TABLE OF CONTENTS

POWERS OF THE BANGKO SENTRAL

Section	001	Examination by the Bangko Sentral
Section	002	Supervisory Enforcement Policy
Section	003	Prompt Corrective Actions Framework

PART ONE - ORGANIZATION, MANAGEMENT AND ADMINISTRATION

		A. CLASSIFICATIONS, POWERS AND OPERATIONS OF BANKS
Section	101	Classification, Powers and Scope of Authorities of Banks
Section	101-В	Authority of Thrift Banks to Issue Foreign Letters of Credit and Pay/Accept/Negotiate Import/Export Drafts/Bills of Exchange
Section	102	Basic Guidelines in Establishing Domestic Banks
Section	103	Liberalized Entry and Scope of Operations of Foreign Banks
Section	104	Mergers and Acquisitions
Section	105	Establishment/Relocation/Voluntary Closure/Sale of Branches/ Branch- Lite Units
Section	106	Establishment of Sub-Branches of Foreign Bank Branches
Section	107	Mobile Foreign Exchange Booths
Section	108	Banking Days and Hours
Section	109	Bank Premises and Other Fixed Assets
		B. SPECIAL AUTHORITIES
Section	111	Licensing
Section	112	Management Contracts and Outsourcing
Section	113	Cross-selling
Section	113-B	Marketing, Sale and Servicing of Microinsurance Products by Thrift Banks
Section	113-C	Marketing, Sale and Servicing of Microinsurance Products by Rural and Cooperative Bank
Section	114	Prohibition on the Sale of Foreign-Based Mutual Funds by Banks
		C. CAPITALIZATION AND RISK-BASED CAPITAL
Section	121	Minimum Required Capital
Section	122	Shares of Stock of Banks
Section	122-A	Shares of Stock of Universal/Commercial Banks
Section	122-B	Shares of Stock of Thrift Banks
Section	122-C	Shares of Stock of Rural Banks and Cooperative Banks
Section	123	Deposit for Stock Subscription

Section	124	Dividends
Section	124-C	Limitations/Amount available for dividends declared by rural banks and
Jeetion.	227 0	cooperative banks
Section	125	Basel III Risk Based Capital
Section	126	Capital Instruments Eligible as Risk-Based Capital
Section	127	Risk-Based Capital Adequacy Framework for Stand-Alone Thrift Banks, Rural Banks and Cooperative Banks
Section	128	Domestic Systemically Important Banks (DSIBs)
Section	129	Basel III Leverage Ratio Framework
Section	130	Internal Capital Adequacy Assessment Process and Supervisory Review Process
		D. CORPORATE GOVERNANCE
Section	131	Policy Statement and Definition of Terms
Section	132	Board of Directors
Section	133	Board-level committees
Section	134	Officers
Section	135	Remuneration and Other Incentives
Section	136	Related Party Transactions
Section	137	Confirmation of the Election/Appointment of Directors/ Officers; Bio-data of Directors and Officers; Interlocking Directorships and/or Officerships; Rules of Procedures on Administrative Cases involving Directors and Officers of BSFIs
Section	138	Disqualification and Watchlisting of Directors and Officers
		E. RISK MANAGEMENT
		E. MOK PIANAGEPIENT
Section	141	Supervision by Risk
Section Section	141 142	
		Supervision by Risk
Section	142	Supervision by Risk Risk Governance Framework
Section Section	142 143	Supervision by Risk Risk Governance Framework Credit Risk Management
Section Section	142 143 144	Supervision by Risk Risk Governance Framework Credit Risk Management Market Risk Management
Section Section Section	142 143 144 145	Supervision by Risk Risk Governance Framework Credit Risk Management Market Risk Management Liquidity Risk Management
Section Section Section Section	142 143 144 145 145-A	Supervision by Risk Risk Governance Framework Credit Risk Management Market Risk Management Liquidity Risk Management Liquidity Coverage Ratio (LCR)
Section Section Section Section Section Section	142 143 144 145 145-A 146	Supervision by Risk Risk Governance Framework Credit Risk Management Market Risk Management Liquidity Risk Management Liquidity Coverage Ratio (LCR) Operational Risk Management
Section Section Section Section Section Section Section	142 143 144 145 145-A 146	Supervision by Risk Risk Governance Framework Credit Risk Management Market Risk Management Liquidity Risk Management Liquidity Coverage Ratio (LCR) Operational Risk Management Bank Protection
Section Section Section Section Section Section Section Section Section	142 143 144 145 145-A 146 147	Supervision by Risk Risk Governance Framework Credit Risk Management Market Risk Management Liquidity Risk Management Liquidity Coverage Ratio (LCR) Operational Risk Management Bank Protection Information Technology Risk Management
Section	142 143 144 145 145-A 146 147 148	Supervision by Risk Risk Governance Framework Credit Risk Management Market Risk Management Liquidity Risk Management Liquidity Coverage Ratio (LCR) Operational Risk Management Bank Protection Information Technology Risk Management Business Continuity Management
Section	142 143 144 145 145-A 146 147 148 149	Supervision by Risk Risk Governance Framework Credit Risk Management Market Risk Management Liquidity Risk Management Liquidity Coverage Ratio (LCR) Operational Risk Management Bank Protection Information Technology Risk Management Business Continuity Management Social Media Risk Management

