



BANGKO SENTRAL NG PILIPINAS

2021 ANNUAL REPORT

Major Economic Laws and
Banking Regulations



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Who We Are

Our Vision

The BSP aims to be recognized globally as the monetary authority and primary financial system supervisor that supports a strong economy and promotes a high quality of life for all Filipinos.

Our Mission

To promote and maintain price stability, a strong financial system, and a safe and efficient payments and settlements system conducive to a sustainable and inclusive growth of the economy.

Our Core Values

Patriotism. Demonstrating selfless commitment to the service of the Filipino people and the country.

Integrity. Performing our mandate with sincerity, honesty, and uprightness, worthy of respect and emulation from others.

Excellence. Consistently doing our best to master our craft, continually improving our competencies, and learning new things in pursuit of organizational goals, comparable with the best practices of other central banks.

Solidarity. Performing with team spirit; acting and thinking as one in the pursuit of common goals and objectives.

Accountability. Taking full responsibility for one's or group's actions.

About the Bangko Sentral ng Pilipinas

The Congress shall establish an independent central monetary authority... [which] shall provide policy direction in the areas of money, banking, and credit. It shall have supervision over the operations of banks and exercise such regulatory powers as may be provided by law over the operations of finance companies and other institutions performing similar functions.

- Section 20, Article XII, 1987 Philippine Constitution

The State shall maintain a central monetary authority that shall function and operate as an independent and accountable body corporate in the discharge of its mandated responsibilities concerning money, banking, and credit. In line with this policy, and considering its unique functions and responsibilities, the central monetary authority established under this Act, while being a government-owned corporation, shall enjoy fiscal and administrative autonomy.

**- Section 1, Article 1, Chapter 1, Republic Act No. 7653 (The New Central Bank Act)
As amended by Republic Act No. 11211**

The BSP's Legal Mandate

Legal Basis of Establishment and Legal Mandate

The BSP is the central bank of the Republic of the Philippines. Section 20, Article XII of the 1987 Constitution mandated Congress to establish an independent central monetary authority tasked to provide policy direction in the areas of money, banking, and credit. Pursuant to this constitutionally mandated responsibility, Congress established the BSP through the enactment of Republic Act No. 7653 in 1993.

Powers and Functions

As the Philippine central monetary authority, the BSP is responsible, among others, for:

- maintaining price stability conducive to a balanced and sustainable growth of the economy and employment;
- promoting and maintaining monetary stability and convertibility of the peso;
- promoting financial stability by closely working with the national government, Department of Finance, Securities and Exchange Commission, Insurance Commission, and Philippine Deposit Insurance Corporation;
- overseeing the payments and settlements system, including critical financial market infrastructures, to promote sound and prudent practices; and
- promoting broad and convenient access to high quality financial services for the interest of the general public.

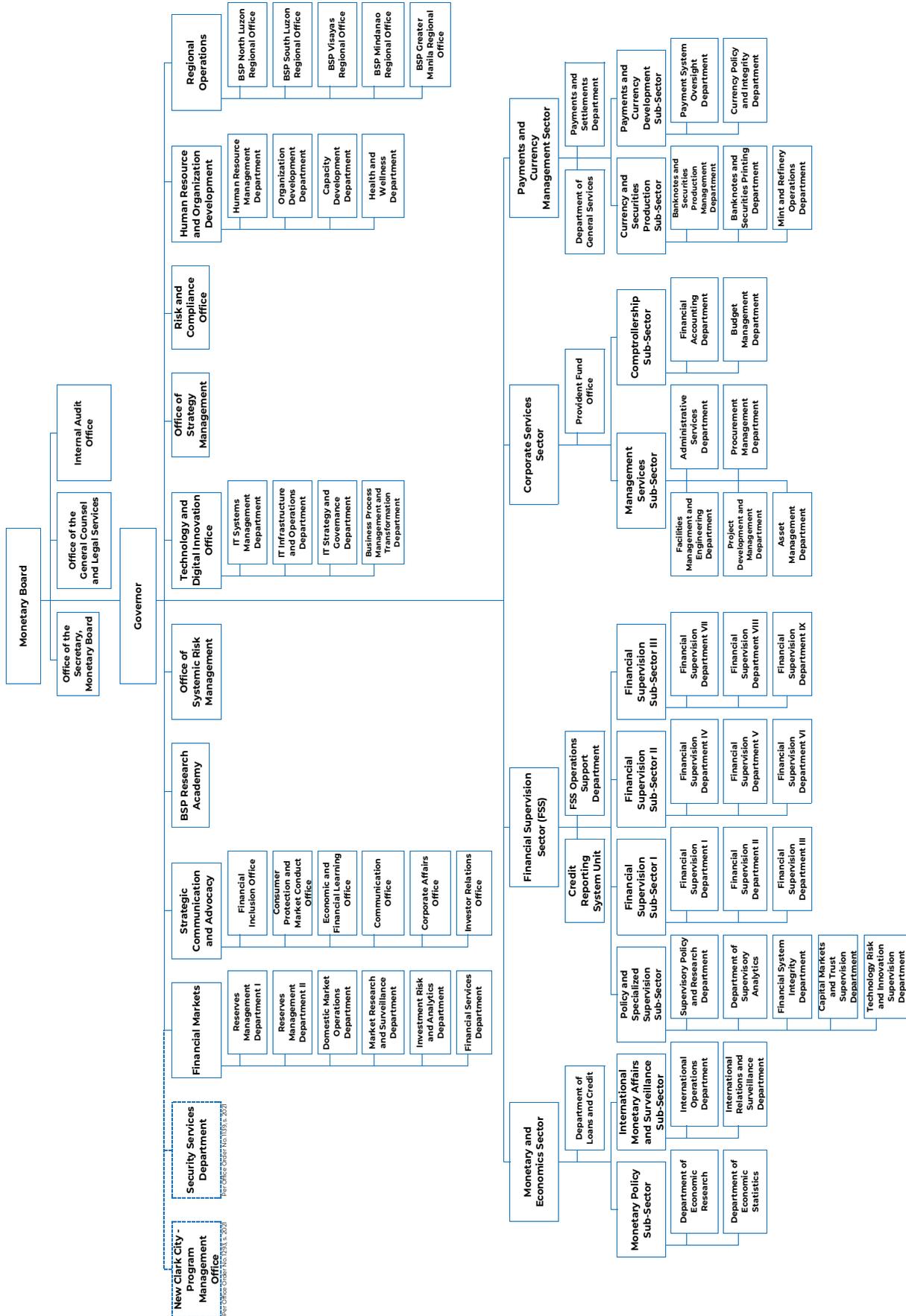
The BSP is also tasked to perform the following functions:

- *Liquidity management.* The BSP formulates and implements monetary policy aimed at influencing money supply, consistent with its primary mandate of maintaining price stability.
- *Currency issuer.* The BSP has the exclusive power to issue the national currency. All notes and coins issued by the BSP are fully guaranteed by the government and are considered legal tender for all private and public debts.
- *Lender of last resort.* The BSP extends discounts, loans, and advances to banking institutions for liquidity purposes.
- *Financial supervision.* The BSP supervises banks and exercises regulatory and examination powers over non-bank institutions performing quasi-banking functions, money service businesses, credit granting businesses, and payment system operators.
- *Management of foreign currency reserves.* The BSP seeks to maintain sufficient international reserves to meet any foreseeable net demands for foreign currencies to preserve the international stability and convertibility of the Philippine peso.
- *Determination of exchange rate policy.* The BSP determines the exchange rate policy of the Philippines. Currently, it adheres to a market-oriented foreign exchange rate policy to ensure orderly conditions in the market.
- *Bond issuer.* As part of monetary policy, the BSP may issue, place, buy, and sell freely negotiable evidences of indebtedness.
- *Banker of the government.* The BSP functions as the banker, financial advisor, and official depository of the government, its political subdivisions and instrumentalities, and government-owned and -controlled corporations.

In 2019, after more than 25 years since the establishment of the BSP, President Rodrigo Roa Duterte signed Republic Act No. 11211, amending the BSP Charter. This law embodies a package of reforms that further aligned the BSP's operations with international standards and global best practices, improved the BSP's corporate viability, and enhanced the BSP's capacity for crafting proactive policies amid rising interlinkages in the financial markets and the broader economy. The supervisory and regulatory powers of the BSP were further enhanced by expanding the coverage of institutions under the BSP's supervision to include money service businesses, credit granting businesses, and payment system operators.

Organizational Structure

As of 31 December 2021



Overview of Functions

The Monetary Board

issues rules and regulations necessary for the effective discharge of the responsibilities and exercise of the powers vested upon the BSP. Its Chairman is the BSP Governor, with five full-time members from the private sector and one member from the Cabinet.

The Governor, as the chief executive officer of the BSP, directs and supervises the operations and internal administration of the BSP.

The BSP is organized into the following functional groups:

Offices under the Monetary Board and the Governor render various administrative and technical support to the Monetary Board and the Governor in the areas of legal services, internal audit, financial market operations, corporate strategy and communication, learning and financial inclusion, financial stability, technology and digital innovation, human resources, research, and enterprise risk management. The Office of the Governor also oversees the operations of the BSP regional offices and branches.

Monetary and Economics Sector is mainly responsible for the operations/activities related to monetary policy formulation, implementation, and assessment.

Financial Supervision Sector is mainly responsible for the regulation of banks and other BSP-supervised financial institutions.

Payments and Currency Management Sector is mainly responsible for maintaining the safety and integrity of Philippine currency and ensuring a well-functioning payments and cash ecosystem that facilitates economic activity and supports long-term economic growth.

Corporate Services Sector is mainly responsible for the effective management of the BSP's financial and physical resources to support the Bank's core functions.



BSP Key Officers

As of 31 December 2021

THE MONETARY BOARD

Chairman and Governor
Benjamin E. Diokno

Members
Carlos G. Dominguez
Felipe M. Medalla
Peter B. Favila
Antonio S. Abacan, Jr.
V. Bruce J. Tolentino
Anita Linda R. Aquino

Executive Offices

Elmore O. Capule
Senior Assistant Governor
and General Counsel

Johnny Noe E. Ravalo
Senior Assistant Governor

Lilia C. Guillermo
Assistant Governor

Rosabel B. Guerrero
Managing Director

Prudence Angelita A. Kasala
Managing Director

Mel Georgie B. Racela
Executive Director II

Maria Ramona Gertrudes T. Santiago
Senior Assistant Governor

Amenah F. Pangandaman
Assistant Governor

Mary Jane T. Chiong
Managing Director

Jayzle D. Ravelo
Managing Director

Antonio Joselito G. Lambino II
Managing Director

Monetary and Economics Sector

Francisco G. Dakila, Jr.
Deputy Governor

Iluminada T. Sicat
Senior Assistant Governor

Zeno Ronald R. Abenoja
Managing Director

Thomas Benjamin B. Marcelo
Managing Director

Financial Supervision Sector

Chuchi G. Fonacier
Deputy Governor

Restituto C. Cruz
Assistant Governor

Arifa A. Ala
Assistant Governor

Lyn I. Javier
Assistant Governor

Vicente T. De Villa III
Managing Director

Ma. Belinda G. Caraan
Managing Director

Payments and Currency Management Sector

Mamerto E. Tangonan
Deputy Governor

Edna C. Villa
Assistant Governor

Mary Anne P. Lim
Managing Director

Bella S. Santos
Managing Director

Corporate Services Sector

Maria Almasara Cyd N. Tuaño-Amador
Deputy Governor

Eduardo G. Bobier
Assistant Governor

Vincent Z. Bolivar
Managing Director

Dennis S. Santiago
Managing Director

Silvina Q. Mamaril-Roxas
Managing Director

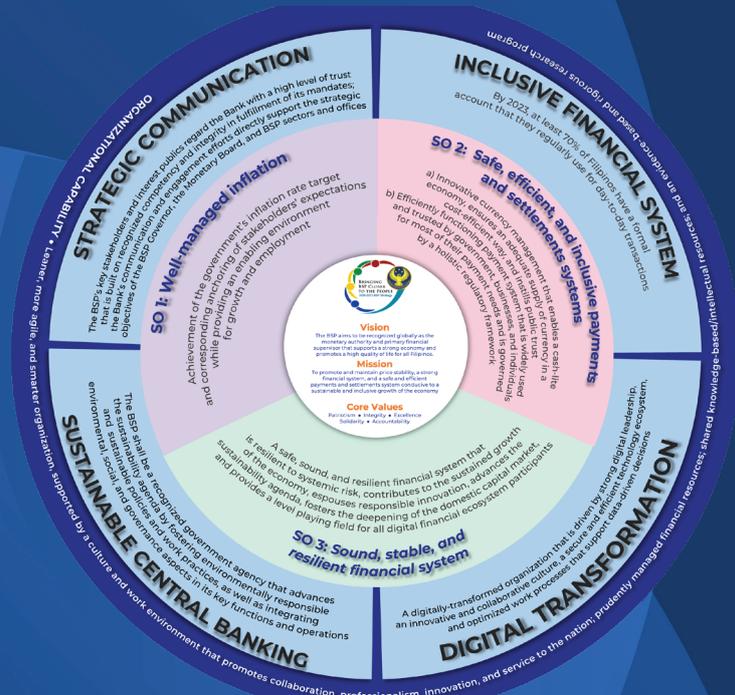
Enrique C. Domingo
Executive Director II

The BSP Strategy for 2020-2023: Bringing the BSP Closer to the People

BSP's Strategy Map

As the Philippines' central monetary authority and primary financial system regulator, the BSP constantly re-examines its impact on its main stakeholders—the Filipino people. Being proactive, the Bank updates strategies in response to changes in the operating environment. The strategy map highlights the BSP's overall focus on stakeholder outcomes. It also marks the united and highly collaborative nature of the organization. The BSP's strategic objectives and programs reflect what matters deeply to its stakeholders. At the center are the vision, mission, and core values—the elements that define the BSP—together with the overall aim of bringing the institution closer to the people.

The BSP's key drivers of success or strategic objectives are based on the three pillars of central banking: (1) price stability through well-managed inflation; (2) a sound, stable, and resilient financial system; and (3) safe, efficient, and inclusive payments and settlements systems. These are bolstered by the strategic programs on digital transformation, sustainable central banking, strategic communication, and an inclusive financial system. To ensure the BSP continues to be a lean, agile, and responsive organization, organizational capability undergirds all the strategic objectives and programs.



The BSP's Strategic Objectives

Strategic Objective 1: Well-Managed Inflation

For the BSP, well-managed inflation means the achievement of the government's annual inflation target set by the Development Budget Coordination Committee while anchoring stakeholders' expectations and providing an enabling environment for growth and employment.

Achieving price stability through well-managed inflation is essential to promoting more sustainable and balanced economic growth, as well as steady improvements in the Filipinos' quality of life. When there is price stability, households and firms can make informed decisions on consumption, investment, saving, and production toward achieving high levels of economic activity and employment.

Strategic Objective 2: Safe, Efficient, and Inclusive Payments and Settlements System

Payments are vital in facilitating productive activities that drive broad-based economic growth and financial inclusion. Digital payments serve as a gateway to using savings, credit, insurance, and investment for wider financial inclusion that helps people improve their lives.

The BSP envisions the national payments system to possess three key features. First, it is a system that would enable a cash-lite economy while ensuring an adequate supply of currency in a cost-efficient way, thereby instilling public trust. Second, it would be widely used and trusted by vast numbers of the public for most of their payment needs. Third, it would be governed by a holistic regulatory framework.

Strategic Objective 3: A Sound, Stable, and Resilient Financial System

The BSP envisions a safe, sound, and stable financial system that is resilient to systemic risks, contributes to the sustained growth of the economy, espouses responsible innovation, advances the sustainability agenda, fosters the deepening of the domestic capital market, and provides a level playing field for all digital financial ecosystem participants. To promote financial stability, the BSP supervises banks and other financial institutions and conducts surveillance activities to ensure their safety and soundness, as well as the resilience of the entire financial system. Attuned to developments in the regulatory space and business environment, the BSP is committed to espousing enabling policies that support responsible innovation and contribute to sustainable economic growth.

The BSP's Strategic Programs

Strategic Program 1: Inclusive Financial System

The pursuit of an inclusive financial system has never been more urgent, with the pandemic ushering in a new way of living. To thrive in the post-COVID-19 economy, people must be able to transact digitally, access affordable financing to revive businesses or pursue new income opportunities, and protect their cash flow through insurance and investment. These are the practical needs of the broader population that an inclusive financial system is designed to deliver—leaving no one behind. The country's transition to a more inclusive and resilient post-pandemic world requires an inclusive financial system.

Strategic Program 2: Strategic Communication

The strategic communication program envisions that key stakeholders and relevant publics regard the BSP with a high level of trust built on recognized competency, credibility, and integrity in the fulfillment of its mandates. This program aims to strengthen public trust by enhancing stakeholder awareness of the BSP, their understanding of its policies and initiatives, and the impact of such policies on their households, communities, and the broader economy. Dialogue and feedback enable the BSP to understand relevant issues, undertake guided actions, and remain responsive to stakeholder interests.

Strategic Program 3: Sustainable Central Banking

The sustainable central banking program envisions the BSP as a government institution recognized for advancing the sustainability agenda by fostering environmentally responsible and sustainable policies and work practices. In addition, the program seeks to integrate environmental, social, and governance aspects in the Bank's key functions and operations. This will enable the BSP to respond appropriately to significant risks to price and financial stability posed by climate, environmental, and social issues.

Strategic Program 4: Digital Transformation

The BSP's digital transformation program envisions a digitally transformed organization that is driven by strong digital leadership, an innovative and collaborative culture, a secure and efficient technology ecosystem, and optimized work processes that support data-driven decisions. This transformation is not only about technology but also considers the areas of people and processes, covering both internal and external stakeholders.

Strategic Program 5: Organizational Capability

Organizational capability supplies the strong foundations for the successful execution of the BSP's strategic initiatives. This strategic program leverages the linkages among the physical, human, financial, and intellectual resources of the BSP and provides solid ground to sustain the achievements of the other core objectives, enabling the Bank to efficiently and effectively serve the Filipino people.



Republic Acts

**Republic of the Philippines
Congress of the Philippines
Metro Manila
Eighteenth Congress
Second Regular Session**

Begun and held in Metro Manila, on Monday, the twenty-seventh day of July, two thousand twenty.

[Republic Act No. 11256]

AN ACT FURTHER STRENGTHENING THE ANTI-MONEY LAUNDERING LAW, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 9160, OTHERWISE KNOWN AS THE “ANTI-MONEY LAUNDERING ACT OF 2001”, AS AMENDED

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Section 2 of Republic Act No. 9160, as amended, is hereby amended to read as follows:

“SEC. 2. *Declaration of Policy.* - It is hereby declared the policy of the State to protect and preserve the integrity and confidentiality of bank accounts and to ensure that the Philippines shall not be used as a money laundering site for the proceeds of any unlawful activity. Consistent, with its foreign policy, the State shall extend cooperation in transnational investigations and prosecutions of persons involved in money laundering activities wherever committed, as well as in the implementation of targeted financial sanctions related to the financing of the proliferation of weapons of mass destruction, terrorism, and financing of terrorism, pursuant to the resolutions of the United Nations Security Council.”

SEC. 2. Section 3 of the same Act is hereby amended as follows:

“SEC. 3. *Definitions.* - For purposes of this Act, the following terms are hereby defined as follows:

“(a) ‘Covered persons’, natural or juridical refer to:

“(1) x x x;

“(9) Real estate developers and brokers;

“(10) Offshore gaming operators, as well as the service providers, supervised, accredited or regulated by the Philippine Amusement and Gaming Corporation (PAGCOR) or any government agency;

“(b) ‘Covered transaction’ is a transaction in cash or other equivalent monetary instrument involving a total amount in excess of Five hundred thousand pesos (₱500,000.00) within one (1) banking day; for covered persons under Section 3(a)(8), a single casino cash transaction involving an amount in excess of Five million pesos (₱5,000,000.00) or its equivalent in any other currency.

“For covered persons under Section 3(a)(9) herein, a single cash transaction involving an amount in excess of Seven million five hundred thousand pesos (₱7,500,000.00) or its equivalent in any other currency.

“(b-1) ‘Suspicious transactions’ are transactions with covered persons, regardless of the amounts involved, where any of the following circumstances exist:

"1. There is no underlying legal or trade obligation, purpose or economic justification;

"2. The client is not properly identified

"3. The amount involved is not commensurate with the business or financial capacity of the client;

"4. Taking into account all known circumstances, it may be perceived that the client's transaction is structured in order to avoid being the subject of reporting requirements under the Act;

"5. Any circumstance relating to the transaction which is observed to deviate from the profile of the client and/or the client's past transactions with the covered person;

"6. The transaction is in any way related to an unlawful activity or offense under this Act that is about to be, is being or has been committed; or

"7. Any transaction that is similar or analogous to any of the foregoing.

"x x x.

"(i) 'Unlawful activity' refers to any act or omission or series or combination thereof involving or having relation to the following:

"(1) x x x;

"(33) Fraudulent practices and other violations under Republic Act No. 8799, otherwise known as 'The Securities Regulation Code of 2000';

"(34) Violation of Section 19 (a)(3) of Republic Act No. 10697, otherwise known as the 'Strategic Trade Management Act', in relation to the proliferation of weapons of mass destruction and its financing pursuant to United Nations Security Council Resolution Numbers 1718 of 2006 and 2231 of 2015";

"(35) Violations of Section 254 of Chapter II, Title X of the National Internal Revenue Code of 1997, as amended, where the deficiency basic tax due in the final assessment is in excess of Twenty-five million pesos (₱25,000,000.00) per taxable year, for each tax type covered and there has been a finding of probable cause by the competent authority: *Provided, further*, That there must be a finding of fraud, willful misrepresentation or malicious intent on the part of the taxpayer: *Provided, finally*, That in no case shall the AMLC institute forfeiture proceedings to recover monetary instruments, property or proceeds representing, involving, or relating to a tax crime, if the same has already been recovered or collected by the Bureau of Internal Revenue (BIR) in a separate proceeding; and

"(36) Felonies and offenses of a similar nature that are punishable under the penal laws of other countries.

"x x x

"(l) For purposes of covered persons under Section 3(a)(8), the following terms are hereby defined as follows:

"x x x

“(4) ‘Offshore gaming operator’ refers to an entity engaged in offering online games of chance or sporting events via the internet using a network and software program, by themselves or through local service providers.

“(5) ‘Service providers’ refer to duly constituted business corporations who provide components of offshore gaming operations to offshore gaming operators.

“x x x

“(m) ‘Real estate developer’ refers to any natural or juridical person engaged in the business of developing real estate development project for the account of the developer and offering them for sale or lease.

“(n) ‘Real estate broker’ refers to a duly registered and licensed natural person who, for a professional fee, commission or other valuable consideration, acts as an agent of a party in a real estate transaction to offer, advertise, solicit, list, promote, mediate, negotiate or effect the meeting of the minds on the sale, purchase, exchange, mortgage, lease or joint venture, or other similar transactions on real estate or any interest therein.

“(o) ‘Targeted financial sanctions’ refer to both asset freezing and prohibition to prevent funds or other assets from being made available, directly or indirectly, for the benefit of any individual, natural or legal persons or entity designated pursuant to relevant United Nations Security Council resolutions and its designation processes.

“(p) ‘Proliferation financing’ refers when a person:

“(1) Makes available an asset; or

“(2) Provides a financial service; or

“(3) Conducts a financial transaction; and the person knows that, or is reckless as to whether, the asset, financial service or financial transaction is intended to, in whole or in part, facilitate proliferation of weapons of mass destruction in relation to UN Security Council Resolution Numbers 1718 of 2006 and 2231 of 2015.”

SEC. 3. Section 7 of the same Act is hereby amended to read as follows:

“SEC. 7. *Creation of Anti-Money Laundering Council (AMLC).* - The Anti-Money Laundering Council is hereby created and shall be composed of the Governor of the Bangko Sentral ng Pilipinas as Chairman, the Commissioner of the Insurance Commission and the Chairman of the Securities and Exchange Commission, as members. The AMLC shall act unanimously in the discharge of its functions as defined hereunder:

“(l) to require, receive and analyze covered or suspicious transactions reports from covered persons;

“x x x;

“(5) to investigate suspicious transactions and covered transactions deemed suspicious after determination by AMLC, money laundering activities, and other violations of this Act.

