



# BANGKO SENTRAL NG PILIPINAS

## CIRCULAR NO. 1129 Series of 2021

### OFFICE OF GOVERNOR

**Subject: Amendments to Corporate Governance Guidelines for  
BSP-Supervised Financial Institutions**

The Monetary Board in its Resolution No. 1484 dated 28 October 2021, approved the amendments to the relevant provisions of the Manual of Regulations for Banks (MORB) and the Manual of Regulations for Non-Bank Financial Institutions (MORNBI) on the guidelines on corporate governance and compliance framework for BSP-Supervised Financial Institutions (BSFIs).

Section 1. Definition of Terms under Section 131 of the MORB is hereby amended to read as follows:

### **131 POLICY STATEMENT AND DEFINITION OF TERMS**

xxx

#### **Definition of terms. xxx**

a. *Affiliate* xxx

xxx

h. *Majority stockholder or majority shareholder* xxx

i. *NBFIs* shall refer to investment houses, finance companies, trust entities, insurance companies, securities dealers/brokers, credit card companies, non-stock savings and loan associations (NSSLAs), holding companies, investment companies, government NBFIs, asset management companies, insurance agencies/brokers, venture capital corporations, FX dealers, money changers, lending investors, pawnshops, fund managers, remittance agents and all other NBFIs without quasi-banking functions.

j. *Non-executive directors* xxx

k. *Officers* xxx

l. *Parent* xxx

m. *Quasi-banks (QBs)* shall refer to investment houses, finance companies, trust entities and all other NBFIs with quasi-banking functions.

n. *Related company* xxx

o. *Related interest* xxx

p. *Related parties* xxx

q. *Related party transactions* xxx

r. *Risk appetite statement* xxx

s. *Risk governance framework* xxx

t. *Risk limits* xxx

u. *Stockholder* xxx

v. *Substantial stockholder* shall refer to a person, or group of persons whether natural or juridical, owning such number of shares that will allow such person or group to elect at least one (1) member of the board of directors of a BSFI or who is directly or indirectly the registered or beneficial owner of more than ten percent (10%) of any class of its equity security. For cooperative banks (Coop Banks), substantial shareholders shall refer to primary cooperatives which have enough shares to elect a seat in the board, or those with at least ten percent (10%) ownership of the Coop Bank's equity.

w. *Subsidiary* xxx

Section 2. Composition of the board of directors and Qualifications of a director under Section 132 of the MORB are hereby amended to read, as follows:

### **132 BOARD OF DIRECTORS**

**Xxx**

#### ***Composition of the board of directors.***

a. Xxx

b. Xxx

c. Xxx

- d. Non-Filipino citizens may become members of the board of directors of a BSFI to the extent of the foreign participation in the equity of said BSFI.

***Qualifications of a director.***

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

- (1) He must be fit and proper for the position of a director. In determining whether a person is fit and proper for the position of a director, the following matters must be considered: integrity/probity, physical/mental fitness; relevant education/financial literacy/training; possession of competencies relevant to the job, such as knowledge and experience, skills, diligence and independence of mind; sufficiency of time to fully carry out responsibilities; and concurrent positions in the same BSFI and interlocking positions in other entities that may pose conflict of interest.

xxx

- (2) Xxx: *Provided*, That the following persons are exempted from complying with the aforementioned requirement:

- (a) Filipino citizens with recognized stature, influence and reputation in the banking community, including directors of publicly listed companies in the Philippines, and whose business practices stand as testimonies to good corporate governance. In this respect, the Bangko Sentral shall consider results of supervisory assessments in evaluating the eligibility of the candidate for the exemption;
- (b) Distinguished Filipino and foreign nationals who served as senior officials in central banks and/or financial regulatory agencies. For this purpose, senior officials in the Bangko Sentral shall refer to those who assumed Managing Director position or higher; or
- (c) Former Chief Justices and Associate Justices of the Philippine Supreme Court;

*Provided, further*, That this exemption shall not apply to the annual training requirements for the members.

