

**PROCEDURES ON COLLECTION OF FINES/PENALTIES FROM BANKS AND/OR
DIRECTORS/OFFICERS OF BANKS
(Appendix to Sec. 1102)**

For uniform implementation of the regulations on collection of fines/penalties from banks and/or directors/officers of banks, the following procedures shall be observed:

1. Upon approval of the fines/penalties by the Governor/ Monetary Board, the Department/Office concerned shall send the Statement of Account (SOA)/billing letter to the bank with an advice that the penalty should be paid in full within fifteen (15) calendar days from receipt of SOA/billing letter. For entities which maintain DDA with Bangko Sentral, the amount of the penalty/ies shall be automatically debited from the bank's DDA with the Bangko Sentral after the lapse of the fifteen (15)-calendar day period. The bank shall likewise be advised that penalty or portion thereof which remained unpaid after the lapse of said fifteen (15)-day period shall be subject to additional charge of six percent (6%) per annum reckoned from the banking day immediately following the end of the fifteen (15)-day period up to the day of actual payment.
2. On the banking day immediately following the end of said fifteen (15)-day period, unpaid penalties shall be automatically debited, without additional charge, against the bank's DDA with the Bangko Sentral by the Comptrollership Sub-sector (CoSS) based on the amount booked by the Department/Office concerned after first confirming with the CoSS the sufficiency of the bank's DDA balance to cover the amount of the penalty.
3. If, based on its confirmation with the CoSS, the Department/Office concerned received information that the bank's DDA balance is insufficient to cover the amount of the penalty, it shall accordingly advise and request the bank to immediately fund its DDA.
4. As soon as it is funded, the bank's DDA shall be debited by the CoSS for the amount of the penalty, plus the six percent (6%) additional charge for late payment of the penalty reckoned from the banking day immediately following the end of the fifteen (15)-day period up to the day of actual payment, based on the amount booked by the Department/Office concerned.
5. Payment by TBs, RBs or Coop banks of penalty, plus the additional charge, if any, by check or demand draft shall be made directly to the Bangko Sentral Cash Department or to Bangko Sentral Regional Cash Units in accordance with the provisions of Sec. 1102.
6. In the case of penalty/ies imposed on bank directors and/or officers, the employers bank and said directors and/or officers shall be advised by the appropriate supervising department concerned that the employer bank's DDA with the Bangko Sentral shall be debited for the amount of the

penalty as advance payment in behalf of the director and/or officer within fifteen (15) calendar days from receipt of the notice of the decision of the Governor/Monetary Board. In case the director and/or officer is no longer connected with the bank, payment thereof shall be for the account of the director and/or officer who shall pay directly to the Bangko Sentral in the form of cash or check or such other acceptable means of payment and in accordance with the provisions of Sec. 1102. The procedures under Items "2", "3" and "4" hereof shall likewise apply.

(Circular Nos. 988 dated 20 December 2017 and 662 dated 09 September 2009)