“x x x;

“(13) in the conduct of its investigation, the AMLC shall apply for the issuance

of a search and seizure order with any competent court;

“(14) in the conduct of its investigation, the AMLC shall apply for the issuance of *subpoena ad testificandum* and/or *subpoena duces tecum* with any competent court;

“(15) to implement targeted financial sanctions in relation to proliferation of weapons of mass destruction and its financing, including *ex parte* freeze, without delay, against all funds and other assets that are owned and controlled, directly or indirectly, including funds and assets derived or generated therefrom, by individuals or entities designated and listed under United Nations Security Council Resolution Numbers 1718 of 2006 and 2231 of 2015 and their successor resolutions as well as any binding resolution of the Security Council; and

“(16) to preserve, manage or dispose assets pursuant to a freeze order, asset preservation order, or judgment of forfeiture: *Provided, however,* That pending their turnover to the national government, all expenses incurred in relation to the duties herein mentioned shall be deducted from the amount to be turned over to the national government.”

SEC. 4. A new Section 8-A is hereby inserted after Section 8 (Creation of a Secretariat) of Republic Act No. 9160, as amended to read as follows:

“SEC. 8-A. *Information Security and Confidentiality.* - The AMLC and its Secretariat shall securely protect information received or processed and shall not reveal, in any manner, any information known to them by reason of their office. This prohibition shall apply even after their separation from the AMLC.

“The AMLC shall formulate rules governing information exchange and dissemination, the security and confidentiality of such information, including procedures for handling, storage, and protection of, as well as access to such information.”

SEC. 5. Section 10 of the same Act is hereby further amended by inserting a new paragraph to read as follows:

“SEC. 10. *Freezing Monetary Instrument or Property.* -

“(a) Upon a verified *ex parte* petition by the AMLC and after determination that probable cause exists that any monetary instrument or property is in any way related to an unlawful activity as defined in Section 3(i) hereof, the Court of Appeals may issue a freeze order which shall be effective immediately, for a period of twenty (20) days. Within the twenty (20)-day period, the Court of Appeals shall conduct a summary hearing, with notice to the parties, to determine whether or not to modify or lift the freeze order, or extend its effectivity. The total period of the freeze order issued by the Court of Appeals under this provision shall not exceed six (6) months. This is without prejudice to an asset preservation order that the Regional Trial Court having jurisdiction over the appropriate anti-money laundering case or civil forfeiture case may issue on the same account depending on the circumstances of the case, where the Court of Appeals will remand the case and its records: That if there is no case filed against a person whose account has been frozen within the period determined by the Court of Appeals, not exceeding six (6) months, the freeze order shall be deemed ipso facto lifted: *Provided, further,* That this new rule shall not apply to pending cases in the courts. In any case, the court should act on the petition to freeze within twenty-four (24) hours from filing of the petition. If the application is filed a day before a nonworking day, the computation of the twenty-four (24)-hour period shall exclude the nonworking days.

“The freeze order or asset preservation order issued under this Act shall be limited only to the amount of cash or monetary instrument or value of property that court finds there is probable cause to be considered as proceeds of a predicate offense, and the freeze order or asset preservation order shall not apply to amounts in the same account in excess of the amount or value of the proceeds of the predicate offense.

“A person whose account has been frozen may file a motion to lift the freeze order and the court must resolve this motion before the expiration of the freeze order.

“No court shall issue a temporary restraining order or a writ of injunction against any freeze order, except the Supreme Court.”

“(b) For purpose of implementing targeted financial sanctions in relation to proliferation of weapons of mass destruction and its financing, as provided under Section 3(15), the AMLC shall have the power to issue, *ex parte*, an order to freeze without delay.

“ The freeze order shall be effective until the basis for its issuance shall have been lifted. During the effectivity of the freeze order, the aggrieved party may, within twenty (20) days from issuance, file with the Court of Appeals a petition to determine the basis of the freeze order according to the principle of effective judicial protection: *Provided*, That the person whose property or funds have been frozen may withdraw such sums as the AMLC determines to be reasonably needed for monthly family needs and sustenance including the services of counsel and the family medical needs of such person.

“ The AMLC, if circumstances warrant, may initiate civil forfeiture proceedings to preserve the assets and to protect it from dissipation. No court shall issue a temporary restraining order or a writ of injunction against the freeze order, except the Court of appeals or the Supreme Court.”

SEC. 6. Section 12 of the same Act is hereby amended by inserting a new paragraph to read as follows:

“SEC. 12. (a) Civil Forfeiture. - x x x.

“(d) No court shall issue a temporary restraining order (TRO) or a writ of injunction against any provisional asset preservation order or asset preservation order, except the Court of Appeals or the Supreme Court.”

SEC. 7. Section 14, paragraph (d) of Republic Act No. 9160, as amended, is hereby further amended to read as follows:

“SEC. 14. *Penal Provisions.* -

“x x x

“(d) Breach of Information Security and Confidentiality. The punishment of imprisonment ranging from three (3) to eight (8) years and a fine of not less than Five hundred thousand Philippine pesos (₱500,000.00) but not more than One million Philippine pesos (₱1,000,000.00), shall be imposed on a person convicted for a violation under Section 9(c) or Section 8-A on information security and confidentiality of this Act. If the offender is a public official or employee, he shall, in addition to the penalties prescribed herein, suffer the penalty of perpetual or temporary absolute disqualification from public office, as the case may be. In the case of a breach of confidentiality that is published or reported by media, the responsible reporter, writer, president, publisher, manager and editor-in-chief shall be liable under this Act.”

SEC. 8. Section 20 of the same Act is hereby amended to read as follows:

“SEC. 20. *Non-intervention in the Bureau of Internal Revenue (BIR) Operations.*
- Nothing contained in this Act or in related antecedent laws or existing agreements shall be construed to allow the AMLC to participate in any manner in the operations of the BIR. The AMLC may, however, coordinate with the BIR on investigations in relation to violations of Section 254 of the NIRC, as amended, as a predicate offense to money laundering.”

SEC. 9. *Implementing Rules and Regulations.* - The AMLC shall, within ninety (90) days from the effectivity of this Act, issue the necessary rules and regulations.

SEC. 10. *Separability Clause.* - If any provision or section of this Act is held to be unconstitutional or invalid, the other provisions or sections hereof, which are not affected thereby shall continue to be in full force and effect.

SEC. 11. *Repealing Clause.* - All provisions of existing laws, orders, rules and regulations, or parts thereof which are in conflict or inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly: *Provided*, That all provisions of Republic Act No. 9160, as amended, which are not inconsistent with this Act are hereby adopted.

SEC. 12. *Effectivity.* - This Act shall take effect immediately after the completion of its publication in the Official Gazette or in a newspaper of general circulation.

Approved,

VICENTE C. SOTTO III
President of the Senate

LORD ALLAN JAY Q. VELASCO
*Speaker of the House
of Representatives*

This Act which is a consolidation of House Bill No. 7904 and Senate Bill No. 1945 was passed by the House of Representatives and the Senate of the Philippines on January 20, 2021.

MYRA MARIE D. VILLARICA
Secretary of the Senate

MARK LLANDRO L. MENDOZA
*Secretary General
House of Representatives*

Approved: January 29, 2021

RODRIGO ROA DUTERTE
President of the Philippines

**Republic of the Philippines
Congress of the Philippines
Metro Manila
Eighteenth Congress
Second Regular Session**

Begun and held in Metro Manila, on Monday, the twenty-seventh day of July, two thousand twenty.

[Republic Act No. 11523]

AN ACT ENSURING PHILIPPINE FINANCIAL INDUSTRY RESILIENCY AGAINST THE COVID-19 PANDEMIC

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. *Title.* - This Act shall be known as “Financial Institutions Strategic Transfer (FIST) Act”.

SEC. 2. *Declaration of Policy.* - The Coronavirus Disease 2019 (COVID-19) pandemic has greatly affected nations worldwide, including the Philippines, and the measures adopted by the government to contain the outbreak have unavoidably caused serious economic setbacks and tremendous financial pressure on markets and industries. Because of the unpredictability of the course and outcome of the health crisis, it is necessary to lay down the appropriate policies not only to marshal available resources towards the most affected and vulnerable sectors but more importantly, to strengthen the financial sector so that economic recovery can be achieved faster, and with more lasting positive effects.

The State recognizes the role of banks and other financial institutions as mobilizers of savings and investments and in providing the needed financial system liquidity to keep the economy afloat. Thus, it is essential that banks and other financial institutions are able to maintain their financial health in order to cushion the adverse economic impact of the COVID-19 pandemic. It is hereby declared the policy of the State:

- (a) to develop and maintain a sound financial sector for the country;
- (b) to address the non-performing asset problems of the financial sector;
- (c) to encourage private sector investments in non-performing assets;
- (d) to eliminate existing barriers in the acquisition of non-performing assets;
- (e) to help in the rehabilitation of distressed businesses with the end in view of their becoming economic value-added contributors; and
- (f) to improve the liquidity of the financial system which can be harnessed to propel economic growth and maintain financial stability.

SEC. 3. *Definition of Terms.* - As used in this Act:

(a) Approval Certificate means the Certificate of Permit to Sell or Offer for Sale Securities issued by the Securities and Exchange Commission (Commission) in favor of Financial Institutions Strategic Transfer Corporation (FISTC) whose FISTC Plan has been approved and rendered effective thereby authorizing the sale and distribution of Investment Unit Instruments (IUIs) pursuant to the provisions of this Act;

(b) Approved Plan means a FISTC Plan for which a Certificate of Permit to Sell or Offer for Sale Securities has been issued by the Commission;

(c) Certificate of Eligibility (COE) refers to the certificate issued by the appropriate regulatory authority as to the eligibility of the Non-Performing Loans (NPL) or Real and Other Properties Acquired (ROPAs) for purposes of availing of the tax exemptions and privileges, pursuant to the provisions of the Act;

(d) Data Package refers to the complete set of documents, as may be prescribed by the Commission, which must be prepared and made available by the selling Financial Institutions (FIs) in respect of the sale of Non-Performing Assets (NPAs) or NPLs. The Data Package should contain, among others, scans of all pertinent documents and particulars of each property or loan account being sold and should be made electronically available to potential bidders;

(e) FIs means credit-granting institutions which shall be limited to the following:

(1) The Bangko Sentral ng Pilipinas (BSP);

(2) A bank, as defined under Republic Act No. 8791, also known as "The General Banking Law of 2000";

(3) A financing company, as defined under Republic Act No. 8556, also known as "The Financing Company Act of 1998";

(4) An investment house, as defined in Presidential Decree No. 129, also known as "The Investment Houses Law";

(5) A lending company, as defined under Republic Act No. 9474, also known as "Lending Company Regulation Act of 2007";

(6) Accredited microfinance nongovernment organizations (NGOs), as defined under Republic Act No. 10693, otherwise known as "Microfinance NGOs Act";

(7) An insurance company as defined under Presidential Decree No. 612, also known as the "Insurance Code", as amended;

(8) Government financial institutions (GFIs), which for purposes of this Act, refer, but are not limited, to the Philippine Deposit Insurance Corporation (PDIC), Land Bank of the Philippines (LBP), and Development Bank of the Philippines (DBP);

(9) Government-owned or -controlled corporations (GOCCs), which for purposes of this Act, refer, but are not limited, to the National Home Mortgage Finance Corporation (NHMFC), Philippine Guarantee Corporation (PGC), Home Development Mutual Fund (HDMF), Social Security System (SSS), Government Service Insurance System (GSIS), Small Business Corporation (SBC), and National Housing Authority (NHA); and

(10) Other institutions licensed by the BSP to perform (i) quasi-banking functions and (ii) credit-granting activities, including but not limited to, non-stock savings and loan associations, and nonbank credit card issuers;

(f) FISTC Plan refers to the plan submitted to the Commission for its approval as prerequisite to the issuance of an IUI;

(g) IUI refers to a participation certificate, debt instrument or similar instrument

issued by the FISTC and subscribed by Permitted Investors as provided in Section 11 hereof, pursuant to an Approved Plan: *Provided*, That these shall not include the instruments to be issued by the FISTC to the selling FIs as full or partial settlement of the NPAs transferred to the said FISTC: *Provided, further*, That such issuances of the FISTC shall not be considered as deposit substitutes: *Provided, finally*, That these shall not form part of the capital stock of the FISTC;

(h) NPAs consist of the non-performing loans and real and other properties acquired by FIs;

(i) NPLs refer to secured or unsecured loans, receivables, and other financial assets of similar nature, including restructured loans, whose principal and/or interest have remained unpaid for at least ninety (90) days after they have become past due or any of the events of default under the loan agreement has occurred;

(j) ROPAs refer to real and other properties, acquired by an FI in settlement of loans and receivables, including real properties, shares of stocks, and personal properties which have been acquired by way of dation in payment (*dacion en pago*) or judicial or extrajudicial foreclosure or execution of judgment or enforcement of security interest;

(k) True Sale refers to a sale wherein the selling FI transfers or sells its NPAs to a FISTC, without recourse to cash or property in exchange for the transfer or sale, and without prejudice to the FI and FISTC agreeing on sharing of profits and subject to the following results:

(1) The transfer or transfers full legal and beneficial title to and relinquishes effective control over the transferred NPAs; and

(2) The transferred NPAs are legally isolated and put beyond the reach of the transferor and its creditors:

Provided, That the transferring FI shall not have direct or indirect control of the transferee FISTC: *Provided, further*, That the selling FI does not have legal or beneficial ownership of more than ten percent (10%) of the transferee FISTC.

ARTICLE II FINANCIAL INSTITUTIONS STRATEGIC TRANSFER CORPORATION

SEC. 4. *Financial Institutions Strategic Transfer Corporation.* - A FISTC is a stock corporation organized in accordance with Republic Act No. 11232, otherwise known as "The Revised Corporation Code of the Philippines": *Provided*, That a FISTC shall not be allowed to be incorporated as a one person corporation: *Provided, further*, That if the FISTC will acquire land, at least sixty percent (60%) of its outstanding capital stock shall be owned by Philippine nationals as defined under Republic Act No. 7042, as amended, otherwise known as the "Foreign Investments Act".

SEC. 5. *Powers of a FISTC.* - A FISTC shall have the following powers:

(a) Invest in, or acquire NPAs of FIs;

(b) Engage third parties to manage, operate, collect and dispose of NPAs acquired from an FI;

(c) Rent, lease, hire, subject to security interest, mortgage, transfer, sell, exchange, usufruct, secure, secure, collect rents and profits, and other similar acts concerning its NPAs acquired from an FI;

(d) In case of NPLs, to restructure debt, condone debt and undertake other restructuring related activities. In restructuring debt, the FISTC may reduce the principal amount, interest earned, interest rates, and the period for calculating the interest, extend the time for debt repayment or relax the conditions for debt repayment, agree to the conversion of the borrower's debt to equity in the borrower's business agree to a transfer of assets or claims from the borrower to repay the debt or dispose of some of the borrower's property or claims to third persons;

(e) Buy or transfer shares issued by the borrower for the purpose of business reorganization or rehabilitation of the borrower, subject to the provisions of the Revised Corporation Code of the Philippines in respect to the rights of the shareholders of the borrower company, and apply other measures or restructuring techniques with the approval of the Commission;

(f) Enter into dation in payment arrangements, foreclose judicially or extrajudicially and other forms of debt settlement involving NPLs;

(g) Spend funds to renovate, improve, complete or alter its NPAs acquired from an FI;

(h) Issue equity or participation certificates or other forms of IUIs for the purpose of acquiring, managing, improving and disposing of its NPAs acquired from an FI;

(i) Borrow money and issue other instruments of indebtedness for the purpose of paying operational and administrative costs;

(j) Guarantee credit, and accept, intervene or honor the bills of borrowers;

(k) Require from selling FIs a data package which should contain, among others, scans of all pertinent documents and particulars of each property or loan account being sold;

(l) Advance funds to borrowers as may be required for an acquired asset or any debt restructuring agreement pursuant thereto, or under any court order or rehabilitation plan; and

(m) Engage the services of a third-party asset servicing company for the collection and receipt of the debt payments for debts under debt restructuring or business reorganization, management and disposition of assets of the FISTC in accordance with the rules, procedures and conditions prescribed by the Commission, or by the courts. Except in the case of ROPAs whose redemption periods have already expired, the FISTC shall notify the borrower and all persons holding prior encumbrances upon the properties, or a part thereof, or are actually holding the same adversely against the borrower, of the appointment of such third-party asset servicing company within fifteen (15) days from the date of the appointment.

SEC. 6. *Period for Filing of Applications.* - Applications for the establishment and registration of a FISTC shall be filed with the Commission within thirty-six (36) months from the effectivity of this Act.

Entities created under Republic Act No. 9182, as amended, otherwise known as "The Special Purpose Vehicle (SPV) Act of 2002", are qualified to avail of the privileges and incentives under this Act.

SEC. 7. *Capitalization of a FISTC.* - A FISTC shall have a minimum authorized capital stock of Five hundred million pesos (₱500,000,000.00), with a minimum subscribed capital stock of One hundred twenty-five million pesos (₱125,000,000.00), and a minimum of paid-up capital of Thirty one million two hundred fifty thousand pesos

(₱31,250,000.00). Where land and foreign equity participation are concerned, the FISTC shall comply with the provisions of the Constitution and the minimum capital requirements in accordance with Republic Act No. 7042, as amended, otherwise known as "The Foreign Investments Act".

SEC. 8. *Submission of FISTC Plan.* - Within the period prescribed by the Commission, reckoned from the establishment of a FISTC pursuant to Section 4 hereof, a FISTC Plan shall be submitted to the Commission for approval and shall include the following:

- (a) Investment policies of the FISTC;
- (b) Contribution plan including the amounts and draft of subscription documents;
- (c) Features of the IUIs, including the specific amounts issued and to be issued;
- (d) Rights of the holders of the IUIs;
- (e) Draft agreements for the appointment of trustees and agents with respect to the IUIs and the NPLs acquired from an FI;
- (f) Name of the external auditor of the FISTC;
- (g) Roles and responsibilities of the trustees, advisors, lean servicers and property managers;
- (h) Draft form of financial reports of the FISTC;
- (i) Details of distribution policies;
- (j) Methods for the increase and decrease of future fund contribution;
- (k) Methods for the alteration or modification of the approved FISTC Plan;
- (l) Methods for the liquidation and distribution of assets to the holders of IUIs;
- (m) Details of credit enhancements like guarantees or standby letters of credit or advances that may be extended to the FISTC by an entity which shall not be the selling FI, its parent, subsidiaries or affiliates; and
- (n) Such other documents or information as may be required by the Commission.

SEC. 9. *Approval, Rejection, Suspension or Revocation of FISTC Plan.* -

(a) Approval - Upon approval of the FISTC Plan, the Commission shall issue an Approval Certificate stating that the FISTC Plan has been rendered effective and the sale and distribution of IUIs covered by such plan has been authorized.

(b) Amendments to Approved FISTC Plan - If a FISTC Plan becomes on its face incomplete or inaccurate in any material respect, upon the request of concerned parties or at its own determination, the Commission shall issue an order directing the amendment of the FISTC Plan. Upon compliance with such order, the amended FISTC Plan shall become effective upon approval of the Commission or appropriate regulatory authority pursuant to Section 4 of this Act.

(c) Rejection, Suspension or Revocation - The Commission may reject a submitted FISTC Plan if on its face it was not in compliance with the requirements of this Act or the rules and regulations issued to implement it. It is also authorized to suspend or revoke the effectivity of an Approved Plan after due notice and hearing by issuing an

order to such effect setting forth its findings in respect hereto, if it finds that:

- (1) The FISTC has violated any of the provisions of this Act or any order of the Commission which the FISTC has notice of in connection with the offering of IUIs for which a FISTC Plan has been filed;
- (2) The FISTC has been, or is engaged, or is about to engage in fraudulent transactions;
- (3) The FISTC has made any false or misleading representation of material facts in any Approved Plan concerning the FISTC or its IUIs;
- (4) The FISTC has failed to comply with any requirement that the Commission may impose as a condition for the issuance of IUI for which a FISTC Plan has been filed; or
- (5) The FISTC Plan is, on its face, incomplete or inaccurate in any material respect, or includes any untrue statement of a material fact, or omits to state a material fact required to be stated, or one which is necessary to obviate any misappreciation of the statements therein.

SEC. 10. Issuance of IUIs. - The FISTC may be allowed to issue IUIs subject to the rules and regulations the Commission is herein mandated to promulgate.

SEC. 11. Permitted Investors. - Any qualified buyer, as defined in Section 10.1(l) of Republic Act No. 8799, otherwise known as "The Securities Regulation Code", may acquire or hold Ills in a FISTC in the minimum-amount of Ten million pesos (₱10,000,000.00): *Provided*, That a FISTC shall not be authorized to acquire the Ills of another FISTC: *Provided, further*, That the parent, subsidiaries, affiliates or stockholders, directors, officers or any related interest of the selling FI or the parent's subsidiaries, affiliates or stockholders, directors, officers or any related interest shall not acquire or hold, directly or indirectly, the IUIs of the FISTC that acquired the NPAs of the FI.

ARTICLE III TRANSFER OF ASSETS TO FISTC

SEC. 12. Notice and Manner of Transfer of Assets.

(a) No transfer of NPLs to a FISTC shall take effect unless the FI concerned shall give prior notice to the borrowers of the NPLs and all persons holding prior encumbrances upon the assets mortgaged or subject to security interest. Such notice shall be in writing and made in accordance with the 2019 Rules of Civil Procedure, as amended, at their last known address or their email address registered and on file with the FI. The borrower shall be given a period of at most thirty (30) days upon receipt of notice from the FI to restructure or renegotiate the loan under such terms and conditions as may be agreed upon by the borrower and the FI concerned.

(b) The transfer of NPAs from an FI to a FISTC shall be subject to prior Certification of Eligibility as NPA by the appropriate regulatory authority having jurisdiction over its operations which shall issue its certification within twenty (20) working days from the date of application by the FI for eligibility: *Provided*, That nothing in this Act shall be construed to prevent the transfer of NPAs under other applicable laws: *Provided, further*, That prior Certification of Eligibility is necessary to avail of the incentives and exemption privileges provided under Sections 15, 16, and 17 of this Act.

(c) After the sale or transfer of the NPLs, the transferring FI shall inform the borrower in writing at the last known address of the fact of the sale or transfer of the NPLs. The reacquisition of the NPAs by the borrower or owner from the FISTC or subsequent

transferee other than by the exercise of the right of redemption as provided for in Section 20 hereof shall be in accordance with the terms and conditions as may be agreed upon by them.

SEC. 13. *Nature of Transfer.* - All sales or transfers of NPAs to a FISTC shall be in the nature of a true sale after proper notice in accordance with the procedure as provided for in Section 12, without need for the borrower's consent: *Provided*, That in the transfer of the NPLs, the provisions on the right of the debtor to reimburse the assignee or transferee under Article 1634 of the New Civil Code shall not apply: *Provided, further*, That disposition of assets of a GFI and a GOCC shall be covered by special rules to be incorporated in the rules and regulations of this Act: *Provided, finally*, That after the sale, the FISTC shall assume all rights and obligations of the transferring FI.

In the transfer of NPAs, the parties shall exercise the requisite due diligence and any fraud, collusion and irregularity shall be subject to penalties in Section 24 of this Act, as well as other pertinent laws, rules and regulations.

SEC. 14. *Issuance of Injunctive Relief Against Transfer of Assets.* - No court, other than the Court of Appeals and the Supreme Court, shall issue any temporary restraining order, preliminary injunction, preliminary mandatory injunction, status quo order, stay order, commencement order, or any other issuance of injunctive relief against the transfer of NPAs from the FI to a FISTC, and from a FISTC to a third party, or dation in payment by the borrower or by a third party in favor of an FI or in favor of a FISTC, or judicial or extrajudicial foreclosure sales or execution sales of the FI or FISTC of collateral in settlement of NPLs.