***b. Independent and non-executive directors***

xxx

- (1) xxx

(2) An independent director of a BSFI may only serve as such for a maximum cumulative term of nine (9) years. *Provided*, That in the case of cooperative banks, the maximum cumulative term for independent directors shall be eight (8) years. After which, the independent director shall be perpetually barred from serving as independent director in the same BSFI, but may continue to serve as regular director. The maximum cumulative term for independent directors shall be reckoned from 2012.

c. *Members of the board of directors shall not be appointed as Corporate Secretary or Chief Compliance Officer.*

xxx

Section 3. Composition of the board of directors and Qualifications of a director under Section 132-Q of the MORNBF I are hereby amended to read, as follows:

#### **132-Q BOARD OF DIRECTORS**

*Xxx*

##### ***Composition of the board of directors.***

- a. Xxx
- b. Xxx
- c. Xxx
- d. Non-Filipino citizens may become members of the board of directors of a BSFI to the extent of the foreign participation in the equity of said BSFI.

##### ***Qualifications of a director.***

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

- (1) He must be fit and proper for the position of a director. In determining whether a person is fit and proper for the position of a director, the following matters must be considered: integrity/probity, physical/mental fitness; relevant education/financial literacy/training; possession of competencies relevant to the job, such as knowledge and experience, skills, diligence and independence of mind; sufficiency of time to fully carry out responsibilities; and concurrent positions in the

same BSFI and interlocking positions in other entities that may pose conflict of interest.

xxx

(2) Xxx: *Provided*, That the following persons are exempted from complying with the aforementioned requirement:

- (a) Filipino citizens with recognized stature, influence and reputation in the banking community, including directors of publicly listed companies in the Philippines, and whose business practices stand as testimonies to good corporate governance. In this respect, the Bangko Sentral shall consider results of supervisory assessments in evaluating the eligibility of the candidate for the exemption;
- (b) Distinguished Filipino and foreign nationals who served as senior officials in central banks and/or financial regulatory agencies. For this purpose, senior officials in the Bangko Sentral shall refer to those who assumed Managing Director position or higher; or
- (c) Former Chief Justices and Associate Justices of the Philippine Supreme Court:

*Provided, further*, That this exemption shall not apply to the annual training requirements for the members of the board of directors.

b. *Independent and non-executive directors*

xxx

c. *Members of the board of directors shall not be appointed as corporate secretary or chief compliance officer.*

Section 4. Chairperson of the board of directors, and Board of Directors meetings under Section 132 of the MORB and Section 132-Q of the MORNBF are hereby amended to read as follows:

#### **132/132-Q BOARD OF DIRECTORS**

xxx

##### ***Chairperson of the board of directors.***

a. *Roles of the Chairperson of the board of directors.* xxx

b. *Qualifications of the chairperson of the board of directors.*  
To promote checks and balances, as a general rule, the

Chairperson of the board of directors shall be a non-executive director or an independent director.

The positions of chairperson and CEO shall not be held by one (1) person. In exceptional cases where the position of chairperson of the board of directors and CEO is allowed to be held by one (1) person as approved by the Monetary Board, a lead independent director shall be appointed.

The Chairperson must not have served as CEO of the BSFI within the past three (3) years. In exceptional cases, former CEOs of BSFIs shall be allowed to immediately assume the position of chairperson of the board of directors, *Provided, That:*

- (1) This is consistent with the provisions of its succession plan; and
- (2) There are no major supervisory concerns in the quality of the BSFI's governance, risk management systems, and internal controls and compliance system, and the BSFI is not subject to escalated enforcement action.