Section	162	Internal Control Framework
Section	163	Internal Audit Function
Section	164	Selection, Appointment, Reporting Requirements and Delisting of External Auditors and/or Auditing Firm; Sanctions; Effectivity
		G. REPORTING GOVERNANCE
Section	171	Reporting Governance Framework
Section	172	Financial Records
Section	173	Reports
Section	174	Audited Financial Statements
Section	175	Public Disclosures
		H. UNSAFE OR UNSOUND BANKING
Section	181	Conducting Business in an Unsafe or Unsound Banking
		I. SURRENDER OF BANKING LICENSE, LIQUIDATION, AND RECEIVERSHIP
Section	191	Voluntary Liquidation
Section	192	Insolvency or Receivership of Banks

PART TWO - DEPOSITS, BORROWINGS AND OTHER LIABILITIES

		A. DEMAND DEPOSITS
Section	201	Authority to Accept or Create Demand Deposits
Section	202	Returned Checks
Section	203	Temporary Overdrawings; Drawings Against Uncollected Deposits
Section	204	Demand Deposits of Bank Officers and Employees
		B. SAVING DEPOSITS
Section	211	Saving Deposit Transactions
Section	212	Peso Savings Deposit Accounts of Embassy Officials
		C. TIME DEPOSITS
Section	216	Term of Time Deposits
Section	217	Certificates of Time Deposit
Section	218	Special Time Deposits
		D. NEGOTIABLE ORDER OF WITHDRAWAL ACCOUNTS
Section	221	Authority to Accept Negotiable Order of Withdrawal Accounts
Section	222	Minimum Features of Negotiable Order of Withdrawal Accounts
Section	223	Rules on Servicing Negotiable Order of Withdrawal Accounts
		E. GOVERNMENT DEPOSIT
Section	231	Acceptance of Government Deposits