Any restraining order, injunction, status quo order, stay order, commencement order, or any other issuance of injunctive relief issued in violation of this section is void and of no force and effect. The provisions of Rules of Court on injunctions insofar as these are applicable and not inconsistent with the provisions of this Act shall govern the issuance and dissolution of restraining orders, injunctions, status quo orders or stay orders against said transfers.

ARTICLE IV INCENTIVES AND EXEMPTION PRIVILEGES

SEC. 15. *Tax Exemptions and Fee Privileges.* - Any existing law to the contrary notwithstanding, the transfer of NPAs from the FI to a FISTC, and from a FISTC to a third party or dation in payment by the borrower or by a third party in favor of an FI or in favor of a FISTC shall be exempt from the following taxes:

(a) Documentary stamp tax on the abovementioned transfer of NPAs and dation in payment as may be imposed under Title VII of the National Internal Revenue Code of 1997, as amended by Republic Act No. 10968, otherwise known as the "Tax Reform for Acceleration and Inclusion (TRAIN) Act";

(b) Capital gains tax imposed on the transfer of lands and/or other assets treated as capital assets as defined under Section 39(A)(I) of the National Internal Revenue Code of 1997, as amended;

(c) Creditable withholding income tax imposed on the transfer of land and/or buildings treated as ordinary assets pursuant to Bureau of Internal Revenue (BIR) Revenue Regulation No. 2-98, as amended;

(d) Value-added tax on the transfer of NPAs as may be imposed under Title IV of the National Bureau of Internal Revenue Code of 1997, as amended, or gross receipts tax under Title V of the same Code, whichever is applicable pursuant to regulations of the BIR.

The abovementioned transfers shall also be subject to the following, in lieu of the applicable fees:

(a) Fifty percent (50%) of the applicable registration and transfer fees on the transfer of real estate mortgage and security interest to and from the FISTC, as imposed in accordance with the existing circulars of the Land Registration Authority (LRA);

(b) Fifty percent (50%) of the filing fees for any foreclosure initiated by the FISTC in relation to any NPA acquired from an FI, as prescribed by the Rules of Court; and

(c) Fifty percent (50%) of the land registration fees prescribed under the existing circulars of the Land Registration Authority (LRA).

All sales or transfers of NPAs from the FIs to a FISTC or transfers by way of dation in payment by the borrower or by a third party to the FI shall be entitled to the privileges enumerated herein for a period of not more than two (2) years from the date of effectivity of this Act.

Transfers from a FISTC to a third party of NPAs acquired by the FISTC within such two (2)-year period, or within such extended period, or transfers by way of dation in payment by a borrower or by a third party to the FISTC shall enjoy the privileges enumerated herein for a period of not more than five (5) years from the date of acquisition by the FISTC: *Provided*, That properties acquired by a FISTC from GFIs or GOCCs which are devoted to socialized or low-cost housing shall not be converted to other uses.

The tax exemptions, incentives, and fee privileges given to FIs and FISTC at the various stages of the transactions under this section shall likewise be extended to any individual: *Provided*, That:

(a) The transaction is limited to a ROPA that is either a single family residential unit or an empty lot, or to NPL secured by a real estate mortgage on a residential unit or an empty lot;

(b) There shall only be one (1) transaction consisting of one (1) residential unit or empty lot per individual; and

(c) The two (2)-year transfer period, including its extension, and the five (5)-year entitlement period granted to NPA shall also apply to said single family residential unit or empty lot.

To prevent inordinate delay in the grant of incentives and exemption privileges, the Certificate of Eligibility duly issued by the appropriate regulatory agency is sufficient proof of the entity's entitlement thereto.

SEC. 16. Additional Tax Exemptions and Fee Privileges. - To encourage the infusion of capital and financial assistance by the FISTC for the purpose of rehabilitating the borrower's business, the following additional tax exemptions and privileges shall be enjoyed:

(a) The FISTC shall be exempt from income tax on net interest income, documentary stamp tax and mortgage registration fees on new loans in excess of existing loans extended to borrowers with NPLs which have been acquired by the FISTC;

(b) In case of capital infusion by the FISTC to the borrower with NPLs, the FISTC shall also be exempt from the documentary stamp tax: *Provided*, That the tax exemptions and fee privileges granted under this section shall apply for a period of not more than five (5) years from the date of acquisition of NPLs by the FISTC.

SEC. 17. Net Operating Loss Carry-Over (NOLCO) of Participating FIs. -

(a) Any loss that is incurred by an FI as a result of the transfer of an NPA within the two (2)-year period from the effectivity of this Act, shall be treated as ordinary loss: *Provided*, That the accrued interest and penalties shall not be included as loss on said loss carry-over from operations, subject to the provisions of the National Internal Revenue Code of 1997 on NOLCO. Such loss incurred by the FI from the transfer of NPAs within the two (2)-year period from the effectivity of this Act may be carried over for a period of five (5) consecutive taxable years immediately following the year of such loss: *Provided, further*, That for purposes of corporate gain or loss, the carry-over shall be subject to pertinent laws: *Provided, finally*, That the tax savings derived by FIs from the NOLCO shall not be made available for dividend declaration but shall be retained as a form of capital build-up. The Department of Finance (DOF), upon the recommendation of the BIR, shall issue the rules and regulations to effectively implement the provisions of this section.

(b) The regulatory authority concerned shall promulgate the necessary rules and regulations governing the treatment of any loss of the FIs in the books of accounts as a result of the transfer of the NPAs.

(c) In the case of GFIs and GOCCs enumerated in Section 3(e) hereof, the DOF, in consultation with the Commission on Audit (COA), shall promulgate the necessary rules and regulations governing the treatment of any loss in their books of accounts as a result of the transfer of their NPAs.

SEC. 18. Abuse of Tax Exemptions and Privileges. - Any person, natural or juridical, who benefits from the tax exemptions and privileges herein granted, when such person is not entitled thereto, shall be subject to the penalties provided in Section 24 hereof. In addition, the offender shall refund to the government double the amount of the tax exemptions and privileges availed of under this Act, plus interest of twelve percent (12%) per year from the date prescribed for its payment, until full payment thereof.

ARTICLE V
ENFORCEMENT AND PROTECTION PROVISIONS

SEC. 19. Financial Consumer Protection Mechanism. - The FISTC shall set up an appropriate financial consumer protection mechanism taking into consideration the provisions of existing laws, rules and regulations for the protection of borrowers: *Provided, however*, That the rights of borrowers under existing laws shall not be impaired nor diminished.

Financial consumer protection mechanism shall include standards of conduct on disclosure and transparency, conflicts of interest, protection of client information, fair treatment in terms of affordability and suitability of product or service, prevention of over-indebtedness, cooling-off period, and objectivity, effective recourse and exhaustion of all remedies, among others.

SEC. 20. Redemption Periods. - The provision on redemption under Section 47 of "The General Banking Law of 2000", Act No. 3135, and the Rules of Court shall govern: *Provided*, That in case of conflict between provisions of these laws, Section 47 of "The General Banking Law of 2000" shall prevail: *Provided, further*, That the provisions of Article 1634 of the New Civil Code, shall not apply.

ARTICLE VI
ACCOUNTING AND REPORTING PROVISIONS

SEC. 21. *Books of Accounts and Records.* - The FISTC shall set and keep accurate accounts and internal financial controls, and shall appoint an external auditor that is acceptable to the Commission. The Commission, the BSP, and the BIR may look into the books of accounts and records of the FISTC at reasonable hours on business days after due notice.

SEC. 22. *Reports and Monitoring.* - The Commission, the regulatory authorities, and the BIR shall prescribe the submission of reports from the FISTC and the FIs for the proper implementation of this Act. To guide in their market monitoring activities, a database of the sales and transfers consummated in accordance with Section 12 shall be submitted by FISTCs and FIs to the Commission, BIR, Philippine Competition Commission, and other relevant agencies, on a monthly basis: *Provided*, That the beneficiaries of the tax exemptions and fee privileges under this Act shall submit the data necessary for the DOF and the National Economic and Development Authority (NEDA) to review and analyze the impact of the incentives availment.

ARTICLE VII
FINAL PROVISIONS

SEC. 23. *Primary Implementing Agency.* - The Commission shall be the primary implementing agency of this Act. It shall have the authority to enlist the assistance of any branch, department, bureau, office, agency or instrumentality of the government, including GOCCs and GFIs which may include the use and transfer of its personnel, facilities, and resources.

SEC. 24. *Penalties and Administrative Sanctions.* - Any person who violates any of the provisions of this Act, or any person who, in a notice, certification or plan filed under this Act, makes any untruthful statement of a material fact or omits to state any material fact required to be stated therein, shall, upon conviction, suffer a fine of not less than One hundred thousand pesos (₱100,000.00) nor more than Two million pesos (₱2,000,000.00) or imprisonment of not less than six (6) years nor more than twelve (12) years, or both, at the discretion of the court, without prejudice to the penalties provided under Section 18 hereof, Section 37 of Republic Act No. 7653, as amended, otherwise known as "The New Central Bank Act", and other applicable laws. If the offender is an alien, he/she shall, in addition to the penalties herein prescribed, be deported without further proceedings after serving the penalties herein prescribed. If the offender is a public official or employee, he/she shall, in addition to the penalties prescribed herein, suffer absolute or temporary disqualification from government or public office, as the case may be.

If the offender is a juridical person, the Commission may impose the administrative sanctions stated below upon the corporation and/or its officers, if, after due notice and hearing, the Commission finds that: (a) there is a violation of this Act, its rules, or its orders; or (b) any FISTC or other person has, in a FISTC Plan or in other reports, applications, accounts, records or documents required by law to be filed with the Commission, made any untrue statement of a material fact, or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading, the Commission shall, in its discretion, impose any or all of the following sanctions as may be appropriate in light of the facts and circumstances:

(1) Suspension, or revocation of any approved FISTC Plan for the offering of IUIs;

(2) Fine of no less than Ten thousand pesos (₱10,000.00) nor more than One million pesos (₱1,000,000.00) plus not more than Two thousand pesos (₱2,000.00) for each day of continuing violation, or in such amounts as may be prescribed by the

Commission; and

(3) Other penalties within the power of the Commission to impose.

With respect to FIs, the administrative sanctions in the preceding paragraph shall be enforced, without prejudice to the administrative sanctions that may be imposed by the BSP and the Commission which are prescribed under the laws governing the FIs under their respective jurisdictions, and without further prejudice to the penalties as may be imposed by the courts.

SEC. 25. *Applicability Clause.* - The provisions of this Act shall be applicable to assets that have become nonperforming as of December 31, 2022.

SEC. 26. *Conscience Clause.* - Nothing in this Act shall be construed to condone or exempt from any liability any person responsible for acts or omissions constituting unsound business practices or mismanagement.

SEC. 27. *Oversight Committee.* - There is hereby created a Joint Congressional Oversight Committee (JCOC) to oversee, monitor, and evaluate the implementation of this Act. The JCOC shall be composed of five (5) members each from the House of Representatives and from the Senate. The JCOC shall be co-chaired by the Chairpersons of the House Committee on Banks and Financial Intermediaries and the Senate Committee on Banks, Financial Institutions and Currencies. The Speaker and the Senate President shall designate the other four (4) members of the JCOC of the House and the Senate from among the members of the House Committee on Banks and Financial Intermediaries and the Senate Committee on Banks, Financial Institutions, and Currencies, at least one (1) member of which shall be from the minority.

SEC. 28. *Use of Registration Fees.* - To carry out the purposes of this Act, the Commission shall retain and use all fees paid to it relative to the establishment of a FISTC in addition to its annual budget and to what is provided for under Section 75, on partial use of income of Republic Act No. 8799 or the "Securities Regulation Code".

SEC. 29. *Implementing Rules and Regulations.* - Within thirty (30) days from the effectivity of this Act, the Commission, jointly with the BSP, the DOF, BIR and the LRA, shall promulgate the necessary rules and regulations for the effective and faithful implementation of this Act: *Provided*, That within thirty (30) days from the effectivity of this Act, the DOF, upon recommendation of the BIR, shall promulgate the revenue regulations implementing the fiscal incentives under this Act. All the issuances pursuant to this Act must strictly comply with Republic Act No. 11032 or the "Ease of Doing Business and Efficient Government Service Delivery Act of 2018". The non-promulgation of the implementing rules and regulations shall not prevent the implementation of this Act upon its effectivity.

SEC. 30. *Separability Clause.* - If any provision of this Act is held unconstitutional or invalid, all other provisions not affected thereby shall remain valid.

SEC. 31. *Repealing Clause.* - Republic Act No. 9182, as amended by Republic Act No. 9343, otherwise known as "The Special Purpose Vehicle (SPV) Act of 2002", is hereby repealed. All laws, decrees, executive orders, rules and regulations or parts thereof, which are inconsistent with this Act, are hereby repealed, amended or modified accordingly.

SEC. 32. *Effectivity.* - This Act shall take effect immediately upon its publication in the Official Gazette and in a newspaper of general circulation.

Approved,

LORD ALLAN JAY Q. VELASCO
*Speaker of the House
of Representatives*

VICENTE C. SOTTO III
President of the Senate

This Act which is a consolidation of Senate Bill No. 1849 and House Bill No. 6816 was passed by the Senate of the Philippines and the House of Representatives on December 15, 2020 and December 16, 2020, respectively.

MARK LLANDRO L. MENDOZA
*Secretary General
House of Representatives*

MYRA MARIE D. VILLARICA
Secretary of the Senate

Approved: Feb 16 2021

RODRIGO ROA DUTERTE
President of the Philippines

IMPLEMENTING RULES AND REGULATIONS OF FINANCIAL INSTITUTIONS STRATEGIC TRANSFER (FIST) ACT

[Republic Act No. 11523]

RULE 1 - TITLE

This shall be known as the “Implementing Rules and Regulations of the Financial Institutions Strategic Transfer (FIST) Act.”

RULE 2 - DECLARATION OF POLICY

2.1. The Coronavirus Disease 2019 (COVID-19) pandemic has greatly affected nations worldwide, including the Philippines, and the measures adopted by the government to contain the outbreak have unavoidably caused serious economic setbacks and tremendous financial pressure on markets and industries. Because of the unpredictability of the course and outcome of the health crisis, it is necessary to lay down the appropriate policies not only to marshal available resources towards the most affected and vulnerable sectors but more importantly, to strengthen the financial sector so that economic recovery can be achieved faster, and with more lasting positive effects.

2.2. The State recognizes the role of banks and other financial institutions as mobilizers of savings and investments and in providing the needed financial system liquidity to keep the economy afloat. Thus, it is essential that banks and other financial institutions are able to maintain their financial health in order to cushion the adverse economic impact of the COVID- 19 pandemic.

2.3. These Rules are promulgated consistent with the declared policy of the State:

- a) to develop and maintain a sound financial sector for the country;
- b) to address the non-performing asset problems of the financial sector;
- c) to encourage private sector investments in non-performing assets;
- d) to eliminate existing barriers in the acquisition of non-performing assets;
- e) to help in the rehabilitation of distressed businesses with the end in view of their becoming economic value-added contributors; and
- f) to improve the liquidity of the financial system which can be harnessed to propel economic growth and maintain financial stability.

RULE 3 - DEFINITIONS

3.1. For purposes of these Rules, the term:

(a) “Act” is Republic Act No. 11523 also known as the “Financial Institutions Strategic Transfer (FIST) Act.”

(b) “Appropriate Regulatory Authority” refers to the agency/authority having jurisdiction over the FI’s operations, which shall be the following:

- (1) the DOF - in the case of GOCCs and GFIs, other than Land Bank of the Philippines, Development Bank of the Philippines, and other GFIs that are under the supervision and examination of BSP, in consultation with

other agencies that have primary jurisdiction over the said FIs whenever deemed appropriate by the DOF;

(2) the BSP - in the case of banks and other institutions licensed by the BSP to perform (i) quasi-banking functions and (ii) credit-granting activities, including but not limited to pawnshops, non-stock savings and loan associations, and non bank credit card issuers;

(3) the Monetary Board or its designated authority in the case of BSP's sale of its NPAs;

(4) the IC - in the case of insurance companies; and

(5) the Commission - in the case of financing and lending companies, accredited microfinance NGOs, and investment houses, except their trust and quasi-banking functions, or any qualified entity not under the DOF or BSP.

(c) "Approval Certificate" means the Certificate of Permit to Sell or Offer for Sale Securities issued by the Commission in favor of a FISTC whose FISTC Plan has been approved and rendered effective, thereby authorizing the sale and distribution of IUIs pursuant to the provisions of the Act.

(d) "Approved Plan" means a FISTC Plan for which a Certificate of Permit to Sell or Offer for Sale Securities has been issued by the Commission.

(e) "BIR" is the Bureau of Internal Revenue.

(f) "BSP" is the Bangko Sentral ng Pilipinas.

(g) "Certificate of Eligibility" or "COE" refers to the certificate issued by the Appropriate Regulatory Authority as to the eligibility of the Non-Performing Loans (NPL) or Real and Other Properties Acquired (ROPAs) for purposes of availing the tax exemptions and privileges, pursuant to the provisions of the Act.

(h) "Code" is Republic Act No. 11232 also known as the "Revised Corporation Code of the Philippines."

(i) "Commission" is the Securities and Exchange Commission.

(j) "Data Package" refers to the complete set of documents, as prescribed by the Commission under Rule 5 (j) herein, which must be prepared and made available by the selling Financial Institutions (FIs) in respect of the sale of Non-Performing Assets (NPAs) or NPLs. The Data Package should contain, among others, scans of all pertinent documents and the particulars of each property or loan account being sold and should be made electronically available to potential bidders.

(k) "DOF" is the Department of Finance.

(l) "FIA" is Republic Act No. 7042, as amended, also known as the "Foreign Investment Act."

(m) "FIs" means credit-granting institutions which shall be limited to the following:

(1) the BSP;

(2) a bank as defined under Republic Act No. 8791, also known as "The General Banking Law";

(3) a financing company as defined under Republic Act No. 8556, also known as “The Financing Company Act of 1998”;

(4) an investment house as defined in Presidential Decree No. 129, also known as “The Investment Houses Law”;

(5) a lending company, as defined under Republic Act No. 9474, also known as “Lending Company Regulation Act of 2007”;

(6) accredited microfinance nongovernment organizations (NGOs), as defined under Republic Act No. 10693, also known as “Microfinance NGOs Act”;

(7) an insurance company as defined under Presidential Decree No. 612, also known as the “Insurance Code”, as amended;

(8) Government financial institutions (GFIs), which for purposes of the Act, refer, but are not limited, to the Philippine Deposit Insurance Corporation (PDIC), Land Bank of the Philippines (LBP), and Development Bank of the Philippines (DBP);

(9) Government-owned or -controlled corporations (GOCCs), which for purposes of the Act, refer, but are not limited to the National Home Mortgage Finance Corporation (NHMFC), Philippine Guarantee Corporation (PGC), Home Development Mutual Fund (HDMF), Social Security System (SSS), Government Service Insurance System (GSIS), Small Business Corporation (SBC), and National Housing Authority (NHA); and

(10) Other institutions licensed by the BSP to perform (i) quasi-banking functions and (ii) credit-granting activities, including but not limited to, pawnshops, non-stock savings and loan associations, and non-bank credit card issuers.

(n) “FISTC Plan” refers to the plan submitted to the Commission for its approval as pre-requisite to the issuance of an IUI.

(o) “IC” is the Insurance Commission.

(p) “Individual” shall mean a natural person who, subject to certain conditions provided under Republic Act No. 11523, is entitled to the tax exemptions and fee privileges under the Act.

(q) “Investment Unit Instruments or IUIs” refer to a participation certificate, debt instrument or similar instrument issued by the FISTC and subscribed by Permitted Investors as provided in Section 11 of the Act, pursuant to an Approved Plan: *Provided*, That these shall not include the instruments to be issued by the FISTC to the selling FIs as full or partial settlement of the NPAs transferred to the said FISTC: *Provided, further*, That such issuances of the FISTC shall not be considered as deposit substitutes: *Provided, finally*, That these shall not form part of the capital stock of the FISTC. In this regard, loans, advances or other credit accommodations obtained by the FISTC from any FI (other than the selling FI) or from its shareholders shall not be considered an IUI under these Rules.

(r) “NIRC” is Republic Act No. 8424, also known as the “National Internal Revenue Code of 1997,” as amended.

(s) “Non-Permitted Investors” refer to entities or individuals which are not included in the list of qualified buyers under the Section 10.1 (1) of the SRC.

(t) “Non-Performing Assets (NPAs)” refer to the NPLs and ROPAs by FIs.

(u) “Non-Performing Loans (NPLs)” refer to secured or unsecured loans, receivables, and other financial assets of similar nature, including restructured loans, whose principal and/or interest have remained unpaid for at least ninety (90) days after they have become past due or any of the events of default under the loan or restructuring agreement has occurred.

(v) “ROPAs” refer to real and other properties acquired by an FI in settlement of loans and receivables, including real properties, shares of stocks, and personal properties which have been acquired by way of dation in payment (*dacion en pago*) or judicial or extra judicial foreclosure or execution of judgment or enforcement of security interest.

(w) “Rules” refers to the Implementing Rules and Regulations of the Act.

(x) “True Sale” refers to a sale wherein the selling FI transfers or sells its NPAs to a FISTC, without recourse to cash or property in exchange for the transfer or sale, and without prejudice to the FI and FISTC agreeing on sharing of profits and subject to the following results:

1. The transfer or transfers full legal and beneficial title to and relinquishes effective control over the transferred NPAs; and
2. The transferred NPAs are legally isolated and put beyond the reach of the transferor and its creditors:

Provided, That the transferring FI shall not have direct or indirect control of the transferee FISTC: *Provided, further*, That the selling FI does not have legal or beneficial ownership of more than ten percent (10%) of the (a) total number of outstanding shares of stock entitled to vote in the election of directors; and (b) the total number of outstanding shares of stock, whether or not entitled to vote, of the transferee FISTC.

(y) “SRC” is Republic Act No. 8799, also known as “Securities Regulation Code.”

FINANCIAL INSTITUTIONS STRATEGIC TRANSFER CORPORATION

RULE 4 - FINANCIAL INSTITUTIONS STRATEGIC TRANSFER CORPORATION

4.1. A FISTC is a stock corporation organized in accordance with the Code; *Provided*, That a FISTC shall not be allowed to be incorporated as a one-person corporation; *Provided, further*, That if the FISTC will acquire land, at least sixty percent (60%) of its outstanding capital stock shall be owned by Philippine nationals as defined under the FIA.

4.2. Pursuant to Section 22 of the Code, FISTCs are hereby classified as corporations vested with public interest. As such, FISTCs are mandated to comply with the duties and obligations imposed on the Code for corporations vested with public interest including, but not limited to, 1) presence of independent directors in the board under Section 22, 2) appointment of a compliance officer under Section 24, and 3) submission of compensation and performance reports under Section 177.