For this purpose xxx

***Board of directors meeting. xxx.***

***a. Full board of directors meetings***

The meetings of the board of directors may be conducted through modern technologies such as, but not limited to teleconferencing and video conferencing as long as the director who is taking part in said meetings can actively participate in the deliberations on matters taken up therein: *Provided, That* every member of the board of directors shall participate in at least fifty percent (50%) and shall physically attend at least twenty-five percent (25%) of all meetings of the board of directors every year: *Provided, further, That* the absence of a director in more than fifty percent (50%) of all regular and special meetings of the board of directors during his/her incumbency is a ground for disqualification in the succeeding election: *Provided, furthermore, That* the twenty-five percent (25%) physical attendance requirement is lifted during periods of national emergencies, public health emergencies, and major disasters, among others, that affect mobility, activity, and access to BSFIs.

***b. Board-level committee meetings***

xxx

Section 5. Qualifications of an officer under Section 134 of the MORB and Section 135-Q of MORNBFI is hereby amended to read, as follows:

#### **OFFICERS**

***Qualifications of an officer.*** An officer must be fit and proper for the position he is being appointed to. In determining whether a person is fit and proper for a particular position, the following matters must be considered: integrity/probity, education/training, possession of competencies relevant to the function such as knowledge and experience, skills and diligence, and concurrent positions in the same BSFI and interlocking positions in other entities that may pose conflict of interest.

XXX

Section 6. The existing provisions on Interlocking Directorships and/or Officerships under Section 137 of the MORB and Section 136-Q of the MORNBFI are hereby amended in full and shall now read, as follows:

#### **137/136-Q CONFIRMATION OF THE ELECTION/APPOINTMENT OF DIRECTORS/OFFICERS; BIO-DATA OF DIRECTORS AND OFFICERS; INTERLOCKING DIRECTORSHIPS AND/OR OFFICERSHIPS; RULES OF PROCEDURES ON ADMINISTRATIVE CASES INVOLVING DIRECTORS AND OFFICERS OF BSFIS**

XXX

***Interlocking Directorships and/or Officerships.*** The Bangko Sentral recognizes that effective sharing of managerial and technical expertise across institutions promotes economies of scale and organizational synergies, as well as broadens perspectives in strategy formulation and risk management. In this regard, Bangko Sentral-supervised financial institutions (BSFIs) are expected to have an effective governance process in place to ensure that the benefits of having directors or officers with interlocking positions in other entities are optimized, that the concerned directors or officers devote sufficient time and attention necessary to effectively carry out their duties and responsibilities, and that excessive concentration of economic power, unfair competitive advantage, abusive practices, and conflict of interest situations are prevented.

- a. **Responsibilities of board of directors.** Consistent with the standards and principles set forth in the corporate governance guidelines for BSFIs under Sec. 132/132-Q, the board of directors of BSFIs shall:

- (1) Approve policy on having directors or officers with interlocking positions in other entities, which shall cover, among others, the following:
  - (a) Cases and the corresponding rationale when the BSFI shall allow/appoint directors or officers to have/with interlocking positions in other entities; the sectors or industries of the entities where the directors or officers may assume other positions; interlocking positions that may be held by directors or officers; and limit on the number of entities where the director or officer may hold interlocking positions.

*Provided, That the limit to be set shall be consistent with item "b" of Qualifications of a director under Sec. 132/132-Q;*
  - (b) Measures to avoid excessive concentration of economic power, unfair competitive advantage and abusive practices. The policy shall also include the measures in handling conflict of interest situations;
  - (c) Requirement to obtain approval from the board of directors or the appropriate authority designated in the BSFI prior to acceptance of interlocking directorship/officership positions in other entities;
  - (d) Requirement to obtain proof of disclosure to and consent from all the involved entities on interlocking officership positions held outside the banking group/conglomerate; and
  - (e) Courses of action in case conflict of interest arise or when the performance of the director or officer has been affected by the interlocking positions held.
- (2) Ensure effective governance process on the selection and appointment of directors and/or officers who are holding interlocking positions in other entities and in approving the acceptance of directors/officers of interlocking positions in other entities. The governance process shall cover continuous assessment of potential conflict of interest in the entities involved as well as the interlocking positions held.
- (3) Ensure that directors and/or officers holding interlocking positions in other entities effectively carry out their duties and responsibilities in the BSFI. It shall



be the responsibility of the board of directors to conduct a periodic performance evaluation of the concerned directors and officers measured against agreed upon standards for the position. The board of directors shall immediately take appropriate action should the results of performance evaluation reflect that the performance of the function in the BSFI has been adversely affected by the interlocking positions held by the director and/or officer.

