

BANGKO SENTRAL NG PILIPINAS
(Central Bank of the Philippines)
Maynila, Pilipinas

SUPERVISION AND EXAMINATION SECTOR
Office of Supervisory Policy Development (OSPD)

BASIC GUIDELINES IN ESTABLISHING BANKS ^{1/}

A. GUIDING PRINCIPLE

The new banking organization must have suitable shareholders, adequate financial strength, a legal structure in line with its operational structure, and a management with sufficient expertise and integrity to operate the bank in a sound and prudent manner. Where the proposed owner or parent organization is a foreign bank, the prior consent of its home country supervisor should be obtained.

B. THE APPLICATION

1. The Application for Authority to Establish a Bank (*Form No. 1*) shall be accomplished in triplicate. The original copy and duplicate copy shall be submitted to the Office of Supervisory Policy Development, Bangko Sentral ng Pilipinas (BSP). The third copy shall be retained by the organizers.
2. The required papers/documents and other information in support of the application are, as follows:
 - a. “Agreement to Organize a Bank” (*Form No. 2*).
 - b. Accomplished bio-data sheet of each of the incorporators, proposed directors and officers, and subscribers (*Form No. 3*).

^{1/} Except those to be established under R.A. No. 7721 which shall continue to be governed by Circular No. 51 dated 14 October 1994, as amended. The authority to operate as an expanded commercial bank, on the other hand, may be granted only to a non-expanded commercial bank with satisfactory performance for the last two (2) years preceding its application for such authority.

- c. Evidence of Filipino citizenship of each of the incorporators, proposed directors and officers, and subscribers if he/she claims to be a Filipino citizen.**
- 1) In case of a natural-born Filipino citizen, original or certified true copy of birth certificate from issuing office. In case the birth certificate cannot be produced by reason of destruction or otherwise, an affidavit to that effect by the civil registrar concerned should be submitted accompanied by an affidavit of the incorporator, director, officer or subscriber himself stating, among other things, the date and place of his birth and the names of his parents and their citizenship at the time of the affiant's birth; and joint affidavit of two (2) disinterested/unrelated persons stating, among other things, the date and place of the subject's birth and the names of his parents and their citizenship at the time of the subject's birth; or**
 - 2) In case of a naturalized citizen of the Philippines, the naturalization certificate, certificate of registration thereof with the civil registrar and other pertinent papers; or**
 - 3) In the absence of the abovementioned documents, a photocopy of the passport (*with original to be presented for verification*).**
- d. Statement of Assets and Liabilities as of a date not earlier than ninety (90) days prior to the filing of application of each of the subscribers, sworn to by the subscriber himself and duly notarized, or certified by a Certified Public Accountant, with supporting schedules showing the following information:**
- 1) In the case of cash in banks: (a) name of depository bank, (b) nature of deposit, and (c) amount of deposit with each bank as of balance sheet date;**
 - 2) In the case of securities: (a) name and address of issuing corporation/entity, (b) number of shares owned as of balance sheet date, (c) par value, (d) date and cost of acquisition, and (e) information as to whether the securities are actively traded in the stock market and, if so, their current market price;**

- 3) **In the case of land: (a) description (agricultural, etc); (b) area; (c) location; (d) date and cost of acquisition; (e) transfer certificate of title or tax declaration number; (f) amount of encumbrance or lien, if any; (g) assessed value; and (h) current market value (*state basis of valuation*);**
- 4) **In the case of real estate improvements: (a) description of improvement (residential house, etc.) (b) location; (c) date and cost of acquisition/construction; (d) assessed value; and (e) current market *value (state basis of valuation)*;**
- 5) **In the case of accounts receivable, state the name and address of each debtor and the amount due from each; and**
- 6) **In the case of accounts payable or other liabilities, state the name and address of each creditor and the amount owed to each.**

(Evidences of asset ownership such as bank certification/statement, savings passbook, certificate of time deposit, bond or stock certificate, transfer certificate of title, tax declaration, etc. and waiver of rights under Republic Act. No. 1405, as amended, shall be submitted/presented for verification).