RULE 5 - POWERS OF A FISTC

5.1. A FISTC shall be incorporated primarily to invest in or acquire NPAs of FIs. Save as may be approved by the Commission and without prejudice to the powers accorded to corporations incorporated under the Code and such necessary or incidental powers of a FISTC, its secondary powers shall be the following:

(a) to engage third parties to manage, operate, collect and dispose of NPAs acquired from an FI;

(b) to rent, lease, hire, subject to security interest, mortgage, transfer, sell, exchange, usufruct, secure, securitize, collect rents and profits, and other similar acts concerning its NPAs acquired from an FI;

(c) in case of NPLs, to restructure debt, condone debt and undertake other restructuring related activities. In restructuring debt, the FISTC may reduce the principal amount, interest earned, interest rates, and the period for calculating the interest, extend the time for debt repayment or relax the conditions for debt repayment, agree to the conversion of the borrower's debt to equity in the borrower's business, agree to a transfer of assets or claims from the borrower to repay the debt or dispose of some of the borrower's property or claims to third persons;

(d) to buy or transfer shares issued by the borrower for the purpose of business reorganization or rehabilitation of the borrower, subject to the provisions of the Code with respect to the rights of the shareholders of the borrower company, and apply other measures or restructuring techniques with the approval of the Commission;

(e) to enter into dation in payment arrangements, foreclose judicially or extrajudicially and other forms of debt settlement involving NPLs;

(f) to spend funds to renovate, improve, complete or alter its NPAs acquired from an FI;

(g) to issue equity or participation certificates or other forms of IUs for the purpose of acquiring, managing, improving, and disposing of its NPAs acquired from an FI;

(h) to borrow money and issue other instruments of indebtedness for the purpose of paying operational and administrative costs;

(i) to guarantee credit, accept or intervene for honor the bills of the borrowers;

(j) to require from selling FIs a Data Package which shall contain pertinent documents and particulars of each property or loan account being sold, including but not limited to the following:

1. Ledger balance as certified by the Accounting Officer or billing statement (for consumer/retail loans);

2. Available documents that support proof of existence of business/employment/source of funding for loan payment;

3. Available documents pertaining to the financial capacity of the borrower or proof of income (for salary loan);

4. Last collection notice sent to the borrower;

5. Contact details of the borrower;
6. Certification of an authorized officer of the selling FI that prior notice to the borrowers of the non-performing loans and all persons known to the selling FI to be holding prior encumbrances upon the assets mortgaged or subject to security interest on the planned transfer of said assets to FISTC/ individuals were complied with in accordance with Section 12 (Notice of Manner and Transfer of Assets) of the Act; *Provided*, That the prior notice shall contain a statement informing the borrower that in the event of a transfer or sale of the ROPA/NPL, the selling FI would have to share the borrower's information relative to the asset/loan;
7. Mortgage contracts and those involving easements and other encumbrances, and their corresponding annotations on their respective Transfer Certificates of Title (TCT);
8. Latest appraisal report of the property;
9. Photos, description of the property, exact location, as applicable; and
10. Such other documents as may be required by the regulatory agency having jurisdiction over the involved FI, or as may be requested by the buyer in relation to the transaction involving the NPA.

Provided, That the Appropriate Regulatory Authorities may prescribe in their own separate guidelines additional documents to be included in the Data Package for entities under their respective jurisdictions;

(k) to advance funds to borrowers where required by an acquired asset or any debt restructuring agreement pursuant thereto, or under any court order or rehabilitation plan; and

(l) to engage the services of a third-party asset servicing company for the collection and receipt of the debt payments for debts under debt restructuring or business reorganization, management and disposition of assets of the FISTC in accordance with the rules, procedures and conditions prescribed by the Commission, or by the courts. Except in the case of ROPAs whose redemption periods have already expired, the FISTC shall notify the borrower and all persons holding prior encumbrances upon the properties, or a part thereof, or are actually holding the same adversely against the borrower, of the appointment of such third-party asset servicing company within fifteen (15) days from the date of the appointment. For the avoidance of doubt, a third-party asset servicing company engaged herein should be unrelated to both the FISTC and the selling FI. Moreover, nothing herein shall preclude the FISTC from directly managing, operating, collecting, and disposing of NPAs acquired from any FI or collecting and receiving payments for debts under debt restructuring or business reorganization, management and disposition of assets of the FISTC.

RULE 6 - PERIOD FOR FILING OF APPLICATIONS

6.1. Applications for the establishment and registration of a FISTC shall be filed with the Commission within thirty-six (36) months from the effectivity of the Act. Pursuant to Section 15 of the Act and Rule 15 hereof, FISTCs established on the 25th to 36th month from the effectivity of the Act cannot avail of the tax incentives therein unless an amendatory law extending the privileges to said FISTCs is passed.

6.2. The name of FISTCs established under the Act and this Rule shall always include the acronym "FISTC-AMC (Asset Management Company)" appended thereto.

6.3. Entities created under Republic Act No. 9182, as amended, otherwise known as “The Special Purpose Vehicle (SPV) Act of 2002”, are qualified to avail of the privileges and incentives under the Act and Rules 5, 9, 10, 11, 12, 15, 16, 19, 21, 22 and 24; *Provided*, That such entities comply with the requirements and procedures mandated under the Act and these Rules; *Provided, further*, That existing SPVs shall apply for reconfirmation with the Commission by submitting the following:

1. a notarized Secretary’s Certificate attesting to the intention of the SPV to avail of the incentives and privileges under the Act,
2. latest Articles of Incorporation and By-Laws of the SPV, and
3. latest Annual Audited Financial Statements and General Information Sheet showing proof of compliance with Section 7 of the Act and Rule 7 of these Rules.

6.4. Existing SPVs applying for reconfirmation must also amend their corporate name to include the acronym “FISTC-AMC” and amend its articles of incorporation to conform with Section 5 of the Act and Rule 5 herein.

6.5. All references to FISTCs under the Act and these Rules shall also refer to SPVs whose applications for reconfirmation have been approved by the Commission.

RULE 7 - AUTHORIZED, SUBSCRIBED AND PAID-UP CAPITAL OF THE FISTC

7.1. A FISTC shall have a minimum authorized capital stock of Five Hundred Million Pesos (₱500,000,000.00), with a minimum subscribed capital stock of One Hundred Twenty-Five Million Pesos (₱125,000,000.00), and a minimum paid-up capital of Thirty-One Million Two Hundred Fifty Thousand Pesos (₱31,250,000.00). The paid-up capital stock shall be in the form of cash. A FISTC may issue such types or classifications of shares as are permitted under the Code.

7.2. Where land and foreign equity participation are concerned, the FISTC shall comply with the provisions of the Constitution and the minimum capital requirements in accordance with FIA.

RULE 8 - SUBMISSION OF FISTC PLAN

8.1. After the establishment of a FISTC pursuant to Rules 4 to 7 hereof, if such FISTC shall issue IUIs in accordance with Rule 10 hereof, a FISTC Plan shall be submitted to the Commission which shall include, among others, the following:

- (a) investment policies of the FISTC;
- (b) contribution plan, including amounts and draft of subscription documents;
- (c) features of the IUIs, including specific amounts issued and/or to be issued;
- (d) rights of the holders of the IUIs;
- (e) draft agreements for the appointment of trustees and agents with respect to the IUIs and the NPLs acquired from an FI;
- (f) Name of the external auditor of the FISTC;
- (g) Roles and responsibilities of the trustees, advisors, loan servicers and property managers, as applicable;

- (h) Draft form of financial reports of the FISTC;
- (i) Details of distribution policies;
- (j) Methods for the increase and decrease of future fund contribution;
- (k) Methods for the alteration or modification of the approved FISTC Plan;
- (l) Methods for the liquidation and distribution of assets to the holders of IUIs;
- (m) Details of credit enhancements like guarantees or standby letters of credit or advances that may be extended to the FISTC by an entity which shall not be the selling FI, its parent, subsidiaries or affiliates, as defined in Rule 11; and
- (n) Such other documents or information as may be required by the Commission.

8.2. Only a FISTC that intends to issue IUIs is required to submit a FISTC Plan in accordance with these Rules. For avoidance of doubt, all FISTCs, whether issuers of IUIs or not, are required to comply with the reportorial requirements under Rule 22 herein.

RULE 9 - APPROVAL, REJECTION, SUSPENSION, OR REVOCATION OF THE FISTC PLAN

9.1. *Approval* - Within forty-five (45) days after the date of filing of a FISTC Plan, or at such later date to which the FISTC has consented, the Commission shall declare the FISTC Plan approved or rejected, unless the FISTC is allowed to amend the Plan similar to those provided in Section 14 of the SRC. Upon approval of the FISTC Plan, the Commission shall issue an Approval Certificate stating that the FISTC Plan has been rendered effective and the sale and distribution of IUIs covered by such Plan has been authorized.

9.1.1. The Commission may impose such terms and conditions on the approval of the FISTC Plan as may be necessary or appropriate for the protection of the investors.

9.2. *Amendments to the Approved FISTC Plan* - If a FISTC Plan becomes on its face incomplete or inaccurate in any material respect, upon the request of concerned parties or at its own determination, the Commission shall issue an order directing the amendment of the FISTC Plan. Upon compliance with such order, the amended FISTC Plan shall become effective upon approval of the Commission.

9.3. *Rejection, Suspension, or Revocation* - The Commission may reject a submitted FISTC Plan if on its face it is not in compliance with the requirements of the Act or these Rules. The Commission may also suspend or revoke the effectivity of an approved FISTC Plan after due notice and hearing by issuing an order to such effect setting forth its findings in respect thereto, if it finds that:

1. The FISTC has violated any of the provisions of the Act, these Rules, or any order of the Commission which the FISTC has notice of in connection with the offering of IUIs for which a FISTC Plan has been filed;
2. The FISTC has been, or is engaged, or is about to engage in fraudulent transactions;
3. The FISTC has made any false or misleading representation of material facts in any Approved Plan concerning the FISTC or its IUIs;
4. The FISTC has failed to comply with any requirement that the Commission may

impose as a condition for the issuance of IUIs for which a FISTC Plan has been filed;

5. The FISTC Plan is, on its face, incomplete or inaccurate in any material respect, or includes any untrue statement of a material fact, or omits to state a material fact required to be stated, or one which is necessary to obviate any misappreciation of the statements therein; or

6. The FISTC has been judicially declared insolvent.

9.4. In addition to the foregoing, the Commission may also reject or suspend the FISTC Plan if it finds that the rejection or suspension is warranted under the provisions of Section 13 of the SRC.

RULE 10 - ISSUANCE OF IUIs

10.1. Requirements

(i) Any existing SRC rule or provision to the contrary notwithstanding, all IUIs proposed to be sold or distributed within the Philippines shall be duly issued in accordance with a FISTC Plan approved by the Commission.

(ii) FISTCs or SPVs issuing IUIs must submit the following documents to the Commission within one (1) year from the establishment of a FISTC but not later than three months before the 3rd year of the effectivity of the Act:

(1) SEC Form 10.1 - FIST downloadable from the Commission's website (<http://sec.gov.ph>);

(2) FISTC Plan containing information as stated in Rule 8 and Annex A of these Rules; and

(3) Exhibits, as applicable, listed in Annex A.

(iii) SEC Form 10.1 - FIST shall be notarized and signed by the President or Chief Executive Officer of the FISTC.

(iv) The required documents must be compiled in the order as indicated in Annex A.

(v) Documents shall be submitted in three (3) hard copies: one (1) original copy and two (2) photocopies. FISTC applicants shall also submit a USB containing the scanned copy of the documents in searchable PDF format.

10.2. Issuance of Securities to the Public Without Prior Approval of the Commission - Any FISTC or SPV that offers to sell or distribute its IUIs to the Non-Permitted Investors within the Philippines shall be subject to the penalties provided under Section 54 of the SRC and its Implementing Rules and Regulations.

10.2.1. The imposition of the foregoing administrative sanctions shall be without prejudice to the filing of criminal charges against the individuals responsible for the violation.

10.3. Tax Treatment of IUIs - IUIs are not considered as deposit substitutes under the Act. Thus, the interest or other monetary benefit derived from IUIs is not subject to the twenty percent (20%) final withholding tax under Secs. 24(B)(1), 25(A)(2), 27(D)(1), and 28(A)(7) of the NIRC.

10.3.1. However, the IUIs and any income arising from the IUIs shall be subject

to the normal income tax and/or such other applicable taxes, including but not limited to, documentary stamp tax, imposed under the NIRC and its implementing regulations.

RULE 11 - PERMITTED INVESTORS

11.1. Any qualified buyer, as defined in Section 10.1 (I) of the SRC, may acquire or hold IUIs in a FISTC in the minimum amount of Ten million pesos (₱10,000,000.00): *Provided*, That a FISTC shall not be authorized to acquire the IUIs of another FISTC: *Provided, further*, That the parent, subsidiaries, affiliates or stockholders, directors, officers or any related interest of the selling FI or the parent's subsidiaries, affiliates or stockholders, directors, officers or any related interest shall not acquire or hold, directly or indirectly, the IUIs of the FISTC that acquired the NPAs of the FI. A transferor-FI cannot also acquire the IUIs of the transferee FISTC.

11.1.1. For purposes of this Rule, the term:

1. **Affiliate** shall refer to an entity linked directly or indirectly, to a reporting entity through any one or a combination of any of the following:

- a. Ownership, control or power to vote, whether by permanent or temporary proxy or voting trust, or other similar contracts, by a company of at least ten percent (10%) or more of the outstanding voting stock of the reporting entity or vice versa;
- b. Interlocking directorship or officerships, except in cases involving independent directors as defined under existing regulations;
- c. Common stockholders owning at least ten percent (10%) of the outstanding voting stock of the reporting entity or vice-versa;
- d. Management contract or any arrangement granting power to the reporting entity to direct or cause the direction of management and policies of the entity, or vice versa.

2. **Control** exists if and only if the investor has all of the following:

- (a) power to direct the relevant activities of the investee, which significantly affect the investee's returns;
- (b) exposure, or rights, to variable returns from its involvement with the investee; and
- (c) the ability to use its power over the investee to affect the amount of the investor's returns.

3. **Related interest** shall refer to any of the following:

- (1) Spouse or relative within the first degree of consanguinity or affinity, or relative by legal adoption, of a director, officer or stockholder of the selling FI (or its parent);
- (2) Partnership of which a director, officer, or stockholder of a selling FI (or its parent) or his spouse or relative within the first degree of consanguinity or affinity, or relative by legal adoption, is a general partner;
- (3) Co-owner with the director, officer, stockholder or his spouse or relative within the first degree of consanguinity or affinity, or relative by legal adoption, of the property or interest or right mortgaged, pledged

or assigned to secure the loans or other credit accommodations, except when the mortgage, pledge or assignment covers only said co owner's undivided interest;

(4) Corporation, association or firm of which any or a group of directors, officers, stockholders of the selling FI and/or their spouses or relatives within the first degree of consanguinity or affinity, or relative by legal adoption, hold or own at least twenty percent (20%) of the subscribed capital of such corporation, or of the equity of such association or firm; *Provided*, an entity may still be considered a related interest under this Rule notwithstanding ownership of less than 20% if such entity clearly demonstrates control in the operating and financial policy decisions of the selling FI as provided in Rule 11.1.1.2. herein;

(5) Corporation, association or firm wholly or majority-owned or controlled by any related entity or a group of related entities mentioned in 3(2) and 3(4) above;

(6) Corporation, association or firm which owns or controls, directly or indirectly, whether singly or as part of a group of related interests at least twenty percent (20%) of the subscribed capital of a substantial stockholder of the selling FI (or its parent), or which controls majority interest of the selling FI (or its parent);

(7) Corporation, association or firm which has an existing management contract or any similar arrangement with the parent of the selling FI (or its parent); and

(8) Non-governmental organizations (NGOs) / foundations that are engaged in retail microfinance operations which are incorporated by any of the stockholders and/or directors and/or officers or related to the selling FI (or its parent).

4. **Subsidiary** refers to an entity that is controlled by another entity.

TRANSFER OF ASSETS

RULE 12 - NOTICE AND MANNER OF TRANSFER OF ASSETS

12.1. *Prior Notice* - No transfer of NPLs to a FISTC or an individual shall take effect unless the FI concerned shall give prior notice to the borrowers of the NPLs and all persons actually or constructively known to the FI to be holding prior encumbrances upon the assets mortgaged or subject to security interest. Such notice shall be in writing and made in accordance with the 2019 Rules of Civil Procedure, as amended, at their last known address or their email address registered and on file with the FI. The borrower shall be given a period of at most thirty (30) calendar days upon receipt of notice from the FI to restructure or renegotiate the loan under such terms and conditions as may be agreed upon by the borrower and the FI concerned. Failure of the borrower to respond within thirty (30) days from receipt of notice shall be construed as a waiver of the right to restructure or renegotiate on the part of the borrower.

12.2. *Procedures on the Transfer of Assets to the FISTC* - An FI that intends to transfer its NPAs to a FISTC shall file an application for COEs for said NPAs, in the prescribed format, with the Appropriate Regulatory Authority having jurisdiction over its operations. Said application shall be filed for each transfer of asset/s.

12.2.1. The application by the FI for COE of its NPAs intended to be transferred to a FISTC or an individual shall be accompanied by a certification from the FI that:

- (1) the assets to be sold/transferred are NPAs as defined under the Act;
- (2) the proposed sale/transfer of said NPAs is a True Sale;
- (3) the notification requirement to the borrowers and all persons holding prior encumbrance upon the asset mortgaged or subject to security interest has been complied with; and
- (4) the maximum 30-day period for renegotiation and restructuring of NPLs has been complied with.

12.2.2. The above certification from the FI shall be signed by a duly authorized officer of the FI.

12.2.3. Items 3 and 4 above shall apply only to an NPL.

12.2.4. Pursuant to Section 12(b) of the Act, nothing therein shall be construed to prevent the transfer of NPAs as authorized under other applicable laws. In this regard, the terms and conditions for such transfer shall be governed by the applicable law and its implementing rules and regulations. Moreover, while a transfer of NPA from an FI to a FISTC without COE is allowed, it shall not be entitled to fiscal incentives under the Act.

12.3. Issuance of the COE - Pursuant to Rule 15.2(1), the Appropriate Regulatory Authority shall issue to the FI a COE within twenty (20) working days from the date of application with complete requirements. The COE shall contain a barcode or similar electronically readable markings for purposes of easy identification by the relevant agencies particularly in connection with the conferment of tax exemptions and fee privileges. Appropriate Regulatory Authorities shall coordinate with the Land Registration Authority (LRA) for the production of barcodes or markings. Said COE shall always be required by the BIR for purposes of availing the tax exemptions and other privileges under the Act. The Appropriate Regulatory Authority shall furnish the Commission and the BIR a duplicate (original) copy of the said COE subject to the conditions stated in the above paragraph, within five (5) working days from issuance of the COE. The Appropriate Regulatory Authority and the BIR shall coordinate to ensure the integrity of the COE.

12.3.1. The Appropriate Regulatory Authority shall promulgate the necessary guidelines governing the issuance of COE; *Provided*, That, as stated in Rule 25 herein, only assets and loans which have become non-performing on or before 31 December 2022 will be issued a COE.

12.3.2. In the case of BSP, the issuance of COE for its NPA shall be in accordance with its internal guidelines, subject to compliance with the requirements under the Act. BSP shall adopt internal safeguards to ensure independence between the BSP authority that will issue the COE and the operating department handling BSP's NPAs.

12.3.3. In the case of GFIs and GOCCs, DOF, for the issuance of the COE, may require a prior certification from the Commission on Audit (COA) that the assets intended to be transferred/sold are NPAs as defined in these Rules.

12.4. Subsequent notice - Within fifteen (15) working days after the execution of the NPL's sale or transfer documents, the transferring FI shall inform the borrower, in writing sent to at the latter's last known address or email address, of the fact of the sale or transfer of the NPLs. Non-compliance with the post-notification requirement shall not invalidate the sale or transfer of NPLs but shall subject the erring FI to appropriate

sanctions and penalties under the Act, these Rules, as well as other pertinent laws, rules and regulations.

12.5. Subsequent transfers - The re-acquisition of the NPA by the borrower or owner from the FISTC, individual, or subsequent transferee other than by the exercise of the right of redemption as provided for in Section 20 of the Act shall be in accordance with the terms and conditions as may be agreed upon by them.

RULE 13 - NATURE OF TRANSFER

13.1. All sales or transfers of NPAs to a FISTC shall be in the nature of a True Sale after proper notice in accordance with the procedure as provided for in Rule 12, without need for the borrower's consent: *Provided*, That in the transfer of the NPLs, the provisions on the right of the debtor to reimburse the assignee or transferee under Article 1634 of the New Civil Code shall not apply: *Provided, further*, That disposition of assets of a GFI and a GOCC shall be covered by special rules to be issued by the appropriate office in the DOF: *Provided, finally*, That after the sale, the FISTC shall assume all legally transferable rights and obligations of the transferring FI. The banking operations of LBP, DBP, and other GFIs under the jurisdiction of the BSP shall be governed by the rules and regulations of the BSP.

13.2. In the transfer of NPAs, FISTCs cannot use the NPAs it acquired from FIs as collateral for the payment for the sale/transfer of the same. Moreover, profit-sharing agreements executed between selling FIs and FISTCs shall be submitted for review to the Appropriate Regulatory Authority with a duplicate copy to be submitted to the Commission. Upon exercise of the profit-sharing agreement, the same shall be disclosed to the investors of the FISTC through a report as allowed under Rule 22 herein. Lastly, the existence of any profit-sharing agreements shall always be disclosed to any IUI investor through the FISTC Plan and its Exhibits under Annex A of these Rules.

13.3. In the transfer of NPAs, the parties shall exercise the requisite due diligence and any fraud, collusion and irregularity shall be subject to penalties in Section 24 of the Act, as well as other pertinent laws, rules and regulations.

13.4. The transfer by an FI of its NPAs to a FISTC or an individual shall be considered not a True Sale if the FI satisfies any of the enumerated below:

- (a) Has direct or indirect management of the transferee FISTC;
- (b) Has any of its directors, officers or employees on the board of the transferee FISTC;
- (c) Is obligated to repurchase or substitute/exchange the NPA or any part of the pool of NPAs at any time, except in cases of a breach of representation or warranty of the FI;
- (d) Is a Related Interest, as defined under Rule 11, of the transferee FISTC;
- (e) Has legal and beneficial ownership of more than ten percent (10%) of the (a) total number of outstanding shares of stock entitled to vote in the election of directors; and (b) the total number of outstanding shares of stock, whether or not entitled to vote, of the transferee FISTC; or
- (f) Accepts the transferred NPAs as the FISTC's collateral for any unpaid balance of the consideration of the transfer of said NPAs.

13.5. Unless otherwise determined by the Appropriate Regulatory Authority, the following shall be presumed not a True Sale, if the FI:

- (a) Is made the beneficiary of a trust used as a vehicle for purchasing and securitizing the NPAs; or
- (b) Pays further expenses in relation to the NPAs after said NPAs have been sold/transferred to the transferee FISTC; or
- (c) Extends, directly or indirectly, any credit facility, guaranty or any similar financial transaction to the transferee FISTC; or
- (d) Extends any credit facility, guaranty or any similar financial transaction to any party for the purpose of investing in the equity or IUIs of the FISTC, or for acquiring the NPAs from the FISTC; or
- (e) Extends any credit facility, guaranty or any similar financial transaction to any party for the purpose of acquiring the NPAs from the transferring FI; or
- (f) Acts as trustee (FI's trust department) or if the trust department of any of the FI's subsidiaries/Affiliates, Parent bank or Parent bank's Subsidiaries/ Affiliates acting as trustee, under any circumstances, in the securitization of NPAs that it has transferred to the FISTC; or
- (g) Accepts as collateral for a loan extended by said FI the equity shares and IUIs of the FISTC that acquired its NPAs; or
- (h) Enters into buy-back and other similar arrangements, or financial derivative transactions with similar effect, involving the NPAs or the securities backed by such NPAs; or
- (i) Enters into any other transaction where the FI retains effective control over the transferred NPAs or shares in the losses of the FISTC.

For purposes of the foregoing, the term "any party" includes proxies, nominees and voting trustees.

13.6. The extension of credit to an individual for the purpose of acquiring a single-family residential unit or an empty lot or ROPA or NPL secured by real estate mortgage on a residential unit or an empty lot, as contemplated under Section 15 of the Act, shall be allowed. If the FI pays further expenses in relation to the NPAs after said NPAs have been sold/transferred to an individual, the transaction shall not be considered a True Sale, unless otherwise determined by the Appropriate Regulatory Authority.

13.7. Violation of any of the above prohibitions or any misrepresentation of any fact or information relative to the True Sale nature of the transfer of NPAs shall be subject to the penalties prescribed under Section 24 of the Act without prejudice to other penalties that may be imposed by the Appropriate Regulatory Authorities of the transferring FI under applicable laws.

RULE 14 - ISSUANCE OF INJUNCTIVE RELIEF AGAINST TRANSFER OF ASSETS

14.1. No court, other than the Court of Appeals and the Supreme Court, shall issue any temporary restraining order, preliminary injunction, preliminary mandatory injunction, status quo order, stay order, commencement order, or any other issuance of injunctive relief against the transfer of NPAs from the FI to a FISTC, and from a FISTC to a third party, or dation in payment by the borrower or by a third party in favor of an FI or in favor of a FISTC, or judicial or extrajudicial foreclosure sales or execution sales of

the FI or FISTC of collateral in settlement of NPLs.