- (4) Ensure that the control functions (i.e., risk management, compliance, and internal audit) cover the assessment of adherence to internal policies and regulatory expectations on interlocking positions held by the directors and/or officers. For the interlocking positions held by heads of control functions, the assessment shall be performed by the board of directors or board-level committee to whom they functionally report to.

b. **Factors to Consider on Interlocking Positions.** BSFIs shall observe the following rules for interlocking positions held by directors and/or officers:

- (1) *Interlocking directorships.* Interlocking directorships in BSFIs are allowed except in cases involving banks belonging to the same category. In this respect, interlocking directorships in banks belonging to the same category shall only be allowed if the banks: (i) are part of the same banking group; or (ii) have different business models and are serving different markets or clients.

For purposes of determining interlocking directorship, a director and his/her spouse, whether legitimate or common-law, shall be considered as one (1) and the same person.

- (2) *Interlocking directorships and officerships.* Interlocking directorships and officerships are allowed provided that the positions do not pose conflict of interests. For this purpose, the appointment should be consistent with the policy adopted by the BSFI.
- (3) *Interlocking officerships.* As a general rule, interlocking officerships shall not be allowed except:
  - (a) Held in the same capacity within a banking group as (i) corporate secretary, (ii) security officer, (iii) Chief Risk Officer, Chief Compliance Officer, Head of Internal Audit, or (iv) other positions performing similar functions as those in (i) to (iii)

hereof; *Provided*, That: The assumption of interlocking officerships is consistent with the enterprise risk management approach of the BSFI and the banking group where the concerned entities belong.

(b) As corporate secretary or assistant corporate secretary between/among entities, which are not part of the same banking group/conglomerate; *Provided* that:

1. Proof of disclosure to and consent from all of the involved entities on the interlocking officerships are obtained; and
2. The positions do not pose conflict of interest and that the officer holding interlocking positions will still be able to devote sufficient time and attention to effectively carry out his/her duties and responsibilities.

(4) Consistent with Section 6 of Presidential Decree No. 129, as amended by Batas Pambansa Blg. 66, entitled "Governing the Establishment, Operation and Regulation of Investment Houses," the Bangko Sentral hereby allows interlocking directorship and officership between a bank and an investment house subject to the requirements of this Section and other applicable laws and regulations: *Provided, however*, That interlocking officerships between a bank and an investment house may only be allowed where the majority or all of the equity of the investment house is owned by the bank.

c. **Approval of interlocking positions.** The board of directors or the appropriate authority designated in the BSFI shall approve the interlocking positions held by directors and officers of a BSFI. The documents supporting the approval shall reflect the assessment done by the approving authority consistent with the policy adopted in the BSFI and the expectations in this Section.

d. **Transitory Provisions.** BSFIs shall reassess existing interlocking positions held by directors and officers, including those previously approved by the Bangko Sentral, considering the principles set out in this Section and the internal policy adopted. BSFIs shall address issues noted in the assessment of interlocking positions in the election of directors and appointment of officers to fully comply with the provisions of this Section by 30 June 2022.

- e. **Reports.** BSFIs shall submit an annual report of all interlocking positions of its directors and officers within twenty (20) banking days from the end of each reference year starting 31 December 2021.

BSFIs shall keep a complete record of all interlocking positions of its directors and officers, and documentation of the assessments conducted by the board of directors or appropriate authority designated in the BSFI on existing and new interlocking positions, and shall maintain a system of updating said records which shall be made available during examination by the Bangko Sentral or when required for submission for verification.