- e. **Statement of Income and Expense for the last three (3) calendar years of each of the subscribers, sworn to by the subscriber himself and duly notarized, or certified by a Certified Public Accountant.**
- f. **Certified photocopies of Income Tax Returns for the last three (3) calendar years of each of the incorporators, proposed directors and officers, and subscribers.**
- g. **Clearances from the National Bureau of Investigation (NBI) and Bureau of Internal Revenue (BIR) of each of the incorporators, proposed directors and officers, and subscribers.**
- h. **For corporate subscribers:**
 - 1) **Copy of the Board Resolution authorizing the corporation to invest in such bank; and designating the**

person who will represent the corporation in connection therewith;

- 2) Copy of the latest Articles of Incorporation and By-Laws;**
 - 3) List of directors and principal officers;**
 - 4) List of major stockholders, indicating the citizenship and the number, amount and percentage of the voting and non-voting shares held by them;**
 - 5) A copy of the corporation's audited financial statements for the last two (2) years prior to the filing of application;**
 - 6) A copy of the corporation's annual report to the stockholders for the year immediately preceding the date of filing of application;**
 - 7) Certified photocopies of Income Tax Returns for the last two (2) calendar years; and**
 - 8) BIR clearance.**
- i. For foreign bank subscribers:**
- 1) A copy of the Board Resolution authorizing the bank to invest in a bank in the Philippines, and designating the person who will represent the bank in connection therewith;**
 - 2) Historical background of the bank, as follows:**
 - a) Date and place of incorporation;**
 - b) List of domestic branches, agencies, other offices, subsidiaries and affiliates and their line of business (if different from banking) in the home country;**
 - c) List of foreign branches, agencies, other offices, subsidiaries and affiliates, and their location and line of business (if different from banking);**
 - d) Range of banking services offered; and**

- e) **Financial and commercial relationship with the Philippine Government, local banks, business entities and residents, past or present;**
 - 3) **A copy each of the bank's latest Amended Articles of Incorporation and By-Laws;**
 - 4) **List of the bank's directors and their citizenship;**
 - 5) **List of principal officers of the bank's head office;**
 - 6) **List of major stockholders, indicating the citizenship and the number, amount and percentage of the voting and non-voting shares held by them;**
 - 7) **A copy of the bank's audited financial statements for the last two (2) years prior to the filing of application;**
 - 8) **A copy of the bank's annual report to the stockholders for the year immediately preceding the date of filing of application; and**
 - 9) **A certification from the bank's home country supervisory authority that the bank's home country supervisory authority has no objection to the bank's investment in a bank in the Philippines, and that adequate information on the bank and its subsidiaries will be provided to the Bangko Sentral ng Pilipinas to the extent allowed under existing laws.**
- j. **Detailed Plan of Operation and Economic Justification for Establishing the Bank.**

The plan of operation should :

- 1) **Describe and analyze the market area from which the bank expects to draw the majority of its business and establish a strategy for the bank's ongoing operations;**
- 2) **Describe how the bank would be organized and controlled internally;**
- 3) **Include a brief discussion about the credit program, systems and procedures as envisioned by the organizers.**

The economic justification for establishing the bank should provide information on the economic profile of the region, e.g., population, agricultural/industrial/service projects to be financed).

- k. **Projected monthly financial statements for the first three (3) years of operations, together with reasonable assumptions.***(The financial projections should be consistent and realistic in relation to the bank's proposed strategic plan, and should show sufficient capital to support the bank's strategy, specially in the light of start-up costs and possible operational losses in the early stages. Also the projections should be supported by reasonable assumptions and should include a plantilla of organization, the salaries and allowances of the officers and employees as well as the members of the board of directors, a schedule of proposed banking premises, furniture, fixtures and equipment indicating their estimated cost and monthly depreciation and such other information as may be necessary. See suggested forms.)*
 - l. **Proposal by each of the subscribers on how they will raise the amount to pay for their proposed paid-up capitalization in the bank.**
3. **The application shall be considered filed on a first-come, first-served basis, provided all the required documents are complete and properly accomplished.**
 4. **Pursuant to Section 26 of R.A. No. 7653, approval of application shall be subject, among others, to the condition that any director, officer or stockholder who, together with his related interest, contracts a loan or any form of financial accommodation from: (1) his bank; or (2) from a bank (a) which is a subsidiary of a bank holding company of which both his bank and the lending bank are subsidiaries or (b) in which a controlling proportion of the shares is owned by the same interest that owns a controlling proportion of the shares of his bank, in excess of five percent (5%) of the capital and surplus of the bank, or in the maximum amount permitted by law, whichever is lower, shall be required by the lending bank to waive the secrecy of his deposits of whatever nature in all banks in the Philippines. Any information obtained from an examination of his deposits shall be held in strict confidence and may be used by the examiners only in connection with their supervisory and examination responsibility or by the Bangko Sentral in an appropriate legal action it has initiated involving the deposit account.**

5. Prescribed application form, together with other forms, is available at the Office of Supervisory Policy Development Studies and Chartering Group, Supervisory Reports and Studies Office.