14.2. Any restraining order, injunction, status quo order, stay order, commencement order, or any other issuance of injunctive relief issued in violation of this section is void and of no force and effect.

14.3. The provisions of Rules of Court on injunctions insofar as these are applicable and not inconsistent with the provisions of the Act shall govern the issuance and dissolution of restraining orders, injunctions, status quo orders or stay orders against said transfers.

RULE 15 - INCENTIVES AND EXEMPTION PRIVILEGES

RULE 15 - TAX EXEMPTION AND FEE PRIVILEGES

15.1. *Transactions Covered* - Only the following transactions shall be exempt from the payment of taxes and be entitled to the fee privileges enumerated in Section 15, Article IV, of the Act:

- (1) Transfer of an NPL by an FI to a FISTC.
- (2) Transfer of a ROPA by an FI to a FISTC;
- (3) Dation in payment (dacion en pago) of an NPL by a borrower to an FI;
- (4) Dation in payment (dacion en pago) of an NPL by a third-party, on behalf of a borrower, to an FI;
- (5) Transfer of an NPL by an FI to an individual;
- (6) Transfer of a ROPA by an FI to an individual;
- (7) Transfer of an NPL by a FISTC to a third-party;
- (8) Transfer of a ROPA by a FISTC to a third-party;
- (9) Dation in payment (dacion en pago) of an NPL by a borrower to a FISTC or an individual;
- (10) Dation in payment (dacion en pago) of an NPL by a third-party, on behalf of a borrower, to a FISTC or an individual;
- (11) Transfer of an NPL by an individual to a third-party; and,
- (12) Transfer of a ROPA by an individual to a third-party.

15.2. *Provided*, That the tax exemptions and fee privileges enumerated in Section 15, Article IV of the Act shall apply to the transactions listed in paragraph 15.1 above only if the following requirements are complied, viz:

- (1) The NPL/ROPA has been issued a COE by the Appropriate Regulatory Authority.
- (2) In the case of transactions 15.1(1), 15.1(2), 15.1(5) and 15.1(6) above, the transfer must be in the nature of a "true sale", pursuant to the Act and its IRR: *Provided*, That, if the NPL/ROPA is transferred to a FISTC/individual for less than an adequate and full consideration in money's worth, the amount by which the fair market value of the NPL/ROPA exceeded the value of the consideration shall not be considered as a gift under Title III, Chapter 2 of the NIRC, as amended.

(3) In the case of transactions 15.1(1) to 15.1(6) above, the transaction must have occurred within a period of not more than two (2) years from the date of effectivity of the Act on February 18, 2021, i.e., from February 18, 2021 to February 18, 2023. Thereafter, the tax exemptions and fee privileges shall no longer apply.

(4) In the case of transactions 15.1(7), 15.1(8), 15.1(11) and 15.1(12) above, the NPL/ROPA must have been acquired by the FISTC or Individual from an FI within a period of not more than two (2) years from the date of effectivity of the Act on February 18, 2021, i.e., from February 18, 2021 to February 18, 2023, in the nature of a “true sale”, pursuant to the Act and its IRR; and that the transactions must have occurred within the period of five (5) years from the date of said acquisition. Thereafter, the tax exemptions and fee privileges shall no longer apply.

(5) In the case of transactions 15.1(9) and 15.1(10) above, the dation in payment must be in settlement of an NPL that has been acquired by the FISTC or Individual from an FI within a period of not more than two (2) years from the date of effectivity of the Act on February 18, 2021, i.e., from February 18, 2021 to February 18, 2023, in the nature of a “true sale”, pursuant to the Act and its IRR; and that the dation in payment must have occurred within the period of five (5) years from the date of said acquisition.

(6) In the case of transactions 15.1(2) and 15.1(6) above, all applicable taxes on the previous transfer of the ROPA to the FI have been duly paid when the taxes became due or are paid thereafter but subject to appropriate increments and penalties.

(7) In the case of ROPAs acquired by a FISTC from GFIs or GOCCs which are devoted to socialized or low-cost housing, they shall not be converted to other uses.

(8) In the case of dation in payment NPL transactions 15.1(3), 15.1(4), 15.1(9), and 15.1(10) above, the tax exemptions provided in paragraph 15.3 hereof shall apply only to the extent of the value of the property tendered as payment, which is equivalent to the amount of the NPL being paid, inclusive of interests and penalties, if any: *Provided*, That the dation in payment must not be intended to circumvent the intention of the Act which is to benefit solely the borrower and the FI.

The value of the property being transferred as payment is its fair market value as determined in accordance with Section 6(E) of the NIRC, whereas the consideration for such transfer shall be the value of the NPL including interests and other charges, if any, as stated in the Deed of Dacion.

(9) In the case of transactions 15.1(5), 15.1(6), 15.1(11), and 15.1(12) above, the transaction shall be limited to either a single family residential unit ROPA or an empty lot ROPA, or to an NPL secured by a real estate mortgage on said residential unit or empty lot *Provided*, however, That the tax exemptions and fee privileges shall apply only to one acquisition of NPA (either NPL or ROPA) by an individual and to the subsequent transfer of the same NPA.

(10) In the case of transfer of NPL and ROPA transactions 15.1(1), 15.1(2), 15.1(5), 15.1(6), 15.1(7), 15.1(8), 15.1(11), and 15.1(12) above, the tax exemptions and fee privileges shall not apply to the transfer of any property in exchange for such NPL/ROPA, unless the same is exempted under a pertinent provision of an existing law such as paragraph 15.1 of this Rule.

(11) In the case of transactions 15.1(4) and 15.1(10) above, the tax exemptions and fee privileges shall not extend to any transaction or agreement between the borrower and the third-party as a result of the latter paying the farmer's NPL on its behalf.

(12) In the case of transactions 15.1(7), 15.1(8), 15.1(11) and 15.1(12) above, if the NPL/ROPA involved is transferred for less than an adequate and full consideration in money's worth, the amount by which the fair market value of the NPL/ROPA exceeded the value of the consideration shall not be considered as a gift under Title III, Chapter 2 of the NIRC, as amended, notwithstanding that the transactions are not subject to the requirement of a "true sale."

(13) In the case of transactions 15.1(5) and 15.1(6) above, the individual shall submit to the BIR a sworn certification that he has no other prior or pending application for issuance of COE with other Fis.

15.3. Tax Exemption Privileges - The transactions enumerated in paragraph 15.1 above shall be exempt from the payment of the following taxes pursuant to Section 15, Article IV of the Act:

(1) Documentary stamp tax (DST) on any document evidencing the transfer or dation in payment as may be imposed under Title VII of the NIRC,

(2) Capital gains tax imposed on the transfer of lands and/or other assets treated as capital assets as defined under Section 39(A)(I) of the NIRC;

(3) Creditable withholding income taxes imposed on the transfer of land and/or buildings treated as ordinary assets pursuant to Revenue Regulation No. 2-98, as amended, *Provided*, That this shall not include exemption from income tax under Title II of the NIRC. The transfer by an FI or by a FISTC of its NPA which is treated as its ordinary asset shall continue to be subject to the ordinary corporate income tax or minimum corporate income tax, as the case may be, under pertinent provisions of the NIRC.

(4) Value-added tax on the transfer of NPAs as may be imposed under Title IV of the NIRC, or gross receipts tax under Title V thereof, whichever is applicable pursuant to existing revenue regulations.

15.4. Manner of Claiming Tax Exemptions

(1) Any person, natural or juridical, claiming any of the above tax exemptions under the Act, shall provide the BIR with the appropriate COE issued by the Appropriate Regulatory Authority, in addition to such other documentary requirements pursuant to the revenue regulations to be issued by the DOF, upon recommendation of the Commissioner of the BIR, for purposes of implementing the fiscal incentives under the Act.

(2) The COE serves as sufficient proof of an NPL/ROPA being an NPA within the purview of the Act and its IRR without the need of a prior BIR determination/ruling.

(3) No registration of any document transferring real property covered by the tax exemptions granted under the Act shall be effected by the Register of Deeds unless the Commissioner or his duly authorized representative has issued an electronic Certificate Authorizing Registration (eCAR), pursuant to existing revenue issuances, after such transfer has been reported, and that the BIR is satisfied that the same is qualified for tax exemptions pursuant to the revenue regulations to be issued to implement the fiscal incentives under the Act.

15.4.1. No sale, exchange, transfer or similar transaction intended to convey ownership of, or title to any share of stock in a domestic corporation, covered by the tax exemptions granted under the Act, shall be registered in the books of the corporation unless the Commissioner or his duly authorized representative

has issued an eCAR, pursuant to existing revenue issuances, after such transfer has been reported, and that the BIR is satisfied that the same is qualified for tax exemptions pursuant to the revenue regulations to be issued to implement the fiscal incentives under the Act.

15.5. Reduction of Fees - The transactions enumerated in paragraph 15.1 above shall be entitled to the payment of reduced fees pursuant to Section 15, Article IV of the Act:

(1) Fifty percent (50%) of the applicable mortgage registration and transfer fees on the transfer of real estate mortgage and chattel mortgage registrations to and from the SPV/individual, imposed in accordance with the existing circulars of the LRA;

(2) Fifty percent (50%) of the filing fees for any foreclosure initiated by the SPV/individual in relation to any NPA acquired from an FI, as prescribed by the Rules of Comt; and

(3) Fifty percent (50%) of the land registration fees prescribed under existing circulars of the LRA.

RULE 16 - ADDITIONAL TAX EXEMPTIONS AND FEE PRIVILEGES

16.1. Pursuant to Section 16 of the Act, to encourage the infusion of capital and financial assistance by the FISTC for the purpose of rehabilitating the financial consumer's business, the following additional tax exemptions and privileges shall be enjoyed:

a) The FISTC shall be exempt from income tax on net interest income arising from new loans in excess of existing loans, which are extended to a borrower with NPL that has been acquired by the said FISTC from an FI within a period of not more than two (2) years from the date of effectivity of the Act on February 18, 2021, i.e., from February 18, 2021 to February 18, 2023, and which are solely for the purpose of rehabilitating the borrower's business.

The term "net interest income" shall mean gross interest income less allowable deduction attributable thereto; hence, the said allowable deductions shall no longer be allowed as a deduction from the FISTC's other taxable gross income.

b) Any document evidencing the new loans mentioned in paragraph 15.1 above shall be exempt from DST.

c) Any document evidencing a FISTC's capital infusion to the business of the borrower with an NPL that has been acquired by the said FISTC from an FI within a period of not more than two (2) years from the date of effectivity of the Act on February 18, 2021, i.e., from February 18, 2021 to February 18, 2023, shall be exempt from DST.

Provided, That the above-mentioned tax exemptions shall apply only for a period of not more than five (5) years from the date of acquisition of the borrower's NPL by the said FISTC.

RULE 17 - NET OPERATING LOSS CARRY-OVER (NOLCO) OF PARTICIPATING FIs

17.1. Pursuant to Section 17 of the Act, any loss that is incurred by an FI as a result of transferring its NPA to a FISTC within a period of not more than two (2) years from the date of effectivity of the Act, excluding accrued interests and penalties receivable,

and which had not been previously offset as deduction from gross income, shall be treated as ordinary loss, and may be carried over as a deduction from its taxable gross income for a period of five (5) consecutive taxable years immediately following the year of the transfer that resulted to such loss.

17.2. The tax savings derived by the FI from such loss carry-over shall not be made available for dividend declaration but shall be retained as a form of capital build-up pursuant to the rules to be issued by the Appropriate Regulatory Authorities.

17.3. The Appropriate Regulatory Authority concerned shall promulgate the necessary rules and regulations governing the treatment of any loss of the FIs in the books of account as a result of the transfer of the NPAs.

17.4. In the case of GFIs and GOCCs enumerated in Rule 3.1(m) hereof, the DOF, in consultation with COA, shall promulgate the necessary rules and regulations governing the treatment of any loss in their books of accounts as a result of the transfer of their NPAs.

RULE 18 - ABUSE OF TAX EXEMPTIONS AND FEE PRIVILEGES

18.1. Any person, natural or juridical, who benefits from the tax exemptions and fee privileges granted under the Act, when such person is not entitled thereto, shall -in addition to the penalties and administrative sanctions provided for in Section 24 of the Act-refund to the government double the amount of the tax exemptions and privileges availed of under the Act, plus interest of twelve percent (12%) per year from the date prescribed for its payment until the full payment thereof.

Provided, That this is without prejudice to the applicable penalties under the NIRC and relevant regulations.

ENFORCEMENT AND PROTECTION PROVISIONS

RULE 19- ENFORCEMENT AND PROTECTION PROVISIONS

19.1. The FISTC shall set up an appropriate financial consumer protection mechanism in compliance with the guidelines in Annex B of these Rules, taking into consideration the provisions of existing laws, rules and regulations for the protection of financial consumers; *Provided, however,* That the rights of borrowers under existing laws shall not be impaired nor diminished.

19.2. The financial consumer protection mechanism shall include standards of conduct on disclosure and transparency, conflicts of interest, protection of client information, fair treatment in terms of affordability and suitability of product or service, prevention of over indebtedness, cooling-off period, and objectivity, effective recourse and exhaustion of all remedies, among others.

RULE 20 - REDEMPTION PERIODS

20.1. The provision on redemption under Section 47 of "The General Banking Law of 2000", Act No. 3135, and the Rules of Court shall govern: *Provided, That in case of conflict between provisions of these laws, Section 47 of the "General Banking Law of 2000" shall prevail; Provided, further,* That the provisions of Article 1634 of the New Civil Code, shall not apply.

ACCOUNTING AND REPORTING PROVISIONS

RULE 21 - BOOKS OF ACCOUNTS AND RECORDS

21.1. Internal Record Keeping and Accounting Controls

(1) A FISTC shall make and keep books, records, and accounts which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of its assets, its minutes of meetings and other business transactions.

(2) It shall devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that:

(i) Transactions and access to assets are pursuant to management authorization;

(ii) Financial statements are prepared in conformity with generally accepted accounting principles that are adopted by the Accounting Standards Council and the rules promulgated by the Commission with regard to the preparation of financial statements; and

(iii) Recorded assets are compared with existing assets at reasonable intervals and differences are reconciled.

21.2. External Auditor - A FISTC shall appoint an external auditor accredited by the Commission.

21.3. Inspection of Books and Records

(1) A stockholder of a FISTC or a holder of an IUI issued thereof shall have the right to inspect the books and records of said FISTC at reasonable hours of business days after due notice, and may demand, in writing, for a copy of excerpts from said records at the expense of the stockholder or holder of IUI

(2) Authorized representatives of the Commission, the BIR or the BSP may look into the books and records of the FISTC at any time.

(3) Failure of a FISTC or of any other person in custody of its books and records, to cooperate, or his obstruction or refusal to undergo an examination, shall be a ground for the issuance of a suspension order on the offering of its IUIs or its operation.

RULE 22 - REPORTS AND MONITORING

22.1. Financial Institutions (FIs), selling NPAs, shall submit to:

Commission. BSP, NEDA, DOF, BIR. Philippine Competition Commission and other Appropriate Regulatory Authorities

· SEC Form 22ST (sale and transfer of NPA) within five (5) days from the close of the month reckoned from the date the instrument for the sale and transfer of NPA was entered into.

22.2. FIST Corporation, without issuing IUIs, shall submit to the:

(a) Commission

· General Information Sheet (GIS) within (30) days from the date of actual stockholders' meeting; and

- Audited Financial Statements, prepared in accordance with Revised Rule 68 of the SRC, within one hundred twenty (120) days after the end of the fiscal year, as indicated in the Financial Statements.

(b) Commission, NEDA, DOF, BIR, and the Philippine Competition Commission and other Appropriate Regulator-Authorities

- SEC Form 22ST (sale and transfer of NPA) within five (5) days from the close of the month reckoned from the date the definitive instrument for the absolute sale and transfer of NPA was entered into.

22.3. FIST Corporation, with issuance of IUIs, shall submit the:

(a) Commission

- General Information Sheet (GIS) within (30) days from the date of actual stockholders' meeting; and
- Audited Financial Statements, prepared in accordance with Revised Rule 68 of the SRC, within one hundred twenty (120) days after the end of the fiscal year, as indicated in the Financial Statements.

(b) Commission, NEDA, DOF, BIR, Philippine Competition Commission and other Appropriate Regulatory Authorities

- SEC Form 22ST (sale and transfer of NPA) within five (5) days from the close of the month reckoned from the date the instrument for the sale and transfer of NPA was entered into.

(c) Commission, and provide a copy to holders of IUIs, within two (2) days after the occurrence of the event being reported:

- SEC Form 22MI (material information), as necessary, to make a full fair and accurate disclosure to holders of IUIs of every material fact or event that occurs, which would reasonably be expected to affect the investments of IUIs holders.

(d) BIR:

- The FISTC shall, in addition to the existing requirements under the NIRC and its implementing regulations, for purposes of implementing the provisions of the Act, submit to the BIR the following:

(a) List of taxable transactions;

(b) List of tax-exempt transactions; and,

(c) List of partly tax-exempt and partly taxable transactions.

22.4. Other reports may be required by the Commission, BSP, DOF, NEDA, BIR, Philippine Competition Commission, and other Appropriate Regulatory Authorities, in their respective guidelines or issuances in addition to those required under this Rule.

RULE 23 - PRIMARY IMPLEMENTING AGENCY

23.1. The Commission shall be the primary implementing agency of this Act. It shall have the authority to enlist the assistance of any branch, department, bureau, office, agency or instrumentality of the government, including GOCCs and GFIs which may include the use and transfer of its personnel, facilities and resources.

RULE 24 - PENALTIES AND ADMINISTRATIVE SANCTIONS

24.1. Any person who violates any of the provisions of these Rules or the Act, or any person who, in a notice, certification or plan filed under these Rules, makes any untruthful statement of a material fact or omits to state any material fact required to be stated therein, shall, upon conviction, be penalized with a fine of not less than One hundred thousand pesos (₱100,000.00) nor more than Two million pesos (₱2,000,000.00) or imprisonment of not less than six (6) years nor more than twelve (12) years, or both, at the discretion of the court, without prejudice to the penalties provided under Rule 18 hereof, Section 37 of Republic Act No. 7653, as amended, otherwise known as "The New Central Bank Act", and other applicable laws.

(a) Offender is an alien - he/she shall, in addition to the penalties herein prescribed, be deported without further proceedings after serving the penalties herein prescribed.

(b) Offender is a public official or employee - he/she shall, in addition to the penalties prescribed herein, suffer absolute or temporary disqualification from government or public office, as the case may be.

(c) Offender is a juridical person - the Commission may impose the administrative sanctions stated below upon the corporation and/or its officers.

24.2. If, after due notice and hearing, the Commission finds that:

(a) there is a violation of the Act, these Rules, or its orders; or

(b) any FISTC or other person has, in a FISTC plan or in other reports, applications, accounts, records or documents required by law to be filed with the Commission, made any untrue statement of a material fact, or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading, then the Commission shall, in its discretion, impose any or all of the following sanctions as may be appropriate in light of the facts and circumstances:

1. Suspension, or revocation of any approved FISTC plan for the offering of IUIs;

2. Fine of no less than Ten thousand pesos (₱10,000.00) nor more than One million pesos (₱1,000,000.00) plus not more than Two thousand pesos (₱2,000.00) for each day of continuing violation, or in such amounts as may be prescribed by the Commission; and

3. Other penalties within the power of the Commission to impose.

24.3. With respect to FIs, the administrative sanctions in the preceding paragraphs shall be enforced, without prejudice to the administrative sanctions that may be imposed by the BSP and the Commission as prescribed under the laws governing the FIs under their respective jurisdictions, and without further prejudice to the penalties as may be imposed by the courts.

24.4. The Appropriate Regulatory Authorities shall promulgate the necessary guidelines governing implementation of penalties and administrative sanctions for entities under their respective jurisdictions.

RULE 25 - APPLICABILITY CLAUSE

25.1. The provisions of these Rules shall be applicable to assets that have become non performing on or before December 31, 2022.

25.2. The NPAs shall include:

(a) loans, regardless of the payment scheme, whose principal and/or interest have remained unpaid for at least ninety (90) days after they have become past due or any of the events of default under the loan agreement has occurred;

(b) items in litigation which are loans classified as NPAs on or before December 31, 2022 for which collection and foreclosure cases have been filed, and restructured loans which are classified as NPAs on or before December 31, 2022 under the Act; or

(c) ROPA acquired by an FI on or before December 31, 2022, and those acquired as ROPA after 31 December 2022 in settlement of loans that became eligible NPLs on or before December 31, 2022.

RULE 26 - CONSCIENCE CLAUSE

26.1. Nothing in the Act shall be construed to condone or exempt from any liability any person responsible for acts or omissions constituting unsound business practices or mismanagement.

26.2. Unsound business practices as used in these Rules shall include, among others, the use by entities of deceptive, fraudulent, or otherwise unethical methods to gain an advantage or turn a profit, engaging in transactions or activities that substantially restrict, prevent or lessen competition, or by taking advantage of one's position or inducing an entity to transact on unconscionable or grossly one-sided terms.

RULE 27 - OVERSIGHT COMMITTEE

27.1. The Joint Congressional Oversight Committee (JCOC) is tasked to oversee, monitor, and evaluate the implementation of the Act. The JCOC shall be composed of five (5) members each from the House of Representatives and from the Senate. The JCOC shall be co-chaired by the Chairpersons of the House Committee on Banks and Financial Intermediaries and the Senate Committee on Banks, Financial Institutions and Currencies. The Speaker and the Senate President shall designate the other four (4) members of the JCOC of the House and the Senate from among the members of the House Committee on Banks and Financial Intermediaries and the Senate Committee on Banks, Financial Institutions, and Currencies, at least one (1) member of which shall be from the minority.

RULE 28 - USE OF FEES

28.1. To carry out the purposes of this Act, the Commission shall retain and use all fees paid to it relative to the establishment of a FISTC in addition to its annual budget and to what is provided for under Section 75 of the SRC.

RULE 29 - IMPLEMENTING RULES AND REGULATIONS

29.1. In addition to these Rules, the Commission, BSP, DOF, and BIR may issue separate circulars/issuances that will apply exclusively to the institutions under their respective jurisdictions which shall not be inconsistent to these Rules and the Act.

RULE 30 - SEPARABILITY CLAUSE

30.1. If any provision of these Rules is held unconstitutional or invalid, all other provisions not affected thereby shall remain valid.

RULE 31 - REPEALING CLAUSE

31.1. Any issuances made by the Commission inconsistent with these Rules are hereby repealed or amended accordingly. Unaffected portions of the aforementioned SEC issuances will still remain in force.

RULE 32 - EFFECTIVITY

32.1. These Rules shall take effect immediately upon its publication in the Official Gazette or in a newspaper of general circulation.

APPROVED, *this 26th day of March 2021.*

BY THE JOINT APPROVING BODY, IN ACCORDANCE WITH SECTION 29 OF REPUBLIC ACT NO. 11523, COMPOSED OF THE BANGKO SENTRAL NG PILIPINAS, BUREAU OF INTERNAL REVENUE, DEPARTMENT OF FINANCE, LAND REGISTRATION AUTHORITY, AND THE SECURITIES AND EXCHANGE COMMISSION.