- f. **Enforcement Actions.** The Bangko Sentral shall deploy enforcement actions to promote adherence to the requirements set forth in this Section and bring about timely corrective actions. The Bangko Sentral shall issue directives or sanctions on the BSFI and responsible persons which may include restrictions or prohibitions from certain authorities/activities; and warning, reprimand, suspension, removal and disqualification of concerned BSFI directors, and officers. The Bangko Sentral shall disallow interlocking directorships and officerships or direct the BSFI to amend its internal policy on interlocking positions if the Bangko Sentral deems that the interlocking positions pose conflict of interest which give rise to excessive concentration of economic power, unfair competitive advantage, and abusive practices.
- g. **Secondment.** A BSFI may second or transfer its employee to another entity for temporary assignment: *Provided*, That it has a board-approved policy on secondment and that the transfer of the employee is approved by the appropriate authority of the BSFI: *Provided, further*, That the secondee or the transferred employee shall relinquish all his duties, responsibilities, and authorities in the BSFI, and shall receive remuneration and other incentives from the host entity. BSFIs shall submit a notice within ten (10) banking days from the approval of secondments of employees to the appropriate supervising department of the Bangko Sentral.
- h. **Representatives of government.** The provisions of this Section shall apply to representatives of the government or government-owned or controlled entities appointed as directors or officers in BSFIs, unless otherwise covered under existing laws.

Section 7. The existing provisions on Interlocking Directorships and/or Officerships under Sections 112-N and 120-T of the MORNBF1 are hereby amended in full by applying the provisions in Section 6.

Section 8. Responsibilities of the board of directors and senior management under Section 161 Compliance Framework of the MORB and Section 161-Q of the MORNBF1 are hereby amended to read, as follows:

#### **161/161-Q COMPLIANCE FRAMEWORK**

xxx

##### ***Responsibilities of the board of directors and senior management.* xxx**

The board of directors shall ensure that BSFI personnel and affiliated parties adhere to the pre-defined compliance standards. Senior management, through the CCO, xxx.

xxx

Section 9. Section 346 of the MORB on reportorial requirements is hereby amended to delete periodic submission of regulatory reports on financial assistance to officers and employees and shall now read, as follows:

#### **346 PROCEDURAL AND REPORTORIAL REQUIREMENTS**

xxx

***Reportorial requirements.*** Each bank shall maintain a record of loans, other credit accommodations and guarantees covered by these regulations in a manner and form that will facilitate verification of such transactions by Bangko Sentral examiners.

The appropriate supervising department of the Bangko Sentral may require banks to furnish such data or information as may be necessary for purposes of implementing the provisions of the foregoing rules.

Section 10. Section 135 of the MORB on loans, advances, and other credit accommodations to officers is hereby amended to include timeline for the submission of board-approved purpose on financial assistance to officers and employees and shall now read, as follows:

#### **135 REMUNERATION AND OTHER INCENTIVES**

xxx

*Profit sharing programs. xxx*

*Loans, advances, and other credit accommodations to officers.* xxx. BSFIs shall submit the board approved purposes for the grant of loans, advances, or any other forms of credit accommodations to officers for approval of the Bangko Sentral within twenty (20) banking days from approval thereof of the BSFI's board. The guidelines and contractual provisions implementing said defined purposes, and any subsequent changes thereto, shall on the other hand, be approved by the board of directors or a board-level committee.

*Transitory provision. xxx.*

- a. Funding by foreign banks. xxx
- b. Other conditions/limitations.  
xxx

BSFIs providing financial assistance to their officers/employees shall maintain a record of "availments of loans, advances, or any other forms of credit accommodations to officers and employees" and keep on file the board-approved purposes, guidelines, and contractual provisions of the loans, advances, and other credit accommodations to officers/employees. The appropriate supervising department of the Bangko Sentral may further require BSFIs to submit/make available such data or information as may be necessary to facilitate the review/verification of such transactions by the Bangko Sentral.

Xxx

Section 11. Section 374 of the MORB on *Investments in Venture Capital Corporation* is hereby amended to delete the provision on interlocking directorships and/or officerships.