C. CAPITAL REQUIREMENT/STOCKHOLDINGS

1. Banks to be established shall comply with the required minimum capital enumerated below or as may be prescribed by the Monetary Board:

<u>Type of Bank</u>	<u>Revised Amounts</u> (In Million Pesos)
a. Universal Banks	4,950.0
b. Commercial Banks	2,400.0
c. Thrift Banks	
- With head office within Metro Manila	325.0
- With head office outside Metro Manila	52.0
d. Rural Banks	
- within Metro Manila	26.0
- Cities of Cebu and Davao	13.0
- In 1 st , 2 nd & 3 rd class cities and 1 st class municipalities	6.5
- In 4 th , 5 th & 6 th class cities and in 2 nd , 3 rd & 4 th class municipalities	3.9
- In 5 th & 6 th class municipalities	2.6

2. At least 25% of the total authorized capital stock shall be subscribed by the subscribers of the proposed bank, and at least 25% of such subscription shall be paid-up, provided that in no case shall the paid-up capital be less than the minimum required capital stated in Item 1 above.
3. The Stockholdings of an individual, family, corporate or business group in any bank shall be subject to the following limits:
 - a. Foreign individuals and non-bank corporations may own or control up to forty percent (40%) of the voting stock of a domestic bank: Provided, That the aggregate foreign-voting stocks owned by the foreign individuals and non-bank corporations in a domestic bank shall not exceed forty percent (40%) of the outstanding voting stock of the bank. The percentage of foreign-owned voting stock in a bank shall be determined by the citizenship of the individual stockholders in that bank.

- b. A Filipino individual and a domestic non-bank corporation may each own up to forty percent (40%) of the voting stock of a domestic bank. There shall be no aggregate ceiling on the ownership by such individuals and corporations in a domestic bank.
 - c. The citizenship of the corporation which is a stockholder of a bank shall follow the citizenship of the controlling stockholders of the corporation, irrespective of the place of incorporation. For purposes hereof, the term “controlling stockholders” shall refer to individuals holding more than fifty percent (50%) of the voting stock of the corporate stockholders of the bank.
4. At least 60% of voting stock of any *commercial bank* shall be owned by Filipino citizens. For any *thrift bank*, at least 40% of its voting stock shall be owned by Filipino citizens. Subject to Section 4 of Republic Act. No. 7353, all of the capital stock of any *rural bank* shall be fully owned and held, directly or indirectly, by Filipino citizens or corporations, associations or cooperatives qualified under Philippine laws to own and hold such capital stock.

D. INCORPORATORS/SUBSCRIBERS, DIRECTORS AND OFFICERS

1. The incorporators/subscribers and proposed directors and officers must be persons of integrity and of good credit standing in the business community. The subscribers must have adequate financial strength to pay for their proposed subscriptions in the bank.
2. The incorporators/subscribers and proposed directors and officers must not have been convicted of any crime involving moral turpitude, and unless otherwise allowed under the provisions of existing laws are not officers and employees of a government agency, instrumentality, department or office charged with the supervision of, or the granting of loans to banks.
3. A bank may be organized with not less than five (5) nor more than fifteen (15) incorporators. In case there are more than fifteen (15) persons initially interested in organizing and investing in the proposed bank, the excess may be listed among the original subscribers in the Articles of Incorporation.
4. The number of members of the board of directors of the bank shall not be less than five (5) nor more than fifteen (15) and shall always be in odd numbers and at least two (2) of the directors are “independent directors”. An independent director shall mean a person who –