		F. DEPOSIT SUBSTITUTE OPERATIONS (QUASI-BANKING FUNCTIONS)
Section	241	Scope of Quasi-Banking Functions
Section	242	Deposit Substitute Instruments
Section	243	Minimum Trading Lot and Minimum Term of Deposit Substitute
Section	244	Money Market Placements of Rural Banks
Section	245	Without Recourse Transactions
Section	246	Issuance of Bonds and Commercial Papers
		G. RESERVE AGAINST DEPOSIT AND DEPOSIT SUBTITUTES LIABILITIES
Section	251	Accounts Subject To Reserve; Amounts Required
Section	252	Composition of Reserve
Section	253	Exemptions from Reserve Requirements
Section	254	Computation of Reserve Position
Section	255	Reserve Deficiencies; Sanctions
Section	256	Report on Compliance
		H. INTEREST AND FEES
Section	261	Interest on Deposits/Deposit Substitutes
Section	262	Disclosure of Effective Rates of Interest
Section	263	Fees on Retail Bank Products/Services
		I. DEPOSIT OPERATIONS
Section	271	Booking of Deposits and Withdrawals
Section	272	Unclaimed Balances
Section	273	Rental Deposits of Lessees
Section	274	Servicing Deposits Outside Bank Premises
Section	275	Cash Pick-up/Cash Delivery Services; Cash Agents
Section	276	Miscellaneous Rules on Deposits
		J. BORROWINGS FROM THE BANGKO SENTRAL
Section	281	Rediscounting Line
Section	282	Rediscounting Availments
Section	283	Repurchase Agreements with the Bangko Sentral
Section	284	Bangko Sentral Liquidity WindoW
Section	285	Emergency Loans or Advances to Banking Institutions
Section	286	Facility to Committed Credit Line Issuers
Section	287-B/C	Countryside Financial Institutions Enhancement Program for Thrift Banks, Rural and Cooperative Banks
Section	288	Recording and Reporting of Borrowings
Section	289	Rediscounting Window

Section	290	Enhanced Intraday Liquidity Facility
		K. OTHER BORROWINGS OF BANKS
Section	291	Borrowings from the Government
Section	292	Borrowings from Trust Departments or Investment Houses
Section	293-В	Mortgage/CHM Certificates of Thrift Banks
Section	294-C	Borrowings of Rural Banks/Cooperative Banks
		L. OTHER LIABILITIES
Section	295	Collection of Customs Duties/Taxes/Levies and Other Revenues, and Acceptance, Encashment or Negotiation of Checks Drawn in Favor of Commissioner
Section	296	Collection Agents of the Social Security System
Section	297	Collection Agents of PhilHealth
Section	298	Disclosure of Remittance Charges and Other Relevant Information
Section	299	Segregation of Customer Funds and Securities Received by Banks in the Performance of their Securities Brokering Functions

PART THREE - LOANS, INVESTMENTS AND SPECIAL CREDITS

		A. GENERAL PROVISIONS ON LENDING OPERATIONS
Section	301	Grant of Loans and Other Credit Accommodations
Section	302	Amortization on Loans and Other Credit Accommodations
Section	303	Secured Loans and Other Credit Accommodations
Section	304	Past Due Accounts and Non-Performing Loans
Section	305	Interest and Other Charges
Section	306	"Truth in Lending Act" Disclosure Requirement
		B. TYPES OF LOANS AND CREDITS
Section	311	Salary-Based General-Purpose Consumption Loans
Section	312	Credit Card Operations
Section	313	Agricultural Loans
Section	314	Microfinance Loans
Section	315	Interbank Loans
Section	316	Bank Loans to Government
Section	317	Other Loans and Rediscounting to Thrift/Rural/Cooperative Banks
Section	318	Standby Letters of Credit
Section	319	Committed Credit Line for Commercial Paper Issues
		C. MANDATORY/SPECIALIZED CREDITS
Section	331	Agriculture and Agrarian Reform Credit