Section 12. Appendix 101 of the MORB and Appendix Q-58 of the MORNBFI on *Required Certifications and Examples of Supporting Documents for the Confirmation of Election/Appointment of Directors/Officers of BSFIs* are hereby amended, as presented in Annexes A-1 and A-2, respectively.

Section 13. Appendix 7 of the MORB on Reports Required of Banks is hereby amended to delete the following reports on "Availments of Financial Assistance to Officers and Employees under Bangko Sentral Approved Plan":

Category	Form No.	MOR Ref.	Report Title
B	DCB I/II Form 6C, (BSP 7-16-20)		Availments of Financial Assistance to Officers and Employees Under an Approved Plan
A-3	TB Form 9 Page 2	Section 346	Availments of Financial Assistance to Officers and Employees under Bangko Sentral Approved Plan
B	RB/COB Form 13	Section 346	Report on Availment of Financial Assistance to Officers and Employees under an Approved Plan

**Section 14. Effectivity.** This Circular shall take effect fifteen (15) calendar days following its publication either in the Official Gazette or in a newspaper of general circulation.

FOR THE MONETARY BOARD:

  
**BENJAMIN E. DIOKNO**  
Governor

12 November 2021

## Appendix 101 of the Manual of Regulations for Banks

**Required Certifications and Examples of Supporting Documents for the Confirmation of Election/Appointment of Directors/Officers of Bangko Sentral ng Pilipinas Supervised Financial Institutions (BSFIs)<sup>1</sup>**  
(Appendix to Secs. 137, 161, and 412 (*Confirmation of Election/Appointment of Directors and Officers*))

**Requiring Bangko Sentral Confirmation<sup>2</sup>****Directors**

- Letter-request for Bangko Sentral confirmation signed by authorized officer<sup>5</sup> with an affirmative statement that the institution has conducted a fit and proper test on the director/s concerned
- Secretary's Certificate attesting to the resolution of the stockholders or board of directors approving the election
- Bio-data with a photograph (2" x 2") taken within the last six (6) months

**Chief Executive Officer and Other Officers enumerated in Sec. 137<sup>3</sup>**

- Letter-request for Bangko Sentral confirmation signed by authorized officer with an affirmative statement that the institution has conducted a fit and proper test on the officer/s concerned
- Secretary's Certificate attesting to the resolution of the board of directors approving the appointment<sup>6</sup>
- Bio-data with a photograph (2" x 2") taken within the last six (6) months

**Not Requiring Bangko Sentral Confirmation****Officers below the rank of Senior Vice President requiring a different set of minimum qualifications<sup>4</sup>**

- Bio-data with a photograph (2" x 2") taken within the last six (6) months

<sup>1</sup> To be submitted within twenty (20) business days from date of election/re-election/appointment/promotion to the appropriate supervising department of the Bangko Sentral.

<sup>2</sup> Including those exempted from the required Bangko Sentral confirmation as provided in Secs. 137 and 412.

<sup>3</sup> E.g., Treasurer, trust officer, heads of internal audit, risk management, and compliance functions, and other officers with rank of Senior Vice President and above

<sup>4</sup> E.g., Security Officer, Head/In-Charge of E/FCDU Operations, and Head/In-Charge of Import and Export Financing Operations (for TBs)

<sup>5</sup> Authorized signatory is the Chief Executive Officer (CEO) of the institution, except for appointment of CEO, in which case the authorized signatory shall be the Chairman of the Corporate Governance Committee or of the Board of Directors, as may be applicable. For those exempted from the required Bangko Sentral confirmation as provided in Sec. 137, submit statement that the institution has conducted a fit and proper test on the director/officer concerned.