- a. Is not or has not been an officer or employee of the bank/quasi-bank/trust entity, its subsidiaries or affiliates or related interests during the past three (3) years counted from the date of his election;
 - b. Is not a director or officer of the related companies of the institution's majority stockholder;
 - c. Is not a majority shareholder of the institution, any of its related companies, or of its majority shareholder;
 - d. Is not a relative within the fourth degree of consanguinity or affinity, legitimate or common-law of any director, officer or majority shareholder of the bank/quasi-bank/trust entity, or any of its related companies;
 - e. Is not acting as a nominee or representative of any director or substantial shareholder of the bank/quasi-bank/trust entity, any of its related companies or any of its substantial shareholders; and,
 - f. Is free from any business or other relationship with the institution or any of its major stockholders which could materially interfere with the exercise of his judgement, i.e., has not engaged and does not engage in any transaction with the institution, any of its related companies or any of its substantial shareholders, whether by himself or with other persons or through a firm of which he is a partner or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arms length and could not materially interfere or influence with the exercise of his judgments.
5. At least two-thirds (2/3) of the members of the board of directors of any *commercial bank* shall be Filipino citizens; at least a majority of the members of the board of directors of any *thrift bank* shall be Filipino citizens; and all members of the board of directors of a *rural bank* shall be Filipino citizens.
 6. No appointive or elective public official, whether full-time or part-time shall at the same time serve as officer of a *commercial bank* or a *thrift bank* except in cases where such service is incident to financial assistance provided by the government or a government-owned or – controlled corporation to the Bank.
 7. The proposed directors and officers of the bank shall be subject to qualifications and other requirements of existing laws, rules and regulations of the BSP, as follows:

a. **Qualifications of a director.** A director shall have the following minimum qualifications:

1. He shall be at least twenty-five (25) years of age at the time of his election or appointment;
2. He shall be at least a college graduate or have at least five (5) years experience in business;
3. He must have attended a special seminar for board of directors conducted or accredited by the BSP: Provided, That incumbent directors as well as those who will be elected after the approval of this circular must attend said seminar within a period of six (6) months from the date of this circular or from the date of their election, as the case may be; and
4. He must be fit and proper for the position of a director of the bank/quasi-bank/trust entity. In determining whether a person is fit and proper for the position of a director, the following matters must be considered:
 - integrity/probity;
 - competence;
 - education;
 - diligence; and
 - experience/training .

*For thrift banks and rural banks, at least one (1) of the members of the Board of Directors must, in addition to the abovementioned minimum qualifications, have at least one (1) year experience in banking and/or finance, provided that this requirement may be waived if the *thrift bank* or *rural bank* is to be established in a municipality or city where there is no existing bank.*

The foregoing qualifications for directors shall be in addition to those already required or prescribed under existing laws.

b. **Qualifications of an officer.** An officer shall have the following minimum qualifications:

1. He shall be at least twenty-one (21) years of age;

2. He shall be at least a college graduate, or have at least five (5) years experience in banking or trust operations or related activities or in a field related to his position and responsibilities, or have undergone training in banking or trust operations acceptable to the appropriate supervising and examining department of the BSP: *Provided*, however, That trust officers shall have at least two (2) years of actual experience or training in trust operations or fund management or other related fields; and
3. He must be fit and proper for the position he is being proposed/appointed to. In determining whether a person is fit and proper for a particular position, the following matters must be considered:
 - integrity/probity;
 - competence;
 - education;
 - diligence; and
 - experience/training.

For *commercial banks*, the President must, in addition to the abovementioned minimum qualifications, have at least two (2) years experience in banking and/or finance. For *thrift banks* and *rural banks*, any one of the President, Chief Operating Officer or General Manager must, in addition to the abovementioned minimum qualifications, have at least two (2) years experience in banking and/or finance.

The foregoing qualifications for officers shall be in addition to those already required or prescribed under existing laws.

- c. **Disqualifications of a director.** Without prejudice to specific provisions of law prescribing disqualifications for directors, the following are disqualified from becoming directors:
 - a. **Permanently disqualified**

Directors / officers / employees permanently disqualified by the Monetary Board from holding a director position:

 1. Persons who have been convicted by final judgement of the court for offenses involving dishonesty or breach of trust such as estafa,

embezzlement, extortion, forgery, malversation, swindling and theft;

2. Persons who have been convicted by final judgement of the court for violation of banking laws;
3. Persons who have been judicially declared insolvent, spendthrift or incapacitated to contract; or
4. Directors, officers or employees of closed banks/quasi-banks/trust entities who were responsible for such institution's closure as determined by the monetary board.

b. Temporarily disqualified

Directors/officers/employees disqualified by the Monetary Board from holding a director position for a specific/indefinite period of time. Included are:

1. Persons who refuse to fully disclose the extent of their business interest to the appropriate supervising and examining department when required pursuant to a provision of law or of a circular, memorandum or rule or regulation of the BSP. This disqualification shall be in effect as long as the refusal persists;
2. Directors who have been absent or who have not participated for whatever reasons in more than fifty percent (50%) of all meetings, both regular and special, of the board of directors during their incumbency, or any twelve (12) month period during said incumbency. This disqualification applies for purposes of the succeeding election;
3. Persons who are delinquent in the payment of their obligations as defined hereunder:
 - a. Delinquency in the payment of obligations means that an obligation of a person with a bank/quasi bank/trust entity where he/she is a director or officer, or at least two obligations with other banks/financial institution, under different credit lines or loan contracts, are past

due pursuant to Secs. X306 and 4308Q of the Manual of Regulations;