Section	332	Mandatory Allocation of Credit Resources to Micro, Small and Medium Enterprises
Section	333	Loans to Barangay Micro Business Enterprises
		D. LOANS AND OTHER CREDIT ACCOMMODATIONS TO DIRECTORS, OFFICERS, STOCKHOLDERS AND THEIR RELATED INTERESTS/ SUBSIDIARIES/AFFILIATES
Section	341	Policy Statement
Section	342	Transactions, Covered and Not Covered
Section	343	Direct or Indirect Borrowings
Section	344	Individual Ceilings
Section	345	Aggregate Ceiling
Section	346	Procedural and Reportorial Requirements
Section	347	Waiver of Secrecy of Deposit
Section	348	Supervisory Enforcement Actions
Section	349	Applicability to Branches and Subsidiaries of Foreign Banks
Section	350	Applicability to Government Borrowings in Government-Owned or Controlled Banks
		E. CREDIT CONCENTRATION AND PRUDENTIAL LIMITS
Section	361	Large exposures and credit risk concentrations
Section	362	Credit Exposure Limits to a Single Borrower
Section	363-A	Limits on Real Estate Exposures and Other Real Estate Property of UBs/KBs
Section	363-B	Limits on Real Estate Exposures and Other Real Estate Property of TBs
Section	364	Expanded Report on Real Estate Exposure of Banks
		F. EQUITY INVESTMENTS
Section	371	Scope of Authority
Section	372	Financial Allied Undertakings
Section	373	Limits on Investment in the Equities of Financial Allied Undertakings
Section	374	Investments in Venture Capital Corporations
Section	375	Non-Financial Allied Undertakings
Section	376-A	Investments in Non-Allied or Non-Related Undertakings
Section	377	Investments in Subsidiaries and Affiliates Abroad
Section	378	Prudential Limits and Restrictions on Equity Investments
Section	379	Sanctions
		G. SUNDRY PROVISIONS
Section	381	Purchase of Receivables and Other Obligations
Section	382	Acquired Assets in Settlement of Loans
Section	383	Loans-to-Deposits Ratio

Section 384 Credit Policies of Government-Owned Corporations

Section 385 Regulatory Relief for Banks Under Rehabilitation Program Approved by

the Bangko Sentral

PART FOUR - TRUST, OTHER FIDUCIARY BUSINESS AND INVESTMENT MANAGEMENT ACTIVITIES

		A. STATEMENT OF PRINCIPLES AND SCOPE
Section	401	Statement of Principles
Section	402	Scope of Regulations
Section	403	Definitions
		B. TRUST AND OTHER FIDUCIARY BUSINESS
Section	411	Authority to Perform Trust and Other Fiduciary Business
Section	411-B/C	Grant of Authority to Engage in Limited Trust Business to Thrift Banks/Rural Banks
Section	412	Organization and Management
Section	413	Trust and Other Fiduciary Business
Section	414	Unit Investment Trust Funds
Section	415	Investment Management Activities
Section	416	Foreign Currency Deposit Unit/Expanded Foreign Currency Deposit Unit Trust Accounts; Other Fiduciary or Investment Management Accounts
Section	417	Security for the Faithful Performance of Trust and Other Fiduciary Business
Section	418	Reserves Against Peso-Denominated Trust and Other Fiduciary Accounts (TOFA) – Others
Section	419	Required Retained Earnings Reserve
Section	420	Unsafe or Unsound Manner
		C. INVESTMENT MANAGEMENT ACTIVITIES
Section	421	Authority to Perform Investment Management
Section	422	Organization and Management
Section	423	Conduct of Investment Management Activities
Section	424	Security for the Faithful Performance of Investment Management Activities
Section	425	Required Retained Earnings Reserved
Section	426	Unsound Manner
		D. GENERAL PROVISIONS
Section	431	Securities Custodianship and Securities Registry Operations
Section	432	Custody of Assets
Section	433	Fees and Commissions
Section	434	Taxes

Section	499	Sanctions
		E. GENERAL PROVISION ON SANCTIONS
Section	440	Surrender of Trust or Investment Management License
Section	439	Receivership
Section	438	Non-Trust, Non-Fiduciary and/or Non-Investment Management Activities
Section	437	Authority Resulting from Merger or Consolidation
Section	436	Audits
Section	435	Books, Records and Reports Required

PART FIVE - MANUAL OF REGULATIONS ON FOREIGN EXCHANGE TRANSACTIONS

(Please refer to separate Manual on Foreign Exchange Transactions)