<sup>6</sup> In case of foreign bank branches, consularized letter of appointment of the officer concerned from the Head Office and/or Regional Office

**Appendix 101 of the Manual of Regulations for Banks**

- Certification under oath of the director concerned that he/she possesses all the qualifications and none of the disqualifications to become a director
- For directors who are holding interlocking positions in government/government owned and/or -controlled corporations (GOCC), written permission from the head of the Department/GOCC, allowing him/her to become a director of the BSFI
- For first-time directors in a particular bank/banking group as defined in Sec. 137
- a. Certification under oath of compliance with the Bangko Sentral-prescribed syllabus on corporate governance seminar
- b. Certification under oath that the director has received copies of the duties and responsibilities of the board of directors and of a director and that he/she fully understands and accepts the same
- Certification under oath of the officer concerned that he/she possesses all the qualifications and none of the disqualifications to become an officer
- For first-time officers to be subject to Bangko Sentral confirmation in a particular bank with trust authority/trust corporation/banking group as defined in Sec. 137
- Duly accomplished and notarized authorization form for querying the records of the Bangko Sentral, including the Watchlist Files of the Bangko Sentral, from the officer concerned.



**Appendix 101 of the Manual of Regulations for Banks**

c. Duly accomplished and notarized authorization form for querying the records of the Bangko Sentral, including the Watchlist Files of the Bangko Sentral; from the director concerned.

- For independent directors, certification under oath that he/she is an independent director as defined in BSP regulations
- Brief description of his/her duties and responsibilities
- Brief description of his/her duties and responsibilities
- For re-elected directors, Secretary's Certificate on the attendance by the director concerned to the board meetings held for the last twelve (12) months covering the term of service, indicating percentage of attendance to board meetings
- Alien Employment Permit issued by the Department of Labor and Employment for foreigners appointed as officers

**Required Certifications and Examples of Supporting Documents for the Confirmation of Election/Appointment of Directors/Officers of Bangko Sentral ng Pilipinas Supervised Financial Institutions (BSFIs)<sup>1</sup>**

**(Appendix to Secs. 136-Q (*Confirmation of election/appointment of directors/officers*), 161-Q (*Chief Compliance Officer*), and 412-Q (*Confirmation of the appointment/designation of trust officer and independent professional*))**

Requiring Bangko Sentral Confirmation <sup>2</sup>		Not Requiring Bangko Sentral Confirmation
Directors	Chief Executive Officer and Other Officers enumerated in Sec. 136-Q (Confirmation of election/appointment of directors/officers) <sup>3</sup>	Officers below the rank of Senior Vice President requiring a different set of minimum qualifications <sup>4</sup>
Letter-request for Bangko Sentral confirmation signed by authorized officer <sup>5</sup> with an affirmative statement that the institution has conducted a fit and proper test on the director/s concerned	Letter-request for Bangko Sentral confirmation signed by authorized officer with an affirmative statement that the institution has conducted a fit and proper test on the officer/s concerned <sup>1</sup>	
Secretary's Certificate attesting to the resolution of the stockholders or board of directors approving the election	Secretary's Certificate attesting to the resolution of the board of directors approving the appointment	
Bio-data with a photograph (2" x 2") taken within the last six (6) months	Bio-data with a photograph (2" x 2") taken within the last six (6) months	Bio-data with a photograph (2" x 2") taken within the last six (6) months
Certification under oath of the director concerned that he/she possesses all the qualifications and none of the disqualifications to become a director	Certification under oath of the director concerned that he/she possesses all the qualifications and none of the disqualifications to become an officer	

<sup>1</sup> To be submitted within twenty (20) business days from date of election/re-election/appointment/promotion to the appropriate supervising department of the Bangko Sentral.

<sup>2</sup> Including those exempted from the required Bangko Sentral confirmation as provided in Secs. 136-Q (*Confirmation of election/appointment of directors/officers*) and 412-Q (*Confirmation of the appointment/designation of trust officer and independent professional*).