- b. **Obligations shall include all borrowings from a bank/quasi bank obtained by:**
 - i. **A director or officer for his own account or as the representative or agent of others or where he/she acts as a guarantor, indorser, or surety for loans from such financial institutions;**
 - ii. **The spouse or child under the parental authority of the director or officer;**
 - iii. **Any person whose borrowings or loan proceeds were credited to the account of, or used for the benefit of a director or officer;**
 - iv. **A partnership of which a director or officer, or his/her spouse is the managing partner or a general partner owning a controlling interest in the partnership; and**
 - v. **A corporation, association or firm wholly-owned or majority of the capital of which is owned by any or a group of persons mentioned in the foregoing Items (i), (ii) and (iv);**

This disqualification shall be in effect as long as the delinquency persists.

- 4. **Persons convicted for offenses involving dishonesty, breach of trust or violation of banking laws but whose conviction has not yet become final and executory;**
- 5. **Directors and officers of closed banks/quasi-banks/trust entities pending their clearance by the Monetary Board;**
- 6. **Directors disqualified for failure to observe/discharge their duties and responsibilities**

prescribed under existing regulations. This disqualification applies until the lapse of the specific period of disqualification or upon approval by the Monetary Board on recommendation by the appropriate supervising and examining department of such directors' election/reelection;

7. Directors who failed to attend the special seminar for board of directors required under item 3 of subsecs. X141.2/4141Q.2. This disqualification applies until the director concerned had attended such seminar;
8. Persons dismissed/terminated from employment for cause. This disqualification shall be in effect until they have cleared themselves of involvement in the alleged irregularity;
9. Those under preventive suspension; or
10. Persons with derogatory records with the National Bureau of Investigation (NBI), court, police, interpol and monetary authority (central bank) of other countries (for foreign directors and officers) involving violation of any law, rule or regulation of the Government or any of its instrumentalities adversely affecting the integrity and/or ability to discharge the duties of a bank/quasi bank/trust entity director/officer. This disqualification applies until they have cleared themselves of involvement in the alleged irregularity.

d. Disqualifications of an Officer

1. The disqualifications for directors mentioned in Subsecs. X143.1 and 4143Q.1 shall likewise apply to officers, except that stated in Items b.2 and b.7.
2. Except as may be authorized by the Monetary Board or the Governor, the spouse or a relative within the second degree of consanguinity or affinity of any person holding the position of Chairman, President, Executive Vice President or any position of equivalent rank, General Manager, Treasurer, Chief Cashier or Chief Accountant is disqualified from holding or being elected or appointed to any of said positions in the same bank/quasi-bank; and the spouse or relative within the second degree of

consanguinity or affinity of any person holding the position of Manager, Cashier, or Accountant of a branch or office of a bank/quasi-bank/trust entity is disqualified from holding or being appointed to any of said positions in the same branch or office.

3. In the case of Universal Banks, Commercial Banks, and Thrift Banks, any appointive or elective officials whether full time or part time, except in cases where such service is incident to financial assistance provided by the government or government-owned or controlled corporations or in cases allowed under existing law.
4. In the case of Cooperative Banks, any officer or employee of the Cooperative Development Authority or any elective public official, except a barangay official.
5. Except as may otherwise be allowed under C.A. No. 108, otherwise known as "The Anti-Dummy Law", as amended, foreigners cannot be officers or employees of banks

The foregoing disqualifications for officers shall be in addition to those already required or prescribed under existing laws.

E. REQUIREMENTS FOR THE ISSUANCE OF AUTHORITY TO OPERATE

1. Within sixty (60) days from receipt of advice of approval by the Monetary Board/Governor of their application for authority to establish the bank, the organizers shall:
 - a. Submit the Articles of Incorporation, Treasurer's Sworn Statement and By Laws in seven (7) copies; and
 - b. Deposit with any commercial bank (*for commercial banks and thrift banks*) and any bank (*for rural banks*) the initial paid-up capital of the proposed bank.
2. Within thirty (30) days after the Articles of Incorporation and By Laws had been passed upon by the Office of the General Counsel and the corresponding certificates of Authority to Register had been issued, the organizers shall effect the filing and registration of said documents with the Securities and Exchange Commission.