PART SIX - TREASURY AND MONEY MARKET OPERATIONS

		A. MONETARY OPERATIONS OF THE BANGKO SENTRAL
Section	601	Monetary Operations
Section	602	The Japanese Yen/Philippine Peso (JPY/PHP) Swap Facility under the CrossBorder Liquidity Arrangement (CBLA) between the Bangko Sentral and the Bank of Japan (BOJ)
		B. TREASURY OPERATIONS OF BANKS
Section	611	Treasury Operations
Section	612	Sales and Marketing Guidelines for Financial Products
Section	613	Derivatives Activities
		C. FINANCIAL INSTRUMENTS
Section	621	Global Peso Notes
Section	622	Forward and Swap Transactions
Section	623-A	Investments in Credit-Linked Notes, Structured Products and Securities Overlying Securitization Structures
Section	624-A	Credit-linked Notes and Similar Credit Derivative Products
Section	625-A	Bank's Exposures to Structured Products
Section	626-A	Expanded Foreign Currency Deposit Units Investments in Foreign Currency Denominated Structured Products
Section	627-A	Investments in Securities Overlying Securitization Structures
Section	628	Asset-Backed Securities

PART SEVEN - ELECTRONIC BANKING SERVICES AND OPERATIONS

Section	701	Electronic Banking Services
Section	702	Issuance and Operations of Electronic Money

PART EIGHT - REGULATIONS ON PAYMENT SYSTEMS

Section	801	Automated Teller Machines
Section	802	Check Clearing Operations
Section	803	National Retail Payment System

PART NINE - ANTI-MONEY LAUNDERING REGULATIONS

Section	901	Bangko Sentral Authority to Check Compliance with the AMLA, as amended
Section	902	Policy Statement
Section	903	Scope of Regulations
Section	904	Definition of terms
Section	905	Basic Principles and Policies to Combat Money Laundering
		A. RISK MANAGEMENT
Section	911	Risk Management
		B. PREVENTIVE MEASURES
Section	921	Customer Due Diligence
Section	922	Covered and Suspicious Transaction Reporting
Section	923	Additional Preventive Measures for Specific Customers and Activities
Section	924	Record Keeping
		C. TRAINING PROGRAM
Section	931	AML Training Program
		D. ENFORCEMENT ACTIONS
Section	941	Sanctions and Penalties
Section	942	Separability Clause

PART TEN - BSP REGULATIONS ON FINANCIAL CONSUMER PROTECTION

Section	1001	Consumer Protection Oversight Function
Section	1002	Consumer Protection Standards
Section	1003	Enforcement Actions

PART ELEVEN - OTHER BANKING REGULATIONS

A. BANKING FEES/CHARGI	ES
------------------------	----

Section	1101	Assessment Fees on Banks
Section	1102	Collection of Fines and Other Charges from Banks

Section	1103	Service Fee for Transactions with the Bangko Sentral
		B. PHILIPPINE & FOREIGN CURRENCY NOTES & COINS
Section	1111	Philippine and Foreign Currency Notes and Coins
Section	1112	Adoption of Clean Note and Coin Policy
		C. PERSONAL EQUITY AND RETIREMENT ACCOUNT (PERA)
Section	1121	Personal Equity and Retirement Account (PERA) Market Participants and PERA Investment Products
		D. CREDIT RATING AGENCIES
Section	1131	Recognition and Derecognition of Domestic Credit Rating Agencies for Bank Supervisory Purposes
Section	1132	Internationally Accepted Credit Rating Agencies
Section	1133	Recognition and Derecognition of Microfinance Institution Rating Agencies
		E. PRODUCT OFFERING OF PARENT OF FOREIGN BANK BRANCHES
Section	1141-A	Offering in the Philippines of Products by Parent Bank and Branches Abroad of the Parent Bank
		F. FRAMEWORK ON THE GRANT OF REGULATORY RELIEF TO BANKS
Section	1151	Regulatory Relief Policy

APPENDICES