Signing for the **BANGKO SENTRAL NG PILIPINAS** in accordance with Section 29 of Republic Act No. 1153:

BENJAMIN E. DIOKNO, Ph.D.
BSP Governor

Signing for the **BUREAU OF INTERNAL REVENUE** in accordance with Section 29 of Republic Act No. 1153:

CAESAR R. DULAY
Commissioner of Internal Revenue

Signing for the **DEPARTMENT OF FINANCE** in accordance with Section 29 of Republic Act No. 1153:

CARLOS G. DOMINGUEZ
Secretary of Finance

Signing for the **LAND REGISTRATION AUTHORITY** in accordance with Section 29 of Republic Act No. 1153:

RENATO D. BERNEJO
LRA Administrator

Signing for the **SECURITIES AND EXCHANGE COMMISSION** in accordance with Section 29 of Republic Act No. 1153:

EMILIO B. AQUINO
SEC Chairperson

Annex A

REQUIREMENTS FOR THE ISSUANCE OF IUIs

- SEC Form 10.1-FIST
- FISTC Plan as stated in Rule 8 which contains the following additional information:
 - a) Business of the FISTC/SPV
This section shall describe in detail what business the registrant does and proposes to do, including what products or goods are or will be produced or services that are or will be rendered.
 - b) Risk Factors
Discuss the factors that make the issuance speculative or risky (i.e. those factors which constitute the greatest threat that the investment in the securities will be lost in whole or in part, or not provide an adequate return). These factors may include, among other things, an absence of operating history of the registrant, no recent profit from operations, poor financial position, or the kind of business in which the registrant is engaged or proposes to engage.
 - c) Legal Proceedings (if applicable)
Describe briefly any material pending legal proceedings before any judicial, quasi-judicial, administrative or regulatory body/entity to which the registrant or any of its subsidiaries or affiliates is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding, the relief sought, and current status. Include similar information as to any such proceedings known to be contemplated by governmental authorities or any other entity.
 - d) For existing SPVs: Management's Discussion of Financial Condition and Results of Operation OR
For newly incorporated FISTCs: Plan of Operation
Describe the plan of operation for the next twelve (12) months.
 - e) Directors and Officers
List the names, ages and citizenship of all directors, including independent directors, and executive officers.
 - f) Related Party Transactions
Disclose of transactions (or series of similar transactions) with or involving the FISTC/SPV or any of its subsidiaries in which a director, executive officer, or stockholder owns ten percent (10%) or more of total outstanding shares and members of their immediate family had or is to have a direct or indirect material interest.
 - g) Pool of Assets
Provide detailed description of the assets or loan constituting the pool of assets; or the assets or loan intended to form part of the pool of assets. Identify the rights and obligations of the selling financial institution/s assumed by the FISTC/SPV.
 - h) Financial Institutions' Interest
Description of any Related Interest with any FI as identified in Rule 11(3), and its Parent, Subsidiaries, Affiliates or stockholders, directors or officers including, but not limited to, the existence of any profit-sharing agreements.

- i) Financial consumer Financial Consumer Protection Mechanism Detail the FISTC/SPV's Financial Consumer Protection Mechanism in compliance with Rule 19.
- Exhibits:
 - A. Articles of Incorporation
 - B. For existing SPVs: Monitoring clearance from the Company Registration and Monitoring Department OR For newly incorporated FISTCs: Photocopy of the Stock and Transfer Book
 - C. For existing SPVs: Most recent audited financial statements
OR
For newly incorporated FISTCs:
 - 1. Secretary's Certificate stating FISTCs' authorized, subscribed, and paid-up capital stock, including the names of the shareholders of each class and the number of shares held and the percentage of total shares outstanding held by each; and
 - 2. Notarized Treasurer's affidavit showing the full payment of the minimum paid-up capital under Rule 7
 - D. Notice to FISTC/SPV stockholders of the proposed issuance of the IUIs and a summary of the terms and conditions of the issuance
 - E. Secretary's Certificate attesting to the approval of the board of directors and stockholders of the issuance of the IUI by the FISTC/SPV
 - F. Secretary's Certificate attesting to the FISTC/SPV's adherence to and compliance with leading practices in corporate governance and policy on related party transactions

Annex B

Guidelines for the Financial Consumer Protection Mechanism

Contents

- Section 1. Principles of Financial Consumer Protection
- Section 2. Financial Consumer Protection Risk Management System (FCPRMS)
- Section 3. Financial Consumer Protection Oversight
- Section 4. Disclosure, Transparency, Conflicts of Interest.
- Section 5. Protection of Client Information
- Section 6. Fair Treatment and Objectivity
- Section 7. Cooling-Off Period
- Section 8. Effective Recourse
- Section 9. Exhaustion of Remedies
- Section 10. Violation of Guidelines for the Financial Consumer Protection

Section 1. Principles of Financial Consumer Protection.

FISTCs must observe principles of financial consumer protection in their dealings under the Act, which shall include but not be limited to the following: standards of conduct on disclosure and transparency, conflicts of interest, protection of client information, fair treatment and objectivity in terms of the offer of terms and conditions for renegotiation, restructuring, and redemption, cooling-off period, effective recourse, and exhaustion of all remedies.

The foregoing principles, among others, shall be incorporated in the FISTC's financial consumer protection mechanism.

Section 2. Financial Consumer Protection Risk Management System (FCPRMS)

A FISTC, in connection with its powers, should have a FCPRMS that is integrated into the FISTC's enterprise-wide risk management processes and risk governance framework. The FCPRMS includes the governance structure, policies, processes, measurement and control procedures to ensure that financial consumer protection risks are identified, measured, monitored, and mitigated. A carefully devised, implemented, and monitored FCPRMS provides the foundation for ensuring the FISTC's adherence to consumer protection standards of conduct and compliance with financial consumer protection laws, rules and regulations, thereby, ensuring that identified risks to the FISTC's and associated risk of financial harm or loss to financial consumers are properly managed.

Section 3. Financial consumer Protection Oversight

a. Board of Directors (Board) Responsibility to Oversee FCPRMS. The Board shall be primarily responsible for approving and overseeing the implementation of the FISTC's FCPRMS. The Board's responsibilities shall include the following:

- i. Approve the FCPRMS and financial consumer assistance mechanism (FCAM) that takes into consideration the FISTC's business model, and

relationships with third parties that may give rise to financial consumer protection risks;

ii. Promote a culture of ethical behavior and adherence to the highest standards of fair and responsible dealing with financial consumers;

iii. Ensure that adequate information and actions taken are reported on a regular basis in terms of the measurement of financial consumer protection related risks, reports from the FCAM, as well as other material financial consumer related developments that will impact the FISTCs;

iv. Ensure the adequate provision of resources and effective implementation of personnel training and competency requirements;

v. Approve remuneration and compensation packages structured to encourage responsible business conduct, fair treatment and avoidance/mitigation of conflicts of interest;

vi. Review periodically the implementation and effectiveness of the FCPRMS including how findings are reported and whether the audit mechanisms are in place to enable adequate oversight, and put in place a regular mechanism to review the relevance of the FCPRMS in case of changes in the FISTCs business model and/or operating environment.

vii. Ensure that proper and adequate information is given to on all matters required by laws and regulations.

a. The Board may designate a Compliance Officer, senior management, and/or committees created for the purpose who shall manage, monitor and report the FISTC's day-to-day FCPRMS activities to the Board; *Provided*, that the Board shall not delegate its primary responsibility to approve and oversee the implementation of the FISTC's FCPRMS.

b. Senior Management Responsibilities. The Senior Management of the FISTC shall be responsible for ensuring that the practices of the FISTCs are aligned with the approved financial consumer protection policies and risk management system and consistently displayed throughout the FISTC's place of business particularly across all business units that deal directly with consumers. In this regard, the Senior Management shall:

i. Ensure that approved FCPRMS and FCAM policies and procedures are clearly documented, properly understood and appropriately implemented across all levels and business units.

ii. Establish an effective monitoring and management information system to regularly measure, aggregate, and analyze financial consumer related issues to determine the level of financial consumer protection risk. An appropriate and clear reporting and escalation mechanism should also be integrated in the risk governance framework. The management information system should be able to:

- Provide adequate information on the performance and quality of the FISTCs FCAM that allows for identification of emerging consumer issues and root cause analysis;

- Determine the level of financial consumer protection risk exposure through assessment of its implementation of the Financial Consumer Protection Standards of Conduct (i.e.

transparency and disclosure, protection of client information, fair treatment, effective recourse and financial learning and awareness);

- Identify and monitor, in a timely manner, financial consumer protection risk exposures approaching risks of loss to financial consumers, legal and reputational risk, as well as other related risks;

- Identify and assess emerging or increasing financial consumer risks that affect the FISTCs such as through social media monitoring and market monitoring;

iii. Ensure that adequate systems and controls are in place to promptly identify issues that affect the financial consumer across all phases of the relationship;

iv. Ascertain that weaknesses in the financial consumer protection practices or financial consumer protection emerging risks are addressed and corrective actions are taken in a timely manner; and

v. Ensure observance of expectations and requirements prescribed under relevant regulations on compliance and internal audit.

Section 4. Disclosure, Transparency, Conflicts of Interest.

FISTCs must take affirmative action to ensure that the financial consumers have a reasonable holistic understanding of the terms and conditions for the restructuring and renegotiation of the NPL upon which they may agree. In this context, full disclosure and utmost transparency must be afforded to the financial consumers to allow them to make informed financial decisions. In particular, FISTCs must comply with the following:

a. During restructuring and renegotiations for NPLs or for redemption of properties, ensure that the financial consumer is timely provided with information necessary to be able to make an informed judgment of the terms and conditions under discussion and meet the full disclosure requirements specified under existing laws, rules, and regulations.

b. Readily and consistently make available to the financial consumer a written copy of the proposed terms and conditions for the restructuring or renegotiation of the NPL or the redemption of the property. All terms and conditions must be fully disclosed and explained to the financial consumer before consummating the restructuring, renegotiation, or redemption. The written document must be complete but concise, easily understandable, accurate, and presented in a manner that facilitates the financial consumer's comprehension, and shall contain all information required to be provided under existing laws, rules, and regulations.

c. Advise the financial consumer to read and understand the applicable terms and conditions for the restructuring, renegotiation, or redemption.

d. Ensure that its staff communicate with the financial consumer in such a manner that the financial consumer can understand the terms of the restructuring, renegotiation, or redemption, and their rights and obligations. Staff should communicate with techniques which address language and literacy limitations, in particular ensuring that the financial consumer is provided with materials in their primary language or dialect.

e. Provide financial consumers adequate time to review the terms and conditions,

ask questions, and receive additional information prior to the consummation of the restructuring, renegotiation, or redemption. The staff of the FISTC should be available to answer the financial consumer's questions and clarifications.

f. Ensure that staff assigned to deal directly with the financial consumers should be fully knowledgeable about their proposed terms and conditions, including statutory and regulatory requirements, and are able to explain the nuances of the restructuring, renegotiation, or redemption to the financial consumer.

g. Use a variety of communication channels to disclose clear and accurate information to the financial consumer, without need for special access requirements which may entail additional expense. Communication channels should be sufficiently responsive to address the literacy limitations of the financial consumer. Said channels may be written and/or verbal as may be warranted.

h. Update the financial consumer with relevant information, free of charge, in a clear, understandable, comprehensive, and transparent manner, throughout the entire restructuring, renegotiation, and redemption process.

i. Provide the financial consumer with written proof of the transaction immediately after the restructuring, renegotiation, or redemption has been completed. The financial consumer should be given a hard copy of each of the documents signed by the financial consumer with all the terms and conditions of the restructuring, renegotiation, or redemption contained therein. The FISTC must ensure that the documents signed by the financial consumer are completely filled and that there are no blank terms.

j. Inform the financial consumer of their rights and responsibilities, including their right to complain, and the manner of making a complaint.

k. Disclose properly to the financial consumer prior to the initiation of the restructuring, renegotiation, or redemption that the FISTC or its staff has an interest in the transaction or shall receive remunerations or other incentives on the basis of the transaction.

l. Ensure that adequate systems and controls are in place to promptly identify issues and matters which may be detrimental to the financial consumer's interests.

Section 5. Protection of Client Information.

The financial consumer shall have the right to expect that their financial transactions, as well as their relevant personal information disclosed in connection with the transaction, are kept confidential by the FISTC. The FISTC, its personnel, and the third parties it has authorized to process personal information must comply with the Data Privacy Act of 2012, its implementing rules and regulations, and relevant National Privacy Commission (NPC) issuances.

For purposes of collection, FISTC shall keep strictly confidential data on the financial consumer, except under the following circumstances:

a. Disclosure of information with the written or recorded consent of the financial consumer;

b. Release, submission or exchange of customer information with other financial institutions, credit information bureaus, lenders (potential or actual), their agents and/or representatives, except where such exchange is overridden by fundamental rights and freedoms of the data subject which require protection under the Philippine Constitution;

c. Upon orders of a court of competent jurisdiction or any government office or agency authorized by law;

d. Disclosure to collection agencies, counsels and other agents of the FISTCs to enforce the latter's rights against the financial consumer;

e. Disclosure to third party service providers solely for the purpose of assisting or rendering services to the FISTC in the administration of its lending or financing operations;

f. Disclosure to third party such as insurance companies, solely for the purpose of insuring the FISTCs from financial consumer default or other credit loss, and the financial consumer from fraud or unauthorized charges;¹ and

g. Other instances where disclosure is mandated by law, rules, or regulations.

In case of disclosure under (d)-(f) as listed above, the FISTC shall ensure that the third parties shall protect the financial consumer's confidential and other proprietary information. The FISTC shall notify the financial consumer of the disclosure, including the steps undertaken to ensure the confidentiality of their information.

Section 6. Fair Treatment and Objectivity

The FISTC shall ensure that financial consumers are treated fairly, honestly, professionally, and are not offered discriminatory, inappropriate, or harmful terms and conditions in the course of restructuring, renegotiation, and redemption. FISTCs should ensure that they have the necessary resources and procedures in place, internal monitoring, and control mechanisms for safeguarding the interests of financial consumers. These include the institution of general policies addressing ethical staff behavior and the development of standard restructuring, renegotiating, and redemption policies and procedures.

The FISTC shall:

a. Comply with existing laws, rules, and regulations which prohibit unfair treatment against financial consumers, including prohibitions against unfair debt collection practices.

b. Gather, file, and record sufficient information from the financial consumer to enable the FISTC to offer appropriate terms and conditions to the financial consumer and ensure that the financial consumer certifies in writing the accuracy of the information provided.

c. Offer terms and conditions that are appropriate to the varying needs, interests and circumstances of different types of financial consumers, particularly the more vulnerable financial consumers. Similarly situated financial consumers should be offered similar terms and conditions.

d. Not engage in abusive, unscrupulous, or deceptive acts or practices.

e. Present a balanced view when proposing terms and conditions for renegotiating or restructuring NPLs or redemption of properties and draw the financial consumer's attention to the consequences of agreeing to the terms and conditions of the restructuring, renegotiating, or redemption, which may affect his financial position and/or collateral.

1 Sec. 2: Confidentiality of Information - SEC MC 18.5.2019

f. Ensure that the terms and conditions proposed are clearly justified and explained to the financial consumer and properly documented.

g. Institute policy guarantees that financial consumers receive a fair price for any foreclosed assets and enforce procedures to ensure that seizure of collateral is respectful of financial consumers rights.

h. Ensure that recruitment and training policies are aligned around fair, responsible, and objective treatment of financial consumers. The FISTC shall ensure that staff shall sign a document acknowledging that they will abide by the policies and procedures of the financial consumer protection mechanism and not engage in behaviors prohibited thereunder. The FISTC shall ensure adherence to the financial consumer protection mechanism by implementing measures to determine whether the principles of financial consumer protection are observed, any financial consumer concerns are appropriately addressed, and problems are resolved in a timely manner.

i. Ensure that managers and supervisors review ethical behavior, professional conduct, and quality of interaction with financial consumers as part of staff performance valuations.

j. Have a system of internal processes in place to detect and respond to financial consumer mistreatment as well as serious infractions, and impose sanctions therefor.

k. Inform staff of penalties for non-compliance with the financial consumer protection mechanism.

l. Perform appropriate due diligence before engaging third party asset servicing companies, such as taking into account their integrity, professionalism, financial soundness, operational capability and capacity, and compatibility with the FISTC's corporate culture, and implement controls to monitor the third party asset servicing company's performance on a continuous basis. The FISTC shall retain ultimate accountability for all outsourced activities performed by the third party asset servicing company.

Section 7. Cooling-Off Period

The FISTC shall provide the financial consumer with a "cooling-off" period of a reasonable number of days, which shall not be less than two (2) banking days, immediately following the signing of any agreement or contract for the restructuring or renegotiating of NPLs or redemption of properties. The length of the cooling-off period shall depend on a number of factors, including but not limited to the face value of the subject NPL or property, the term of the NPL, and amount of previous payments made.

A financial consumer may cancel the agreement without penalty of any kind on his written notice to the FISTC of such cancellation during the cooling-off period. However, the FISTC may collect or recover a reasonable amount of processing fees in the event of such cancellation, and any further discussion of renegotiation or restructuring after cancellation shall require the consent of both the FISTC and the financial consumer.

The FISTC must give written notice to the financial consumer of their right to cancel the agreement within the cooling-off period upon the signing of the agreement.

Section 8. Effective Recourse

Financial consumers should be provided with accessible, affordable, independent, fair, accountable, timely, and efficient means for resolving complaints in relation to restructuring and renegotiating NPLs or redeeming properties. FISTCs should have in

place mechanisms for complaint handling and redress, Among others, FISTCs shall:

a. Develop internal policies and practices, including standard times for processing, complaint response, and financial consumer access to information and staff.

b. Maintain and up-to-date log and records of all complaints from borrows subject to the complaints procedure, which shall contain the following at a minimum:

- i. Details of each complaint;
- ii. Date the complaint was received;
- iii. Summary of the FISTC's response;
- iv. Details of any other relevant correspondence or records;
- v. Action taken to resolve each complaint; and
- vi. Date the complaint was resolved.

c. Ensure that information on how to make a complaint is clearly visible on the FISTC's premises and website.

d. Undertake analysis of patterns of complaints from financial consumers on a regular basis, if any, including investigating whether complaints indicate an isolated issue or a more widespread issue for financial consumers. The analysis of financial consumer complaints must be escalated to senior management.

e. Provide for adequate resources to handle financial consumer complaints efficiently and effectively. Staff handling complaints must have appropriate experience, knowledge and expertise.

Section 9. Exhaustion of Remedies

In case of dispute between the FISTC and the financial consumer, the FISTC and the financial consumer shall exhaust all administrative remedies available before recourse to judicial action shall be permissible.

Section 10. Violation of Guidelines for the Financial Consumer Protection Mechanism

Any violation of the provisions of these Guidelines shall be subject to the appropriate penalties under Section 24 of the Act as determined by the Commission, without prejudice to the imposition of other sanctions prescribed under other applicable laws, rules, and regulations.



Executive Order

**MALACAÑAN PALACE
MANILA**

BY THE PRESIDENT OF THE PHILIPPINES EXECUTIVE ORDER NO. 144

INSTITUTIONALIZING THE FINANCIAL STABILITY COORDINATION COUNCIL

WHEREAS, financial authorities have learned from the Global Financial Crisis of 2007-2009 that financial stability is a distinct and over-arching policy objective that sustains the health of the entire financial system;

WHEREAS, driven by their mutual interest for a well-functioning and resilient financial system, the Bangko Sentral ng Pilipinas (BSP), Department of Finance (DOF), Securities and Exchange Commission (SEC), Insurance Commission (IC) and the Philippine Deposit Insurance Corporation (PDIC), voluntarily convened in October 2011 to pursue financial stability;

WHEREAS, on 29 January 2014, the BSP, DOF, SEC, IC and PDIC signed a Memorandum of Agreement to create the Financial Stability Coordination Council as a voluntary inter-agency body which shall collaborate and cooperate to pursue, sustain and enhance the health of the financial system under the objective of financial stability;

WHEREAS, under Republic Act (RA) No. 7653, otherwise known as “The New Central Bank Act”, as amended by RA No. 11211, the BSP is mandated to promote financial stability and is directed to closely work with the National Government, including, but not limited to the DOF, SEC, IC and PDIC; and

WHEREAS, in recognition of the importance of financial stability to the overall health of the country’s financial system, there is a need to formalize the creation of an inter-agency body on financial stability in order to institutionalize its powers and functions, and strengthen the ability of the Government to collectively address systemic risks, which may arise in different segments of the financial market;

NOW, THEREFORE, I, RODRIGO ROA DUTERTE, President of the Republic of the Philippines, by virtue of the powers vested in me by the Constitution and existing laws, do hereby order:

SECTION 1. Policy of Financial Stability. Consistent with the objective of the National Government to safeguard the welfare of Filipinos through a well functioning financial system, the government hereby reiterates its policy of enhancing the stability of the financial system by mitigating systemic risks through timely policy interventions.

THE PRESIDENT OF THE PHILIPPINES

SECTION 2. Institutionalizing the Financial Stability Coordination Council. The Financial Stability Coordination Council (FSCC) is hereby institutionalized as an inter-agency council composed of the BSP, DOF, SEC, IC and PDIC, as its member agencies.

SECTION 3. Purpose and Objectives. The FSCC shall enhance the stability of the financial system by mitigating systemic risks through timely macroprudential policy interventions. Towards this end, the FSCC shall formulate a Macroprudential Policy Strategy Framework, which shall guide its policy interventions. The Macroprudential Policy Strategy Framework shall be made publicly available and shall be updated periodically, as may be warranted.

SECTION 4. Powers and Functions of the FSCC. To the extent consistent with the respective mandates of the member agencies, the FSCC shall have the following powers and functions:

- a. Issue directives or policy regulations in the pursuit of its objective of financial stability;
- b. Align various policies, regulations, supervisory frameworks, programs and initiatives on financial stability;
- c. Coordinate with foreign regulators on financial stability and macroprudential policy;
- d. Collaborate with public and private organizations for data collection and research to facilitate informed policy recommendations; and
- e. Formulate and adopt its governance and operational guidelines, as may be necessary.

SECTION 5. Executive Committee (ExeComm). The affairs of the FSCC shall be governed by an ExeComm which shall be composed of:

- a. The BSP Governor - Chairperson;
- b. The Secretary of Finance - Member;
- c. The Insurance Commissioner - Member;
- d. The President of the PDIC - Member;
- e. The SEC Chairman - Member;

f. One senior official from each of the five (5) member agencies, as formally designated by the head of the agency, shall serve as non-voting members.

The ExeComm shall promulgate rules for the conduct of its internal procedures, issue Resolutions relating to the implementation of its functions, and create Technical Working Groups and/or Sub-Committees, as necessary.

The National Treasurer may be invited to the meetings of the ExeComm as a special non-voting member.

SECTION 6. FSCC Secretariat. In performing its purpose and objectives, the FSCC and its ExeComm shall be assisted by a Secretariat. Unless the FSCC declares otherwise, the Office of Systemic Risk Management of the BSP shall serve as the Technical Secretariat to the FSCC.

SECTION 7. Meetings. The FSCC ExeComm shall meet periodically, without prejudice to the discretion of the Chairperson to call meetings, as may be necessary.

SECTION 8. Funding. The funding requirements for the operation of the FSCC shall be charged against the budget of the BSP.

SECTION 9. Repeal. All other issuances, orders, rules and regulations inconsistent with this Order are hereby repealed or modified accordingly.

SECTION 10. Separability. If any provision of this Order is declared invalid or unconstitutional, the remaining provisions not affected thereby shall continue to be in full force and effect.

SECTION 11. Effectivity. This Order shall take effect immediately.

DONE in the City of Manila, this 6th day of July, in the year of our Lord, Two Thousand and Twenty One.

