

**[ CIRCULAR NO. 1010, August 22, 2018 ]**

**ADDITIONAL REQUIREMENTS FOR THE ISSUANCE OF BONDS  
AND COMMERCIAL PAPERS**

*Adopted: 09 August 2018*

*Date Filed: 22 August 2018*

The Monetary Board, in its Resolution No. 1225 dated 26 July 2018, approved the amendments to pertinent provisions of the Manual of Regulations for Banks (MORB) and Manual of Regulations for Non-Bank Financial Institutions (MORNBFI) on the issuance of bonds and commercial papers by banks with quasi-banking authority and quasi-banks.

**Section 1.** Section X239 of the MORB and Section 4239Q of the MORNBFI are hereby amended to read as follows:

**"Section X239/Section 4239Q (2008 - 4217Q) Issuance of Bonds and Commercial Papers.** All banks with quasi-banking authority/quasi-banks (QBs) issuing bonds or commercial papers shall comply with Republic Act No. 8799 or the Securities Regulation Code (SRC) and its Implementing Rules and Regulation, and other applicable rules and regulations issued by the Securities and Exchange Commission (SEC). A bank/QB may issue bonds and/or commercial papers without prior Bangko Sentral approval: Provided, That it meets the following prudential criteria as described in Subsection X1101.2/ 41101Q.2 of the MORB/MORNBFI:

- a. The bank must have a CAMELS composite rating of at least "3" and a "Management" rating of not lower than "3", and QB must have a RAS rating of at least "Acceptable";
- b. The bank/QB has no major supervisory concerns in governance, risk management systems, and internal controls and compliance system; and
- c. The bank/QB has complied with directives and/or is not subject of specific directives and/or enforcement actions by the Bangko Sentral.

*Provided, further,* That bonds issued are enrolled and/or traded in a market which is organized in accordance with the SEC rules and regulations.

**Section 2.** Subsection X239.3 of the MORB and Subsection 4239Q.3 of the MORNBFI are hereby amended to read as follows:

**"Subsection X239.3/4239Q.3 (2008 – 4217Q.4) Notice to the Bangko Sentral ng Pilipinas.** Within five (5) banking days from