



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 1163 Series of 2022

Subject: Amendments to Miscellaneous Rules on Deposits

The Monetary Board, in its Resolution No. 1739 dated 1 December 2022, approved the amendments to the miscellaneous rules on deposits under Section 276 of the Manual of Regulations for Banks (MORB).

The amendments aim to provide guidance on the handling of joint accounts as well as the acceptability of electronic signatures pursuant to Section 8 of the Republic Act (R.A.) No. 8792 or the Electronic Commerce Act of 2000, and the Philippine Identification Card (PhilID) pursuant to R.A. No. 11055 or the Philippine Identification System (PhilSys) Act.

Section 1. Section 276 of the MORB, as amended by Circular No. 1065 dated 3 December 2019, on Miscellaneous Rules on Deposits is hereby amended to read, as follows:

“Section 276 MISCELLANEOUS RULES ON DEPOSITS

Banks shall also be governed by the following miscellaneous rules on deposits.

Specimen signatures or biometrics, identification photos. For opening any type of deposit account/establishing relationship under the true and full name of the depositor, all banking institutions are required to obtain a minimum of three (3) specimen signatures, simultaneously executed by the depositor, either wet or electronic, or biometrics (such as fingerprints, iris scans, or facial recognition images) from their depositors and to update the same, as applicable, based on risk and materiality. Banks may, at their option, require their depositors to submit clear ID photos.

Electronic signatures shall be accepted pursuant to the provisions of Section 8 of R.A. No. 8792 or the Electronic Commerce Act of 2000.

As provided under R.A. No. 11055 or the Philippine Identification System Act and its implementing rules and regulations, where the PhilSys Card Number (PCN) or PhilSys Number (PSN) derivative, or the PhilID card, in physical or digital form, is presented by the customer, it shall be accepted as official and sufficient proof of identity, subject to the appropriate authentication methods, without the need to present other forms of identification.

For accounts xxx”

Joint accounts. Joint account is a deposit account (i) held jointly by two or more natural persons, or by two or more juridical persons or entities or (ii) held by a juridical person or entity jointly with one or more natural persons. The funds deposited in the joint deposit account are governed by the rules on co-ownership, as provided under Republic Act No. 386, or the Civil Code of the Philippines, between the joint accountholders. The share or portion belonging to the joint depositors in the joint deposit account shall be presumed equal, unless the contrary is proved, and the benefits as well as the charges in the joint account shall be proportional to their respective shares. The joint account is held under the name of the depositors described using either “and” or “or”.

Depositors of joint accounts described using the conjunction “and” shall only be allowed to withdraw from the said account with the authority of all the depositors named in the joint account; and any of the depositors of joint accounts described using the conjunction “or”, acting separately, may be allowed to withdraw from the said account, even without the authority of the other depositors named in the account. Under both types of joint accounts, deposits may be placed in the account even without the authority of the other depositors named in the account.

Electronic access and transactions may be allowed for joint accounts provided that for electronic withdrawals/fund transfers/payments from a joint "and" account, the bank should have appropriate system, procedures, and controls to obtain the authorization of all the depositors in the joint account prior to effecting the transactions.

In case of death of one of the depositors in either joint "and" or "or" account, the bank shall observe applicable laws, rules and regulations, including existing implementing policies for purposes of, among others, ascertaining the identity and the right to claim of the heir/s or its authorized representative before allowing any withdrawal from the joint deposit account which law, rules and regulations, and policies should be fully disclosed to the depositors in accordance with Section 1002 (Consumer Protection Standards).

For both type of joint accounts, in case of transactions that will restrict the rights or interest of the depositors, such as assignment or voluntary lien/encumbrance of the account as security for any obligation, the bank shall ensure that the governing rules for these transaction/s and their attendant risks or obligations are explicitly, clearly and adequately provided in the terms and conditions and are explained to, understood, and accepted by the joint accountholders.

Banks shall ensure that the terms and conditions governing joint accounts are part of the deposit agreement, explained to, understood, and accepted by the customers. The provisions of Republic Act (R.A.) No. 3591, as amended, otherwise known as "An Act Establishing the Philippine Deposit Insurance Corporation, Defining its Powers and Duties and for Other Purposes", and the pertinent implementing regulatory issuances, shall govern the treatment of joint accounts for deposit insurance purposes.

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Section 2. The following transitory provisions shall be incorporated as footnote to Section 276 on Joint accounts:

Upon effectivity of this Circular, new joint accounts shall be subject to the provisions of Section 276 (Miscellaneous Rules on Deposits) as amended by this Circular.

Within one (1) year from the effectivity of this Circular, existing joint "and/or" deposit accounts shall be converted into joint accounts aligned with this Circular with full consent of and disclosure to the joint accountholders. In case of existing joint time deposits, these shall be converted into joint accounts aligned with Section 276 (Miscellaneous Rules on Deposits) as amended by this Circular upon renewal and/or rollover of the account. The bank shall ensure that the governing terms and conditions are explained to, understood, and accepted by the customers. In cases that the consent of the joint "and/or" depositors cannot be obtained within the one-year transitory period to convert the joint account to either joint "and" or "or" accounts, the same shall be monitored by the bank until such time that the joint depositors consent thereto and accept the terms and conditions.

Section 3. 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:


FELIPE M. MEDALLA
Governor

14 December 2022