By the President:

SALVADOR C. MEDIALDA
Executive Secretary



Circulars

CIRCULAR NO. 1108
26 January 2021

Subject : **Guidelines for Virtual Asset Service Providers**
PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/1108.pdf>

CIRCULAR NO. 1109
4 February 2021

Subject : **Amendments to the Regulations on Investment Management Activities**
PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/1109.pdf>

CIRCULAR NO. 1110
24 February 2021

Subject : **Rationalization of Prudential Reporting Requirements**
PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/1110.pdf>

CIRCULAR NO. 1111
3 March 2021

Subject : **Amendments to the Rules and Regulations on the Mandatory Credit Allocation for Agriculture and Agrarian Reform Credit**
PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/1111.pdf>

CIRCULAR NO. 1112
8 April 2021

Subject : **Amendments to Operational Risk Management and Internal Control Measures**
PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/1112.pdf>

CIRCULAR NO. 1113
16 April 2021

Subject : **Amendments to the Guidelines on Recovery Plan of a Domestic Systemically Important Bank**
PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/1113.pdf>

CIRCULAR NO. 1114
16 April 2021

Subject : **Guidelines on Reputational Risk Management**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/1114.pdf>

CIRCULAR NO. 1115
23 April 2021

Subject : **Amendments to the Manual of Regulations for Non-Bank Financial Institutions on the Enhancement of Corporate Governance Guidelines for Non-Stock Savings and Loan Associations**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/1109.pdf>

CIRCULAR NO. 1116
25 May 2021

Subject : **Guidelines on the Management of Liquidity Risk by Islamic Banks and Islamic Banking Units**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/1116.pdf>

CIRCULAR NO. 1117
27 May 2021

Subject : **Implementation of Republic Act (R.A.) No. 11523, otherwise known as the “Financial Institutions Strategic Transfer (FIST) Act”**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/1117.pdf>

CIRCULAR NO. 1118
2 June 2021

Subject : **Amendments to the Regulations on the Engagement by Non-Stock Savings and Loan Associations of Individual Agents or Sales Representatives**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/1118.pdf>

CIRCULAR NO. 1119
7 June 2021

Subject : **Amendments to Derivatives Regulations of Banks, Quasi-Banks and Trust Corporations**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/1119.pdf>

CIRCULAR NO. 1120
7 June 2021

Subject : **Amendments to Regulations on the Open Foreign Exchange Position of Banks**

PDF Link : **(Updated copy)**
https://www.bsp.gov.ph/Regulations/Issuances/2021/1120_Updated%20copy.pdf

CIRCULAR NO. 1121
8 June 2021

Subject : **Amendments to the Regulations on Securities Custodianship and Securities Registry Operations**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/1121.pdf>

CIRCULAR NO. 1122
17 June 2021

Subject : **Open Finance Framework**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/1122.pdf>

CIRCULAR NO. 1123
13 July 2021

Subject : **Amendments to Guidelines on Report on Intraday Liquidity of Universal and Commercial Banks and their Subsidiary Banks/ Quasi-Banks**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/1123.pdf>

CIRCULAR NO. 1124
10 August 2021

Subject : **Amendments to the Foreign Exchange Regulations**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/1124.pdf>

CIRCULAR NO. 1125
20 August 2021

Subject : **Revised Guidelines on the Imposition of Monetary Penalties on BSFIs, and/or their Directors/Trustees, Officers and/or Employees for Violations with Sanctions Falling under Section 37 of R.A. No. 7653 (The New Central Bank Act), as Amended**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/1125.pdf>

CIRCULAR NO. 1126
14 September 2021

Subject : **Adoption of the Principles for Financial Market Infrastructures**
PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/1126.pdf>

CIRCULAR NO. 1127
17 September 2021

Subject : **Governance Policy for Operators of Payment System**
PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/1127.pdf>

CIRCULAR NO. 1128
26 October 2021

Subject : **Environmental and Social Risk Management Framework**
PDF Link : **(Updated copy)**
[https://www.bsp.gov.ph/Regulations/Issuances/2021/1128\(Corrected%20Copy\).pdf](https://www.bsp.gov.ph/Regulations/Issuances/2021/1128(Corrected%20Copy).pdf)

CIRCULAR NO. 1129
12 November 2021

Subject : **Amendments to Corporate Governance Guidelines for BSP Supervised Financial Institutions**
PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/1129.pdf>

CIRCULAR NO. 1130
23 November 2021

Subject : **Expansion of Eligible Participants for Monetary Operations and for BSP Securities in the Secondary Market**
PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/1130.pdf>

CIRCULAR NO. 1131
13 December 2021

Subject : **Comprehensive Credit and Equity Exposures Report**
PDF Link : **(Updated copy)**
[https://www.bsp.gov.ph/Regulations/Issuances/2021/1131\(Corrected%20Copy\).pdf](https://www.bsp.gov.ph/Regulations/Issuances/2021/1131(Corrected%20Copy).pdf)

**CIRCULAR NO. 1132
14 December 2021**

Subject : **Amendments in the Operations of the Bangko Sentral's Rediscounting Line and Overdraft Credit Line by Banking Institutions**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/1132.pdf>

**CIRCULAR NO. 1133
22 December 2021**

Subject : **Ceiling/s on Interest Rates and Other Fees Charged by Lending Companies, Financing Companies, and their Online Lending Platforms**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/1133.pdf>

**CIRCULAR NO. 1134
28 December 2021**

Subject : **Amendments to the Relevant Regulations on Foreign Currency Deposit System - Phase 2**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/1134.pdf>



Memoranda

**MEMORANDUM NO. M-2021-001
4 January 2021**

To : **All Banks and Quasi-Banks**

Subject : **Amendments to the Standard Operating Procedures for Philippine Holidays**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-001.pdf>

**MEMORANDUM NO. M-2021-002
4 January 2021**

To : **All Foreign Bank Branches Established Prior to Republic Act No. 10641**

Subject : **Regulatory Relief on the Non-Imposition of Sanctions for Breach in Single Borrower's Limit by Foreign Bank Branches Established Prior to Republic Act No. 10641**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-002.pdf>

**MEMORANDUM NO. M-2021-003
8 January 2021**

To : **All BSP-Supervised Financial Institutions**

Subject : **Guidelines on the Electronic Submission of the Report on Reclassification of Debt Securities (RRDS) Out of the Fair Value Category**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-003.pdf>

**MEMORANDUM NO. M-2021-004
11 January 2021**

To : **All Authorized Agent Banks**

Subject : **Retention of Existing Procedures on Deposits and Withdrawals**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-004.pdf>

MEMORANDUM NO. M-2021-005
13 January 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Report on the Risk Assessment of Cash, Cross-Border, and Cross-Sector Transactions**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-005.pdf>

MEMORANDUM NO. M-2021-006
14 January 2021

To : **All Authorized Agent Banks**

Subject : **Advisory on Organization Changes in the Payments and Currency Management Operations Sub-sector**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-006.pdf>

MEMORANDUM NO. M-2021-007
18 January 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Online Customer Satisfaction Survey**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-007.pdf>

MEMORANDUM NO. M-2021-008
19 January 2021

To : **All Pawnshops, Non-Stock Savings and Loan Associations, and Money Service Businesses**

Subject : **Guidelines on the Electronic Submission of the Report on Crimes and Losses**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-008.pdf>

MEMORANDUM NO. M-2021-009
19 January 2021

To : **All Banks**

Subject : **Guidelines on the Electronic Submission of the Consolidated List of Stockholders and their Stockholdings**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-009.pdf>

MEMORANDUM NO. M-2021-010
19 January 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Guidelines on the Electronic Submission of List of Members of the Board of Directors, Trustees, and Officers**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-010.pdf>

MEMORANDUM NO. M-2021-011
2 February 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Reclassification of Debt Securities Measured at Fair Value to the Amortized Cost Category**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-011.pdf>

MEMORANDUM NO. M-2021-012
5 February 2021

To : **All Concerned Banks**

Subject : **Extension of Temporary Measures Implemented in the Bangko Sentral ng Pilipinas' Rediscounting Facilities**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-012.pdf>

MEMORANDUM NO. M-2021-013
18 February 2021

To : **All Concerned BSP-Supervised Financial Institutions**

Subject : **Guidelines on the Re-registration of Virtual Currency Exchanges**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-013.pdf>

MEMORANDUM NO. M-2021-014
4 March 2021

To : **All Universal and Commercial Banks and their Subsidiary Banks**

Subject : **Frequently Asked Questions on the Report on LIBOR-Related Exposures under Memorandum to All Banks No. M-2020-083 dated 17 November 2020**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-014.pdf>

MEMORANDUM NO. M-2021-015
16 March 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Guidance Papers on Managing Terrorist Financing and Proliferation Financing Risks and Implementation of Targeted Financial Sanctions**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-015.pdf>

MEMORANDUM NO. M-2021-016
17 March 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Guidelines on the Electronic Submission of Information Technology Profile Report**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-016.pdf>

MEMORANDUM NO. M-2021-017
17 March 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **3rd Sectoral Risk Assessment for Banks and Other BSP-Supervised Financial Institutions**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-017.pdf>

MEMORANDUM NO. M-2021-018
26 March 2021

To : **All Banks and Non-Banks with Quasi-Banking Functions**

Subject : **Single Reserve Week from 26 March 2021 to 8 April 2021 and the Corresponding Computation for the Single Reserve Week**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-018.pdf>

MEMORANDUM NO. M-2021-019
29 March 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Availability and Security of Digital Financial Services and Automated Teller Machines during Holy Week**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-019.pdf>

MEMORANDUM NO. M-2021-020
4 April 2021

To : **All Bureau of Internal Revenue Authorized Agent Banks**

Subject : **Extension of Banking Operations**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-020.pdf>

MEMORANDUM NO. M-2021-021
5 April 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Guidelines on Sound Risk Management Practices in Dealings with Operators of Payment Systems and Non-Bank Electronic Money Issuers**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-021.pdf>

MEMORANDUM NO. M-2021-022
5 April 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Advisory on Banking and Other Related Functions Considered as Essential Services and its Employees Among Authorized Persons Outside of Residences**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-022.pdf>

MEMORANDUM NO. M-2021-023
12 April 2021

To : **All Non-Stock Savings and Loan Associations and Trust Corporations**

Subject : **Collection of the Annual Supervisory Fees for the Year 2021**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-023.pdf>

MEMORANDUM NO. M-2021-024
12 April 2021

To : **All Banks and Non-Banks with Quasi-Banking Functions**

Subject : **Collection of the Annual Supervisory Fees for the Year 2021**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-024.pdf>

MEMORANDUM NO. M-2021-025
23 April 2021

To : **All BSP-Supervised Financial Institutions**
Subject : **Non-extension of Term Limit for Independent Directors**
PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-025.pdf>

MEMORANDUM NO. M-2021-026
26 April 2021

To : **All BSP-Supervised Financial Institutions**
Subject : **Amendments to the Credit-Related Regulatory Relief Measures for BSFIs Affected by the Corona Virus Disease 2019**
PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-026.pdf>

MEMORANDUM NO. M-2021-027
23 April 2021

To : **All Authorized Agent Banks**
Subject : **Revised Cash Service Alliance General Guidelines**
PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-027.pdf>

MEMORANDUM NO. M-2021-028
30 April 2021

To : **All Authorized Agent Banks**
Subject : **Waiver of Service Fees on 200-Piso Denomination**
PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-028.pdf>

MEMORANDUM NO. M-2021-029
7 May 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Enhancements to the BSP Operational Relief Measures**

PDF Link : **(Updated copy)**
[https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-029\(corrected%20copy\).pdf](https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-029(corrected%20copy).pdf)

MEMORANDUM NO. M-2021-030
3 May 2021

To : **All Concerned Banks**

Subject : **Extension of Temporary Measures Implemented in the Bangko Sentral ng Pilipinas' Rediscounting Facilities**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-030.pdf>

MEMORANDUM NO. M-2021-031
28 May 2021

To : **All Banks with Cash Agent Operations**

Subject : **Guidelines on Cash Agents**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-031.pdf>

MEMORANDUM NO. M-2021-032
28 May 2021

To : **All Banks and Non-Banks with Quasi-Banking Functions**

Subject : **Guidelines on Disclosure and Transparency of Remittance and and Transfer Companies and their Remittance Sub-Agents**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-032.pdf>

MEMORANDUM NO. M-2021-033
31 May 2021

To : **All Authorized Agent Banks**

Subject : **Waiver of Service Fee on Withdrawals of 200-piso Denomination**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-033.pdf>

MEMORANDUM NO. M-2021-034
4 June 2021

To : **All BSP Supervised Financial Institutions (BSFIs)**

Subject : **Guidelines for Obtaining a Certificate of Eligibility under Republic Act No. 11523, otherwise known as the Financial Institutions Strategic Transfer Act**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-034.pdf>

MEMORANDUM NO. M-2021-035
7 June 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Use of Philippine Identification System ID for Customer Identification and Verification**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-035.pdf>

MEMORANDUM NO. M-2021-036
28 June 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Guidelines on the Submission of Reports/Documents and Communications through the BSP Financial Supervision Sector Mail-In Account**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-036.pdf>

MEMORANDUM NO. M-2021-037
28 June 2021

To : **All Pawnshops and Money Service Businesses**

Subject : **Regulatory Relief Through Extension of Deadline to Pay the 2021 Annual Supervision/Service Fee**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-037.pdf>

MEMORANDUM NO. M-2021-038
30 June 2021

To : **All Authorized Agent Banks (AABs)**

Subject : **Advisory on the Organizational Changes in the Regional Operations Sub-Sector (ROSS)**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-038.pdf>

MEMORANDUM NO. M-2021-039
2 July 2021

To : **All Universal Banks (UBs), Commercial Banks (KBs), and Thrift Banks (TBs)**

Subject : **Guidelines on the Electronic Submission of Consolidated Foreign Exchange Position Report**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-039.pdf>

MEMORANDUM NO. M-2021-040
16 July 2021

To : **All Banks and Non-Banks with Quasi-Banking Functions**

Subject : **Reminder to BSFIs to Refrain from Discriminatory Practices Toward Persons with Disability (PWD)**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-040.pdf>

**MEMORANDUM NO. M-2021-041
21 July 2021**

To : **All Authorized Agent Banks**
Subject : **Sampling Methodology in the Verification of Unfit Low-Denominated Banknotes**
PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-041.pdf>

**MEMORANDUM NO. M-2021-042
30 July 2021**

To : **All Concerned Banks**
Subject : **Extension of Temporary Measures Implemented in the Bangko Sentral ng Pilipinas' (BSP) Rediscounting Facility**
PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-042.pdf>

**MEMORANDUM NO. M-2021-043
5 August 2021**

To : **All BSP-Supervised Financial Institutions (BSFIs)**
Subject : **Data Breach Prevention and Control**
PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-043.pdf>

**MEMORANDUM NO. M-2021-044
11 August 2021**

To : **All Thrift Banks (TBs)**
Subject : **Guidelines on the Electronic Submission of Schedules 8 and 13 of FX Form 1**
PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-044.pdf>

MEMORANDUM NO. M-2021-045
13 August 2021

To : **Registered Non-Bank Operators of Payment Systems with PhilPaSS^{plus} Interface and All PhilPaSS^{plus} Members**

Subject : **Guidelines on the Designation of the Bangko Sentral's Philippine Peso Real-Time Gross Settlement Payment System as a Systemically Important Payment System**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-045.pdf>

MEMORANDUM NO. M-2021-046
19 August 2021

To : **All Digital Bank Applicants**

Subject : **Closure of Window for Establishment of Digital Banks**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-046.pdf>

MEMORANDUM NO. M-2021-047
26 August 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Advisory on Modus Operandi of Organized Crime Groups through Auto Loans**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-047.pdf>

MEMORANDUM NO. M-2021-048
3 September 2021

To : **All Authorized Agent Banks**

Subject : **Mandatory Posting of Fit Notes and Coins Holdings and/or Requirements in the Cash Service Alliance System**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-048.pdf>

MEMORANDUM NO. M-2021-049
29 September 2021

To : **All Banks and Non-Bank Financial Institutions with Quasi-Banking Functions**

Subject : **Guidelines on the Electronic Submission of the Report on Borrowings of BSP Personnel**

PDF Link : **(Updated copy)**
[https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-049\(corrected%20copy\).pdf](https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-049(corrected%20copy).pdf)

MEMORANDUM NO. M-2021-050
4 September 2021

To : **All Authorized Agent Banks**

Subject : **Advisory on Regulated and Prohibited Import/Export Commodities under the Manual of Regulations on Foreign Exchange Transactions, as amended**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-050.pdf>

MEMORANDUM NO. M-2021-051
23 September 2021

To : **All Authorized Agent Banks**

Subject : **Submission of Consolidated Report on Required and Available Reserves through the BSP Financial Portal**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-051.pdf>

MEMORANDUM NO. M-2021-052
6 October 2021

To : **All Banks**

Subject : **Submission of Prudential Reports Using Application Programming Interface**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-052.pdf>

**MEMORANDUM NO. M-2021-053
13 October 2021**

To : **All BSP-Supervised Financial Institutions**
Subject : **Clarification on the Definition of Digital Banks**
PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-053.pdf>

**MEMORANDUM NO. M-2021-054
12 October 2021**

To : **All BSP-Supervised Financial Institutions**
Subject : **Guidelines on the Submission of the Reports on Crimes and/or Losses**
PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-054.pdf>

**MEMORANDUM NO. M-2021-055
19 October 2021**

To : **All Non-Stock Savings and Loan Associations and Trust Corporations**
Subject : **Temporary Regulatory Relief on the Capital Treatment of Provisioning Requirements under the Philippine Financial Reporting Standard**
PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-055.pdf>

**MEMORANDUM NO. M-2021-056
21 October 2021**

To : **All Banks and Non-Banks with Quasi-Banking Functions**
Subject : **Regulatory Treatment of Restructured Loans for Purposes of Measuring Expected Credit Losses**
PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-024.pdf>

MEMORANDUM NO. M-2021-057
21 October 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Acceptance and Authentication of Philippine Identification Card under the Philippine Identification System**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-057.pdf>

MEMORANDUM NO. M-2021-058
26 October 2021

To : **All Universal and Commercial Banks and their Subsidiary Banks**

Subject : **Implementation of London Inter-Bank Offered Rate (LIBOR) Transition Plans and Extension of Reporting Requirements on LIBOR-Related Exposures**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-058.pdf>

MEMORANDUM NO. M-2021-059
2 November 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Information Sharing for Fraud Investigations**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-059.pdf>

MEMORANDUM NO. M-2021-060
5 November 2021

To : **All Banks**

Subject : **Guidelines on the Submission of Consolidated Daily Report of Condition and Weekly Report on Required and Available Reserves**

PDF Link: <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-060.pdf>

MEMORANDUM NO. M-2021-061
10 November 2021

To : **All Banks**

Subject : **Guidelines on the Submission of the Financial Reporting Package through the BSP Financial Institution Portal**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-061.pdf>

MEMORANDUM NO. M-2021-062
12 November 2021

To : **All Universal, Commercial, and Thrift Banks**

Subject : **Frequently Asked Questions on the Amendments to the Regulations on the Open Foreign Exchange Position of Banks under Circular No. 1120 dated 07 June 2021**

PDF Link : **(Updated copy)**
[https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-062\(Corrected%20Copy\).pdf](https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-062(Corrected%20Copy).pdf)

MEMORANDUM NO. M-2021-063
15 November 2021

To : **All Universal and Commercial Banks and their Subsidiary Thrift/Quasi Banks**

Subject : **Guidelines on the Electronic Submission of the Report on Intraday Liquidity through the BSP Financial Institution Portal**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-063.pdf>

MEMORANDUM NO. M-2021-064
17 November 2021

To : **All Non-Bank Financial Institutions Applying for an Authority to Operate as an Electronic Money Issuer**

Subject : **Recalibrated Policy Measures in Handling Application for an Electronic Money Issuer—Others License**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-064.pdf>

MEMORANDUM NO. M-2021-065
23 November 2021

To : **All Banks**

Subject : **Temporary Regulatory Relief for Banks that Offer Basic Deposit Accounts**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-065.pdf>

MEMORANDUM NO. M-2021-066
3 December 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Guidelines on the Use of Data Entry Templates for Applications for Issuance of Certificate of Authority to Register Amendments to Articles of Incorporation/Articles of Cooperation and By-Laws**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-066.pdf>

MEMORANDUM NO. M-2021-067
15 December 2021

To : **All Banks and Non-Banks Performing Quasi Banking**

Subject : **Registration of Email Addresses of Authorized Recipients of Demand Deposit—Statement of Account Relative to the Submission of Bank Reconciliation Statement**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-067.pdf>

MEMORANDUM NO. M-2021-068
20 December 2021

To : **All Banks**

Subject : **Authority of the Insurance Commissioner to Appoint a Conservator, Receiver or Liquidator of Insurance Companies**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-068.pdf>

MEMORANDUM NO. M-2021-069
22 December 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Compliance with the BSP Financial Consumer Protection Framework**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-069.pdf>

MEMORANDUM NO. M-2021-070
22 December 2021

To : **All Universal/Commercial Banks and their Thrift Bank/Non-Bank Financial Institution with Quasi-Banking Functions/Trust Corporation Subsidiaries, and Digital Banks**

Subject : **Guidelines on the Submission of the Comprehensive Credit and Equity Exposures Report**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-070.pdf>

MEMORANDUM NO. M-2021-071
28 December 2021

To : **All Direct Clearing Participants of InstaPay and PESONet Automated Clearing House**

Subject : **Moratorium on the Increase in Transfer Fee for InstaPay and PESONet Transactions**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-071.pdf>

MEMORANDUM NO. M-2021-072
17 November 2021

To : **All Concerned Banks**

Subject : **Extension of Temporary Measures Implemented in the Bangko Sentral ng Pilipinas' Rediscounting Facility**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-072.pdf>

MEMORANDUM NO. M-2021-073
30 December 2021

To : **All Participants in the PESO Real-time Gross Settlement Payment System**

Subject : **Re-extension of the Waiver of Fees on Fund Transfers through the PhilPaSS^{plus}**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-073.pdf>

MEMORANDUM NO. M-2021-074
31 December 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Possible Proliferation of Digital Vote-Buying/Vote-Selling Schemes**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-074.pdf>

MEMORANDUM NO. M-2021-075
31 December 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Advisory on the Proper Application of the Risk-Based Approach on Filipinos Following the Inclusion of the Philippines in the Financial Action Task Force List of Jurisdictions under Increased Monitoring or Grey List**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/M-2021-075.pdf>



Circular Letters

**CIRCULAR LETTER NO. CL-2021-001
6 January 2021**

To : **All Banks and Non-Bank Financial Institutions**

Subject : **Meycauayan Second Rural Bank, Inc.—Voluntary Surrender of Banking License**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-001.pdf>

**CIRCULAR LETTER NO. CL-2021-002
8 January 2021**

To : **All BSP-Supervised Financial Institutions**

Subject : **Consolidation of the Katipunan Bank Inc. “A Rural Bank” and Rural Bank of Siocon (Zamboanga del Norte), Inc. into a new rural bank to be known as Katipunan Banking Corporation “A Rural Bank”**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-002.pdf>

**CIRCULAR LETTER NO. CL-2021-003
8 January 2021**

To : **All Banks**

Subject : **Publication/Posting of Balance Sheet and Consolidated Balance Sheet**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-003.pdf>

**CIRCULAR LETTER NO. CL-2021-004
8 January 2021**

To : **All Trust Corporations**

Subject : **Publication/Posting of Balance Sheet**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-004.pdf>

**CIRCULAR LETTER NO. CL-2021-005
8 January 2021**

To : **All Non-Bank Financial Institutions with Quasi-Banking Functions And/Or Trust Authority**

Subject : **Publication/Posting of Statement of Condition and/or Consolidated Statement of Condition**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-005.pdf>

**CIRCULAR LETTER NO. CL-2021-006
12 January 2021**

To : **All Applicants for the Establishment of New Banks**

Subject : **Clarification on the Guidelines on the Establishment of New Banks**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-006.pdf>

**CIRCULAR LETTER NO. CL-2021-007
13 January 2021**

To : **All BSP-Supervised Financial Institutions (BSFIs)**

Subject : **Anti-Money Laundering Council Resolution Nos. TF-33 and TF-34, Series of 2020**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-007.pdf>

**CIRCULAR LETTER NO. CL-2021-008
14 January 2021**

To : **All BSP Supervised Financial Institutions Operating as Credit Card Issuers**

Subject : **Reminder on Strict Compliance with the Prevailing Regulations on Credit Cards and Financial Consumer Protection, and the Implementing Rules and Regulations of Section 4 (aa) of Republic Act No. 11649 or The Bayanihan to Heal as One Act and Section 4 (uu) of Republic Act No. 11494 or The Bayanihan to Recover as One Act**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-008.pdf>

CIRCULAR LETTER NO. CL-2021-009
14 January 2021

To : **All Bank and Non-Bank Financial Institutions**

Subject : **Bank of China Limited—Manila Branch—Change of Corporate Name**

PDF Link : [https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-009\(corrected%20copy\).pdf](https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-009(corrected%20copy).pdf)

CIRCULAR LETTER NO. CL-2021-010
8 January 2021

To : **All Banks**

Subject : **Approved Applications for New Banking Offices and Opened Banking Offices During the 2nd Quarter of 2020**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-010.pdf>