<sup>3</sup> E.g., Treasurer, trust officer, heads of internal audit, risk management, and compliance functions; and other officers with rank of Senior Vice President and above

<sup>4</sup> E.g., Security Officer, Head/In-Charge of E/FCU Operations, and Head/In-Charge of Import and Export Financing Operations (for TBs)

<sup>5</sup> Authorized signatory is the CEO of the institution, except for appointment of CEO, in which case the authorized signatory shall be the Chairman of the Corporate Governance Committee or of the Board of Directors, as may be applicable. For those exempted from the required Bangko Sentral confirmation as provided in Sec. 136-Q (*Confirmation of election/appointment of directors/officers*), submit statement that the institution has conducted a fit and proper test on the director/officer concerned.

Requiring Bangko Sentral Confirmation <sup>6</sup>		Not Requiring Bangko Sentral Confirmation
Directors	Chief Executive Officer and Other Officers enumerated in Sec. 136-Q (Confirmation of election/appointment of directors/officers) <sup>7</sup>	Officers below the rank of Senior Vice President requiring a different set of minimum qualifications <sup>8</sup>
For directors who are holding interlocking positions in government/government owned and/or -controlled corporations (GOCC), written permission from the head of the Department/GOCC, allowing him/her to become a director of the BSFI		
For first-time directors in a particular bank/banking group as defined in Sec. 136-Q (Confirmation of election/appointment of directors/officers)	For the first-time officers to be subject to Bangko Sentral confirmation in a particular QB/NBFI/with trust authority/trust corporation/ banking group as defined in Sec. 136-Q (Confirmation of election/appointment of directors/officers)	
a. Certification under oath of compliance with the Bangko Sentral-prescribed syllabus on corporate governance seminar	a. Duly accomplished and notarized authorization form for querying the records of the Bangko Sentral, including the Watchlist Files of the Bangko Sentral, from the officer concerned	
b. Certification under oath that the director has received copies of the duties and responsibilities of the board of directors and of a director and that he/she fully understands and accepts the same		
c. Duly accomplished and notarized authorization form for querying the records of the Bangko Sentral, including the Watchlist Files of the Bangko Sentral, from the director concerned		

<sup>6</sup> Including those exempted from the required Bangko Sentral confirmation as provided in Secs. 136-Q (Confirmation of election/appointment of directors/officers) and 412-Q (Confirmation of the appointment/designation of trust officer and independent professional).

<sup>7</sup> E.g., Treasurer, trust officer, heads of internal audit, risk management, and compliance functions, and other officers with rank of Senior Vice President and above

<sup>8</sup> E.g., Security Officer, Head/In-Charge of E/FCDU Operations, and Head/In-Charge of Import and Export Financing Operations (for TBs)

Requiring Bangko Sentral Confirmation <sup>9</sup>		Not Requiring Bangko Sentral Confirmation
Directors	Chief Executive Officer and Other Officers enumerated in Sec. 136-Q (Confirmation of election/appointment of directors/officers) <sup>10</sup>	Officers below the rank of Senior Vice President requiring a different set of minimum qualifications <sup>11</sup>
For independent directors, certification under oath that he/she is an independent director as defined in Bangko Sentral regulations	Brief description of his/her duties and responsibilities	Brief description of his/her duties and responsibilities
For re-elected directors, Secretary's Certificate on the attendance by the director concerned to the board meetings held for the last twelve (12) months covering the term of service, indicating percentage of attendance to board meetings	Alien Employment Permit issued by the Department of Labor and Employment for foreigners appointed as officers	

(As amended by Circular Nos. 972 dated 22 August 2017, 970 dated 22 August 2017, 887 dated 07 October 2015, and 758 dated 11 May 2012)

<sup>9</sup> Including those exempted from the required Bangko Sentral confirmation as provided in Secs. 136-Q (*Confirmation of election/appointment of directors/officers*) and 412-Q (*Confirmation of the appointment/designation of trust officer and independent professional*).

<sup>10</sup> E.g., Treasurer, trust officer, heads of internal audit, risk management, and compliance functions, and other officers with rank of Senior Vice President and above

<sup>11</sup> E.g., Security Officer, Head/In-Charge of E/FCDU Operations, and Head/In-Charge of Import and Export Financing Operations (for TBs)