANT OF BANKING
AUTHORITIES**
(Appendix to Sections Indicated Below)

A. Banks Applying For Authority to -

- a. Establish offices abroad (*Sec. 106 on Requirements for establishing an office abroad*);
- b. Accept or create demand deposits (*Sec. 201 on Prerequisites to accept or create demand deposits for thrift banks/ rural banks/cooperative banks*);
- c. Accept NOW accounts (*Sec. 221 on Prerequisites to accept negotiable order of withdrawal accounts for thrift banks/ rural banks/cooperative banks*);
- d. Issue NCTDs (*Sec. 217 on Prerequisites to issue negotiable certificates of time deposits for thrift banks/rural banks/cooperative banks*);
- e. Accept government deposits (*Sec. 231 on Prerequisites for the grant of authority to accept deposits from the Government and government entities*);
- f. Engage in quasi-banking operations (*Sec. 241 on Definition of terms and phrases*);
- g. Operate an EFCDU/FCDU; and
- h. Engage in derivatives transactions (*Sec. 613 on Generally authorized derivatives activities*)

B. Standard Pre-Qualification Requirements

Banking Authorities

- To establish offices abroad;
- To accept demand, NOW, NCTDs;
- To accept government deposits; and
- To engage in quasi-banking, EFCDU/ FCDU and derivatives transactions

a. The bank has complied, during the period indicated immediately preceding the date of application, with the following: <ol style="list-style-type: none"> (1) Risk-based capital adequacy ratio; (2) Ceilings on credit accommodation to DOSRI; and (3) Liquidity floor on government deposits; 	60 days continuing continuing
b. The bank has not incurred net weekly reserve deficiencies;	8 weeks
c. The bank has generally complied with banking laws, rules and regulations, orders or instructions of the Monetary Board and/or Bangko Sentral Management;	applicable
d. The bank's past due loans do not exceed twenty percent (20%) of its total loan portfolio as of the date of application;	applicable
e. The bank has corrected as of date of application the major violations noted in its latest examination particularly relating to - <ol style="list-style-type: none"> (1) single borrower's limit; and (2) total investment in real estate and improvements thereon, including bank equipment, does not exceed fifty percent (50%) of net worth as of date of application; 	applicable applicable
f. The bank's accounting records, systems, procedures and internal control systems are satisfactorily maintained;	applicable

g. The bank does not have float items outstanding for more than sixty (60) calendar days in the "Due From/To Head Office/Branches/Offices" accounts and the "Due From Bangko Sentral" account exceeding one percent (1%) of the total resources as of end of preceding month;	applicable
h. The bank has no past due obligation with the Bangko Sentral or with any FI as of date of application;	applicable
i. The bank's facilities pertinent to the authority applied for are adequate;	applicable
j. The officers who will be in-charge of the operation relating to the authority applied for have actual experience of at least two (2) years in another bank as in-charge (or at least as assistant-in-charge) of the same operation;	applicable
k. The bank personnel who will handle the operation relating to the authority applied for, have attended appropriate seminars, workshops or on-the-job training or have experience of at least six (6) months;	applicable
l. The bank has complied with the mandatory allocation of credit resources to small and medium enterprises for two (2) quarters immediately preceding the date of application;	applicable
m. The bank has not been found engaging in unsafe and unsound banking practices during the last six (6) months immediately preceding the date of application where applicable;	not applicable
n. The bank has complied with the twenty percent (20%) aggregate limit on real estate loans as of end of preceding quarter (for UBs/KBs only);	not applicable
o. The bank has set up the prescribed allowances for probable losses, both general and specific, as of date of application;	not applicable
p. The bank is a member of the Philippine Deposit Insurance Corporation in good standing as of date of application (for TBs/RBs/Coop Banks only)	not applicable

(Circular Nos. 987 dated 28 December 2017)