CIRCULAR LETTER NO. CL-2021-011
1 February 2021

To : **All Authorized Agent Banks (AABs) and Subsidiary/Affiliate Foreign Exchange Corporations of AABs**

Subject : **Lost Bangko Sentral Registration Document**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-011.pdf>

CIRCULAR LETTER NO. CL-2021-012
6 February 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Advisory on Illegal Online Gambling**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-012.pdf>

CIRCULAR LETTER NO. CL-2021-013
10 February 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Anti-Money Laundering Council Regulatory Issuances on the Amendments to Certain Provisions of the 2018 Implementing Rules and Regulations of the AMLA, as amended, Targeted Financial Sanctions (Related to Proliferation of Weapons of Mass Destructions and Proliferation Financing), and Amendments to Certain Provisions of ARI No. 4, Series of 2020**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-013.pdf>

CIRCULAR LETTER NO. CL-2021-014
15 February 2021

To : **All Authorized Agent Banks (AABs) and Subsidiary/Affiliate Foreign Exchange Corporations of AABs**

Subject : **Lost Bangko Sentral Registration Document (BSRD)**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-014.pdf>

CIRCULAR LETTER NO. CL-2021-015
17 February 2021

To : **All Banks**

Subject : **Bankers Institute of the Philippines, Inc. (BAIPHIL) Training and Development Week**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-015.pdf>

CIRCULAR LETTER NO. CL-2021-016
29 February 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Merger of Producers Savings Bank Corporation and Bangko Carrascal, Inc. (A Rural Bank)**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-016.pdf>

CIRCULAR LETTER NO. CL-2021-017
9 February 2021

To : **All Banks**

Subject : **Updated List of Accredited Rural Financial Institutions for the Purpose of Implementing the Agri-Agra Reform Credit Act of 2009 (RA 10000)**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-017.pdf>

CIRCULAR LETTER NO. CL-2021-018
1 March 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Anti-Money Laundering Council (AMLC) Resolution No. TF-35, Series of 2021**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-018.pdf>

CIRCULAR LETTER NO. CL-2021-019
4 March 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Merger of Producers Savings Bank Corporation and Bangko Carrascal, Inc. (A Rural Bank)**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-019.pdf>

CIRCULAR LETTER NO. CL-2021-020
9 March 2021

To : **All Banks and Non-Bank Financial Institutions with Trust Functions**

Subject : **Celebration of Trust Consciousness Week**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-020.pdf>

CIRCULAR LETTER NO. CL-2021-021
11 March 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Financial Action Task Force Publications on High-Risk and
and Other Monitored Jurisdictions—February 2021**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-021.pdf>

CIRCULAR LETTER NO. CL-2021-022
9 March 2021

To : **All Banks**

Subject : **Lost Bangko Sentral Registration Document**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-022.pdf>

CIRCULAR LETTER NO. CL-2021-023
9 March 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Anti-Money Laundering Council 2021 Sanctions Guidelines**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-023.pdf>

CIRCULAR LETTER NO. CL-2021-024
9 March 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **PNB Savings Bank-Integration with Philippine National Bank
and Conversion into a Holding Company under the name,
“Allied Integrated Holdings, Inc.”**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-024.pdf>

**CIRCULAR LETTER NO. CL-2021-025
25 March 2021**

To : **All Banks and Non-Bank Financial Institutions**

Subject : **MB Resolution No. 338.A dated 25 March 2021 Prohibition of the Occidental Mindoro Rural Bank, Inc. From Doing Business in the Philippines**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-025.pdf>

**CIRCULAR LETTER NO. CL-2021-026
30 March 2021**

To : **All BSP-Supervised Financial Institutions**

Subject : **Merger of Producers Savings Bank Corporation, Rural Bank of San Quintin, Inc. and Peoples Bank of Caraga, Inc. (A Rural Bank)**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-026.pdf>

**CIRCULAR LETTER NO. CL-2021-027
5 April 2021**

To : **All Banks and Non-Bank Financial Institutions**

Subject : **First Metro Investment Corporation–Voluntary Surrender of Quasi-Banking License**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-027.pdf>

**CIRCULAR LETTER NO. CL-2021-028
14 April 2021**

To : **All BSP-Supervised Financial Institutions**

Subject : **Primer on Anti-Money Laundering Council Resolutions No. TF-33 and TF-34, Series of 2020**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-028.pdf>

CIRCULAR LETTER NO. CL-2021-029
14 April 2021

To : **All Banks**

Subject : **Publication/Posting of Balance Sheet and Consolidated Balance Sheet**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-029.pdf>

CIRCULAR LETTER NO. CL-2021-030
14 April 2021

To : **All Trust Corporations**

Subject : **Publication/Posting of Balance Sheet**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-030.pdf>

CIRCULAR LETTER NO. CL-2021-031
14 April 2021

To : **All Non-Bank Financial Institutions with Quasi-Banking Functions and/or Trust Authority**

Subject : **Publication/Posting of Statement of Condition and/or Consolidated Statement of Condition**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-031.pdf>

CIRCULAR LETTER NO. CL-2021-032
16 April 2021

To : **All Authorized Agent Banks (AABs) and Subsidiary/Affiliate Foreign Exchange Corporations of AABs**

Subject : **Lost Bangko Sentral Registration Document**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-032.pdf>

CIRCULAR LETTER NO. CL-2021-033
16 April 2021

To : **All Banks and BSP-Supervised Financial Institutions**

Subject : **Cessation of Operations of Korea Development Bank—
Representative Office**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-033.pdf>

CIRCULAR LETTER NO. CL-2021-034
22 April 2021

To : **All Banks and Non-Bank Financial Institutions**

Subject : **MB Resolution No. 482.A dated 22 April 2021 Prohibition of the
Palm Tree Bank, Inc. (A Rural Bank) From Doing Business in
the Philippines**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-034.pdf>

CIRCULAR LETTER NO. CL-2021-035
23 April 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Purchase of All Assets and Assumption of All Liabilities,
Excluding Deposit for Stock Subscription, of Rural Bank of
Pototan (Iloilo), Inc. (PTOTN) by First Imperial Business Bank,
Inc. (A Rural Bank), and Revocation of Banking License of
PTOTN**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-035.pdf>

CIRCULAR LETTER NO. CL-2021-036
23 April 2021

To : **All Banking Institutions**

Subject : **Credit Consciousness Week 2021**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-036.pdf>

CIRCULAR LETTER NO. CL-2021-037
10 May 2021

To : **All BSP-Supervised Financial Institutions**
Subject : **Advisory on Electronic Sabong**
PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-037.pdf>

CIRCULAR LETTER NO. CL-2021-038
12 May 2021

To : **All Banks**
Subject : **Approved Applications for New Banking Offices and Opened Banking Offices During the 4th Quarter of 2020**
PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-038.pdf>

CIRCULAR LETTER NO. CL-2021-039
6 May 2021

To : **All Banks and Non-Bank Financial Institutions**
Subject : **MB Resolution No. 539.A dated 06 May 2021 Prohibition of the Rural Bank of Alimodian (Iloilo), Inc. From Doing Business in the Philippines**
PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-039.pdf>

CIRCULAR LETTER NO. CL-2021-040
17 May 2021

To : **All BSP-Supervised Financial Institutions**
Subject : **Merger of Producers Savings Bank Corporation and PBCOM Rural Bank, Inc.**
PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-040.pdf>

CIRCULAR LETTER NO. CL-2021-041
20 April 2021

To : **All Banks and BSP-Supervised Financial Institutions**

Subject : **Anti-Money Laundering Council Resolutions No. TF-39 and TF-40, Series of 2021**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-041.pdf>

CIRCULAR LETTER NO. CL-2021-042
24 May 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Inter-Asia Development Bank—Change of Corporate Name to LOLC Bank Philippines Inc. (A Thrift Bank)**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-042.pdf>

CIRCULAR LETTER NO. CL-2021-043
21 May 2021

To : **All Banks and BSP-Supervised Financial Institutions**

Subject : **Malayan Bank Savings and Mortgage Bank, Inc.—Change of Corporate Name to Malayan Savings Bank Inc.**

PDF Link : **(Updated copy)**
[https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-043\(corrected%20copy\).pdf](https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-043(corrected%20copy).pdf)

CIRCULAR LETTER NO. CL-2021-044
1 June 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Anti-Money Laundering Council 2021 Suspicious Transaction Report Quality Review**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-044.pdf>

CIRCULAR LETTER NO. CL-2021-045
10 June 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Cessation of Operations of Wells Fargo Bank, N.A.—Manila Representative Office**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-045.pdf>

CIRCULAR LETTER NO. CL-2021-046
15 June 2021

To : **All Banks and Non-Bank Financial Institutions**

Subject : **Voluntary Surrender of License to Operate as a Non-Stock Savings and Loan Association of Shell Refinery Employees Savings and Loan Association, Inc.**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-046.pdf>

CIRCULAR LETTER NO. CL-2021-047
11 June 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Cancellation of Certificate of Registration of Nashima Money Changer**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-047.pdf>

CIRCULAR LETTER NO. CL-2021-048
17 June 2021

To : **All Banking Institutions**

Subject : **Savings Consciousness Week 2021**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-048.pdf>

CIRCULAR LETTER NO. CL-2021-049
24 June 2021

To : **All Banks and Non-Bank Financial Institutions**

Subject : **MB Resolution No. 783.A dated 24 June 2021 Prohibition of the Rural Bank of Caloocan, Inc. From Doing Business in the Philippines**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-049.pdf>

CIRCULAR LETTER NO. CL-2021-050
30 June 2021

To : **All Banks**

Subject : **Approved Applications for New Banking Offices and Opened Banking Offices During the 1st Quarter of 2021**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-050.pdf>

CIRCULAR LETTER NO. CL-2021-051
5 July 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Merger of First Imperial Business Bank, Inc. (A Rural Bank) [FIBB] and Racso's Bank, Inc. (A Rural Bank), with FIBB as the Surviving Bank**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-051.pdf>

CIRCULAR LETTER NO. CL-2021-052
14 July 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Anti-Money Laundering Council Advisory on the Implementation of Freeze Orders**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-052.pdf>

CIRCULAR LETTER NO. CL-2021-053
15 July 2021

To : **All Banks**

Subject : **Publication/Posting of Balance Sheet and Consolidated Balance Sheet**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-053.pdf>

CIRCULAR LETTER NO. CL-2021-054
15 July 2021

To : **All Trust Corporations**

Subject : **Publication/Posting of Balance Sheet**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-054.pdf>

CIRCULAR LETTER NO. CL-2021-055
15 July 2021

To : **All Non-Bank Financial Institutions with Quasi-Banking Functions and/or Trust Authority**

Subject : **Publication/Posting of Statement of Condition and/or Consolidated Statement of Condition**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-055.pdf>

CIRCULAR LETTER NO. CL-2021-056
15 July 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Anti-Money Laundering Council (AMLC) Regulatory Issuance No. 4—2021 AMLC Registration and Reporting Guidelines**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-056.pdf>

CIRCULAR LETTER NO. CL-2021-057
15 July 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Conversion of Enterprise Bank, Inc. (A Thrift Bank) into a Rural Bank to be known as Enterprise Bank, Inc. (A Rural Bank)**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-057.pdf>

CIRCULAR LETTER NO. CL-2021-058
22 July 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Financial Action Task Force Publications on High-Risk and Other Monitored Jurisdictions—June 2021**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-058.pdf>

CIRCULAR LETTER NO. CL-2021-059
23 July 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Anti-Money Laundering Council Resolution Nos. TF-41 and TF-42, Series of 2021**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-059.pdf>

CIRCULAR LETTER NO. CL-2021-060
27 July 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Monetary Board Directives to Lyka/Things I Like Company, Ltd. and Digital Spring Marketing and Advertising, Inc.**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-060.pdf>

CIRCULAR LETTER NO. CL-2021-061
30 July 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Anti-Money Laundering Council Regulatory Issuance No. 5 Series of 2021—Guidance for De-Listing and Unfreezing Procedures**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-061.pdf>

CIRCULAR LETTER NO. CL-2021-062
5 August 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Consolidation of Community Rural Bank of Catmon (Cebu), Inc., Rural Bank of Oslob (Cebu), Inc., Rural Bank of Mandaue, Inc. and Rural Bank of Sta. Catalina, Negros Oriental, Inc. to be known as First Philippine Partners Bank, Inc. (A Rural Bank)**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-062.pdf>

CIRCULAR LETTER NO. CL-2021-063
9 August 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Anti-Money Laundering Council Reminder for Digitization of Customer Records Compliance Deadline**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-063.pdf>

CIRCULAR LETTER NO. CL-2021-064
13 August 2021

To : **All Authorized Agent Banks (AABs) and Subsidiary/Affiliate Foreign Exchange Corporations of AABs**

Subject : **Lost Bangko Sentral Registration Document**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-064.pdf>

CIRCULAR LETTER NO. CL-2021-065
13 August 2021

To : **All BSP-Supervised Financial InstitutionsParticipants' of Payments Systems in the Philippines**

Subject : **Notification to Public of the Designation of the Bangko Sentral's Philippine Peso Real-Time Gross Settlement Payment System as a Systemically Important Payment System**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-065.pdf>

CIRCULAR LETTER NO. CL-2021-066
17 August 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Merger of Malarayat Rural Bank, Inc. (MLRYT) and Rural Bank of Talisay (Batangas), Inc., with MLRYT as the Surviving Bank**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-066.pdf>

CIRCULAR LETTER NO. CL-2021-067
20 August 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Effectivity Dates of the 2021 AMLC Registration and Reporting Guidelines**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-067.pdf>

CIRCULAR LETTER NO. CL-2021-068
26 August 2021

To : **All Banks and Non-Bank Financial Institutions**

Subject : **MB Resolution No. 1110.A dated 26 August 2021 Prohibition of the Rural Bank of Datu Paglas, Inc. From Doing Business in the Philippines**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-068.pdf>

CIRCULAR LETTER NO. CL-2021-069
14 September 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Anti-Money Laundering Council Advisory on Disclosing Beneficial Ownership Information in Suspicious Transaction Reports**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-069.pdf>

CIRCULAR LETTER NO. CL-2021-070
23 September 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **MB Resolution No. 1253.B dated 23 September 2021 Prohibition of the Grand Agri Rural Bank, Inc. From Doing Business in the Philippines**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-070.pdf>

CIRCULAR LETTER NO. CL-2021-071
27 September 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Manulife Asset Management and Trust Corporation— Change of Corporate Name to Manulife Investment Management and Trust Corporation**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-071.pdf>

CIRCULAR LETTER NO. CL-2021-072
5 October 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Anti-Money Laundering Council Regulatory Issuance No. 6, Series of 2021—Final Extension of the Deadline for Compliance with the Guidelines on Digitization of Customer Records**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-072.pdf>

CIRCULAR LETTER NO. CL-2021-073
11 October 2021

To : **All Trust Corporations**

Subject : **Publication/Posting of Balance Sheet**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-073.pdf>

CIRCULAR LETTER NO. CL-2021-074
11 October 2021

To : **All Non-Bank Financial Institutions with Quasi-Banking Functions and/or Trust Authority**

Subject : **Publication/Posting of Statement of Condition and/or Consolidated Statement of Condition**

PDF Link : **(Updated copy)**
[https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021074\(Corrected%20Copy\).pdf](https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021074(Corrected%20Copy).pdf)

CIRCULAR LETTER NO. CL-2021-075
11 October 2021

To : **All Banks**

Subject : **Publication/Posting of Balance Sheet and Consolidated Balance Sheet**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-075.pdf>

CIRCULAR LETTER NO. CL-2021-076
12 October 2021

To : **All Authorized Agent Banks (AABs) and Subsidiary/Affiliate Foreign Exchange Corporations of AABs**

Subject : **Lost Bangko Sentral Registration Document**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-076.pdf>

CIRCULAR LETTER NO. CL-2021-077
12 October 2021

To : **All Banks and Non-Bank Financial Institutions**

Subject : **Revocation of License to Operate as an NSSLA of Eulogio “Amang” Rodriguez Institute of Science and Technology Savings and Loan Association, Inc.**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-077.pdf>

CIRCULAR LETTER NO. CL-2021-078
15 October 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Anti-Money Laundering Council’s “Analysis of Suspicious Transaction Reports with Possible Links to Tax Crimes” and “Real Estate Sector: A Money Laundering/Terrorism Financing/Proliferation Financing Assessment”**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-078.pdf>

CIRCULAR LETTER NO. CL-2021-079
15 October 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Anti-Money Laundering Council Advisory on the List of Uncooperative Covered Persons under the Anti-Money Laundering Act of 2001, as amended**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-079.pdf>

CIRCULAR LETTER NO. CL-2021-080
18 October 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Coverage of Anti-Money Laundering Council Regulatory Issuance A, B, and C, No. 2, Series of 2018, also known as the Guidelines on Digitization of Customer Records**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-080.pdf>

**CIRCULAR LETTER NO. CL-2021-081
21 October 2021**

To : **All Banks and Non-Bank Financial Institutions**

Subject : **MB Resolution No. 1415.A dated 21 October 2021 Prohibition of the Rural Bank of Santa Fe (Romblon) Inc. From Doing Business in the Philippines**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-081.pdf>

**CIRCULAR LETTER NO. CL-2021-082
28 October 2021**

To : **All Banks and Non-Bank Financial Institutions**

Subject : **MB Resolution No. 1455.A dated 28 October 2021 Prohibition of the Kaluyagan Rural Bank, Inc. From Doing Business in the Philippines**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-082.pdf>

**CIRCULAR LETTER NO. CL-2021-083
2 November 2021**

To : **All BSP-Supervised Financial Institutions**

Subject : **Anti-Money Laundering Council Guidelines on the Submission of the Quarterly Digitization of Customer Records Status Report of Compliance**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-083.pdf>

**CIRCULAR LETTER NO. CL-2021-084
4 November 2021**

To : **All Banks and Non-Bank Financial Institutions**

Subject : **MB Resolution No. 1492.A dated 04 November 2021 Prohibition of the United Peoples Rural Bank, Inc. From Doing Business in the Philippines**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-084.pdf>

**CIRCULAR LETTER NO. CL-2021-085
4 November 2021**

To : **All BSP-Supervised Financial Institutions**

Subject : **Cancellation of Certificate of Registration of P.J. Money Exchange Inc.**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-085.pdf>

**CIRCULAR LETTER NO. CL-2021-086
10 November 2021**

To : **All BSP-Supervised Financial Institutions**

Subject : **Rural Bank of Abucay (Bataan), Inc.—Change of Corporate Name**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-086.pdf>

**CIRCULAR LETTER NO. CL-2021-087
10 November 2021**

To : **All Banks**

Subject : **Approved Applications for New Banking Offices and Opened Banking Offices During the 2nd Quarter of 2021**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-087.pdf>

**CIRCULAR LETTER NO. CL-2021-088
10 November 2021**

To : **All BSP-Supervised Financial Institutions**

Subject : **Disqualification from Registration with the Bangko Sentral ng Pilipinas (BSP) of Money Service Businesses Operation Without Prior BSP Registration**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-088.pdf>

CIRCULAR LETTER NO. CL-2021-089
11 November 2021

To : **All Banks and Non-Bank Financial Institutions**

Subject : **MB Resolution No. 1518.A dated 11 November 2021 Prohibition of the Rural Bank of Karomatan (Lanao del Norte, Inc., From Doing Business in the Philippines**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-089.pdf>

CIRCULAR LETTER NO. CL-2021-090
18 November 2021

To : **All BSP-Supervised Financial Institutions and Relevant Stakeholders**

Subject : **Open Finance Oversight Committee Transition Group**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-090.pdf>

CIRCULAR LETTER NO. CL-2021-091
18 November 2021

To : **All Authorized Agent Banks (AABs) and Subsidiary/Affiliate Foreign Exchange Corporations of AABs**

Subject : **Lost Bangko Sentral Registration Documents**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-091.pdf>

CIRCULAR LETTER NO. CL-2021-092
19 November 2021

To : **All Banks and Non-Bank Financial Institutions/Non-Stock Savings and Loan Associations (NSSLAs)**

Subject : **Revocation of License to Operate as an NSSLA of Muntinlupa Employees' Savings and Loan Association, Inc.**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-092.pdf>

**CIRCULAR LETTER NO. CL-2021-093
25 November 2021**

To : **All BSP-Supervised Financial Institutions**

Subject : **Anti-Money Laundering Council Resolution No. 225—United States Department of the Treasury Final Rule Repealing the Regulations Concerning Special Measures against Banco Delta Asia**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-093.pdf>

**CIRCULAR LETTER NO. CL-2021-094
25 November 2021**

To : **All Banks and Non-Bank Financial Institutions**

Subject : **MB Resolution No. 1587.C dated 25 November 2021 Prohibition of the Masantol Rural Bank, Inc., From Doing Business in the Philippines**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-094.pdf>

**CIRCULAR LETTER NO. CL-2021-095
25 November 2021**

To : **All Banks and Non-Bank Financial Institutions**

Subject : **MB Resolution No. 1588.A dated 25 November 2021 Prohibition of the Rural Bank of Nabunturan (Compostela Valley), Inc. From Doing Business in the Philippines**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-095.pdf>

**CIRCULAR LETTER NO. CL-2021-096
29 November 2021**

To : **All BSP-Supervised Financial Institutions**

Subject : **Merger of GM Bank of Luzon, Inc. (A Rural Bank) and Rural Bank of Limay (Bataan), Inc.**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-096.pdf>

CIRCULAR LETTER NO. CL-2021-097
2 December 2021

To : **All Banks and Non-Bank Financial Institutions**

Subject : **MB Resolution No. 1635.B dated 02 December 2021 Prohibition of the Opportunity Kauswagan Bank, Inc. (A Microfinance Rural Bank) Operating Under the Business Name/Style of OK Bank (A Microfinance Rural Bank), From Doing Business in the Philippines**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-097.pdf>

CIRCULAR LETTER NO. CL-2021-098
7 December 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Anti-Money Laundering Council Advisory dated 16 November 2021 on the List of Uncooperative Covered Persons under the Anti-Money Laundering Act of 2001, as amended**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-098.pdf>

CIRCULAR LETTER NO. CL-2021-099
7 December 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Consolidation of RNG Coastal Bank, Inc. (A Rural Bank) and Banco Maximo, Inc. (A Rural Bank) to be known as Banco Maximo-RNG Coastal Corporation doing business under the name/s and style/s of RNG Bank**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-099.pdf>

CIRCULAR LETTER NO. CL-2021-100
15 December 2021

To : **All BSP-Supervised Financial Institutions**

Subject : **Anti-Money Laundering Council's Warning Against Providing Financial and Material Support to CPP-NPA-NDF**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-100.pdf>

**CIRCULAR LETTER NO. CL-2021-101
7 December 2021**

To : **All Banking Institutions**
Subject : **National Banking Week 2022**
PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-101.pdf>

**CIRCULAR LETTER NO. CL-2021-102
29 December 2021**

To : **All BSP-Supervised Financial Institutions**
Subject : **Anti-Money Laundering Council (AMLC) Regulatory Issuance No. 7, Series of 2021—Assessments on Late Submission of Action Plans and/or Updates on Actions Taken on AMLC Directives**
PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-102.pdf>

**CIRCULAR LETTER NO. CL-2021-103
29 December 2021**

To : **All BSP-Supervised Financial Institutions**
Subject : **Anti-Money Laundering Council (AMLC) Regulatory Issuance No. 8—Guidelines on the Preservation, Management, and Disposal of Assets Subject of a Freeze Order, Asset Preservation Order, and Judgment of Forfeiture**
PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-103.pdf>

**CIRCULAR LETTER NO. CL-2021-104
29 December 2021**

To : **All Authorized Agent Banks (AABs) and Subsidiary/Affiliate Foreign Exchange Corporations of AABs**
Subject : **Lost Bangko Sentral Registration Document (BSRD)**
PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-104.pdf>

**CIRCULAR LETTER NO. CL-2021-105
29 December 2021**

To : **All BSP-Supervised Financial Institutions**

Subject : **Merger of Bank of the Philippine Islands and BPI Family Savings Bank, Inc.**

PDF Link : <https://www.bsp.gov.ph/Regulations/Issuances/2021/CL-2021-105.pdf>