3. Within six (6) months *(for commercial banks and thrift banks)* and eight (8) months *(for rural banks)* from receipt of advice of approval by the Monetary Board/Governor of their application for authority to establish the bank, the organizers shall:
- a. Complete the construction and furnishing of the bank building, which shall be equipped with vault and appropriate security devices such as lighting system, time delay device, tamper-resistant locks, alarm systems, etc., and provided with furniture, fixtures, equipment and bank forms;
 - b. Effect and complete the recruitment and hiring of officers and employees of the bank;
 - c. Submit the following documentary requirements at least thirty (30) days before the scheduled start of operations:
 - 1) Proof of registration of Articles of Incorporation and By- Laws;
 - 2) Certification of compliance with the conditions of approval duly signed by the incorporators;
 - 3) List of principals and junior officers and their respective designations and salaries;
 - 4) Bio-data sheet, evidence of citizenship and NBI and BIR clearances of each of the officers (who have not had the previous approval of the Monetary Board/Governor) which are needed for the evaluation of their qualifications as officers;
 - 5) Chart of Organization *(The chart should show the names of departments/units/offices with their respective functions and responsibilities, and the designations of positions in each department/unit/office with their respective duties and responsibilities. The internal organization should provide for a management structure with clear accountability, a board of directors with ability to provide independent check on management, and independent audit and compliance functions, and should follow the “four eyes” principle, e.g., segregation of various functions cross-checking, dual control of assets, double signatures, etc.);*

- 6) **Manual of Operations embodying the policies and operating procedures of each department/ unit/office, covering such areas as signing/delegated authorities, etc. (for commercial banks and thrift banks);**
- 7) **Plantilla showing the positions with corresponding salaries, the total of which should more or less conform with the amount of salaries shown in the submitted projected statement of earnings and expenses;**
- 8) **Two (2) sets of specimens of principal bank accounting and other forms;**
- 9) **Bond policy on officers and custodial employees;**
- 10) **Insurance policy on bank properties required to be insured;**
- 11) **Blueprint of floor layout of bank premises;**
- 12) **Contract of lease on bank's premises, if the same are to be leased;**
- 13) **Excerpts of the minutes of the organizational meetings confirming all organizational and pre-opening transactions relative to activities undertaken to prepare the bank to operate (such as appointment of officers, contract of lease, etc.);**
- 14) **An alphabetical list of stockholders with the number and percentage of voting stocks owned by them;**
- 15) **A separate list containing the names of persons who own voting stocks in banks and who are related to each other within the 3rd degree of consanguinity or affinity, with proper indication of the combined percentage of voting stocks held by them in the particular bank, as well as corporations which are wholly-owned or a majority of the stock of which is owned by any of such persons, including their wholly or majority-owned subsidiaries;**
- 16) **Certification by the President that no person who is the spouse or relative within the 2nd degree of consanguinity or affinity of any person holding the position of Chairman, President, Executive Vice-President or any**

position of equivalent rank, General Manager, Treasurer, Chief Cashier or Chief Accountant will be appointed to any of said positions in the bank;

17) Appointment of an officer of the proposed bank who shall have undergone orientation on the reportorial requirements with the Department of Thrift Banks and Non-Bank Financial Institutions (DTBNBFI), and a certification by the Manager that he is fully aware of said reportorial requirements and the respective deadlines for submission to the BSP (*for thrift banks*); *and*

18) Other documents/papers which may be required; and

d. File with Supervisory Reports and Studies Office a request for ocular inspection of the bank premises at least thirty (30) days before the scheduled start of operation.

F. INAUGURATION/OPENING OF THE BANK FOR BUSINESS AFTER THE CERTIFICATE OF AUTHORITY TO OPERATE HAS BEEN ISSUED.

G. REQUIREMENTS WITHIN 30 DAYS AFTER FIRST DAY OF OPERATIONS

1. Inform the BSP of the first day of operation and the banking hours and days; and
2. Submit a Statement of Condition as of the first day of operation.

H. REVOCAION OF AUTHORITY TO ESTABLISH A BANK

The authority to establish a bank shall be automatically revoked if the bank is not organized and opened for business within six (6) months (*for commercial banks and thrift banks*) and eight (8) months (*for rural banks*) after receipt by the organizers of the notice of approval by the Monetary Board/Governor of their application. Extension may be granted upon presentation of justifiable reason for failure to open the bank within the prescribed period, and proof that the bank can be opened within the extension period.