

GRANT OF AUTHORITY TO ENGAGE IN ELECTRONIC BANKING (E-BANKING) SERVICES

Description	:	Processing of client's request to engage in e-banking services
Clients	:	Banks and Non-Bank Financial Institutions (NBFIs) under the supervision of BSP
Documents Required	:	Requirements are explicitly provided under Section X701 of the Manual of Regulations for Banks (MORB): (a) Conditional approval (see Annex GG-1) and (b) Final approval (see Annex GG-2) <i>Note: A presentation may be required from applicant bank/NBFI to resolve issues and grey areas on the proposed e-banking service.</i>
Schedule of Service Availability	:	Mondays, 8:00 a.m. to 5:00 p.m.; Tuesdays to Fridays, 9:00 a.m. to 6:00 p.m. (Cut-off time: Applications received from 1 p.m. onwards will be considered as received the next banking day)
Contact Information	:	Core Information Technology Specialist Group (CITSG) Rm. 902, 9 th Floor, Multi-Storey Building Bangko Sentral ng Pilipinas, Mabini St., Malate, Manila Direct Lines: 708-7457/708-7458/708-7459; Facsimile: 708-7456
Total Processing Time	:	A) Conditional approval: 15 banking days (from receipt of CITSG of complete documents up to issuance of authority) B) Final approval: 40 banking days (from receipt of CITSG of complete documents up to issuance of authority)
Total fees	:	None

STEP NO	CLIENT STEP	BSP ACTION	OFFICE RESPONSIBLE/ LOCATION	DOCUMENT(S) REQUIRED	DOCUMENT(S) GENERATED
1	File an application and submit pertinent documents (2 sets) <u>When to submit application:</u> (a) Conditional Approval – Upon compliance with all the minimum pre-conditions under Subsection X701.1 of the MORB (See Annex A); (b) Final Approval – Within 30 calendar days from the date of launching of the e-banking service pursuant to Subsection X701.4 of the MORB (see Annex B)	Receives documents; Stamps date/time of receipt and signs/returns client's copy of application letter	Processor, FSAD-CASG / 10F Multi-Storey Bldg.	Original and Receiving Copy of documents (See Annexes A and B)	
2	Receive client's copy of application duly stamped received/signed by FSAD-CASG				
		Release/Mails acknowledgement letter to client	Processor, FSAD-CASG / 10F Multi-Storey Bldg.		Acknowledgement Letter and Registry Return Receipt
3	Receive/pick-up acknowledgement letter and sign Registry Return Receipt				
		Calls client to pick-up decision letter; faxes advance copy	Processor, CITSG / Rm. 902 Multi-Storey Bldg.		Fax copy of decision letter

4	Receive advance copy of Decision Letter sent thru fax and send authorized representative to pick-up original copy of letter				
		Releases original copy of Decision Letter and requires client's authorized representatives to sign file copy of Decision Letter and Registry Return Receipt	Processor, FSAD-CASG / 10F Multi-Storey Bldg.		Original and File Copy of Decision Letter; Registry Return Receipt
5	Receive/pick-up original Decision Letter and sign/return file copy of Decision Letter and Registry Return Receipt	Receives signed file copy of Decision Letter and Registry Return Receipt	Processor, FSAD-CASG / 10F Multi-Storey Bldg.	File Copy of Decision Letter and Registry Return Receipt duly signed by client's authorized representative	
6	Submit Notification Letter on the following (2 sets): (a) Date of launching of the approved e-banking service within 5 banking days from date of launching; and (b) Any enhancement to the approved e-banking service 30 days prior to date of implementation <i>(Note: This client step is</i>	Receives documents; Stamps date/time of receipt and signs/returns client's copy of Notification Letter	Processor, FSAD-CASG / 10F Multi-Storey Bldg.	Notification Letter	

	<i>applicable only after the conditional approval has been granted by the BSP)</i>				
7	Receive client's copy of notification letter duly stamped received/signed by FSAD-CASG				
END OF TRANSACTION					

SUPERVISION AND EXAMINATION SUB-SECTOR I
Core Information Technology Specialist Group (CITSG)

**GRANT OF CONDITIONAL APPROVAL TO PROVIDE
ELECTRONIC BANKING SERVICE**

§ X701.1 Application

Banks wishing to provide and/or enhance existing electronic banking services shall submit to the BSP an application describing the services to be offered/enhanced and how it fits the bank's overall strategy. This shall be accompanied by a certification signed by its president or any officer of equivalent rank and function to the effect that the bank has complied with the following minimum pre-conditions:

- a. Adequate risk management process is in place to assess, control, monitor, and respond to potential risks rising from the proposed electronic banking activities.
- b. Manual on corporate security policy and procedures exists that shall address all security issues affecting its electronic banking system particularly on authentication, non-repudiation, authorization, integrity, and confidentiality
- c. The system had been tested prior to its implementation and that the test results are satisfactory. As a minimum standard, appropriate systems testing and user acceptance testing should have been conducted; and
- d. Business continuity planning process and manual have been adopted which should include a section on electronic banking channels and systems

SUPERVISION AND EXAMINATION SUB-SECTOR I
Core Information Technology Specialist Group (CITSG)

GRANT OF FINAL APPROVAL
TO PROVIDE ELECTRONIC BANKING SERVICE

***\$ X701.4* Documentary requirements**

- a. *Within thirty (30) calendar days from such launching/enhancement, banks shall submit to the BSP thru the SRSO (now to CITSG) for evaluation, the following documentary requirements:*
 1. Discussion on the banking services to be offered/enhanced, the business objectives for such services and the corresponding procedures, both automated and manual, offered through the electronic banking channels;
 2. Description or diagram of the configuration of the bank's electronic banking system and its capabilities showing:
 - a. Electronic banking system linkage to other host systems or the network infrastructure in the bank;
 - b. Transaction and data flow through the network
 - c. Types of telecommunications channels and remote access capabilities (e.g. direct modem dial-in, internet access, or both) exist; and
 - d. Security controls/measures installed
 3. List of software and hardware components indicating the purpose of the software and hardware in the electronic banking infrastructure.
 4. Description of the security policies and procedures manual containing:
 - a. Definition of the bank's security organization
 - b. Definition of responsibilities for designing, implementing, and monitoring information security measures; and
 - c. Established procedures for evaluating policy compliance, enforcing disciplinary measures and reporting security violations;
 5. Brief description of the contingency and disaster recovery plans for electronic banking facilities and event scenario or problem management plan or program to resolve or address problems, such as complaints, errors and intrusions and the availability of back-up facilities

6. Copy of contract with the communications carrier; arrangements for any liability arising from breaches in the security of the system or from unauthorized/fraudulent transactions
7. Copy of the maintenance agreements with the software or hardware provider/s; and
8. Latest report on the periodic review of the system, if applicable
9. Others, as deemed necessary