

[BSP CIRCULAR NO. 783, January 21, 2013]

**AMENDMENT TO REGULATIONS ON RELOCATION AND
VOLUNTARY CLOSURE/SALE OF BRANCHES/OTHER BANKING
OFFICES**

Pursuant to Monetary Board Resolution No. 2149 dated 20 December 2012, the Manual of Regulations for Banks (MORB) is hereby amended as follows:

Section 1. Subsec. X151.9 on relocation of branches/other banking offices is hereby amended to read, as follows

"§ X151.9 Relocation of branches/other banking offices. Relocation of existing branches/OBOs, whether to be opened at the new site on the next banking day or within one (1) year from the date of closure of the branch/OBO, shall be allowed in accordance with the following procedures:

- a. Notice of relocation of branch/OBO signed by the president of the bank or officer of equivalent rank, together with a certified true copy of the resolution of the bank's board of directors authorizing said relocation, and an undertaking that the bank shall comply with the notification requirement under Item "b" below, shall be submitted by the bank to the appropriate department of the SES. The notice shall include information as to the new relocation site, the timetable for the said relocation, and the branch/OBO that will handle the transactions of the branch/OBO to be relocated, as may be applicable;
- b. If no reply is received by the bank from the BSP within thirty (30) calendar days from date of receipt by the BSP of the said notification, notice of relocation shall be sent by the bank to the depositors' and other creditors' last known addresses by registered mail service of the Philippine Postal Corporation (PhilPost) or delivery service of other mail couriers or electronic mail, and posters shall also be displayed in conspicuous places in the premises of the branch/OBO to be relocated at least forty-five (45) calendar days prior to the closure of the branch/OBO to be relocated. Information as to the new relocation site, the date of the opening at the new site, and the address of the branch/OBO that will handle the transactions of the branch/OBO to be relocated, as may be applicable, shall be indicated in the said notice/posters. Proofs of receipt of notice by the depositors and other creditors shall be kept on file and made available upon request of the BSP;
- c. Within five (5) banking days from the date of closure of the branch/OBO to be relocated, a notice of such closure signed by the Chief Compliance Officer and the head of the branches department with the rank of a vice president or equivalent rank or by a higher

- ranking officer, together with a certification that the notification requirement in Item "b" above has been complied with and, for branches/OBOs that will be opened at the new site beyond the next banking day, an undertaking that the branch/OBO shall be opened at the new site within one (1) year from the date of such closure shall be submitted to the appropriate department of the SES;
- d. Within five (5) banking days from the date of opening of the relocated branch/OBO, a notice of such opening, together with a certification signed by the Chief Compliance Officer and the head of the branches department with the rank of a vice president or its equivalent rank or by a higher ranking officer that the bank has complied with Items "b.1" to "b.4" of Subsec. X151.8 on the requirements for opening a branch/OBO shall be submitted to the appropriate department of SES. Information as to the site of the branch/OBO that was closed and the date of such closure, as well as the site of the branch/OBO that was opened and the date of such opening shall be indicated in the said notice;
 - e. Branches/OBOs located in the restricted areas may be relocated anywhere;
 - f. Branches/OBOs located in other areas may be relocated only in areas where the bank is allowed to establish branches as provided in and subject to the provisions of the branching guidelines under Subsec. X151.4; and
 - g. Relocation of branches/OBOs beyond one (1) year shall be deemed as permanent closure and surrender of license of the branch/OBO at the old site, and the opening of a branch/OBO at the new site shall be deemed as an establishment of a new branch/OBO, subject to the provisions of Subsecs. X151.2/X151.6 on the prerequisites for the grant of authority to establish a branch/establishment of OBOs."

Section 2. Subsec. X151.10 on voluntary closure/sale of branches/other banking offices is hereby amended to read, as follows:

"§ X151.10 Temporary closure, permanent closure and surrender of branch/other banking office license, and sale/acquisition of branches/other banking offices

- "a. Temporary closure of existing branches/OBOs.* Temporary closure of existing branches/OBOs for the purpose of undertaking renovations/major repairs of office premises/facilities and for other valid reasons may be allowed: Provided, That the branch/OBO shall be reopened within a period of one (1) year from the date of temporary closure in accordance with the following procedures:
- (1) Notice of temporary closure signed by the president of the bank or officer of equivalent rank, together with a certified true copy of the resolution of the bank's board of directors authorizing said temporary closure and stating the justifications/reasons therefor; and an undertaking that the bank shall comply with the notification requirement under Item "2" below, shall be submitted to the appropriate department of the SES. The notice shall include information as to the timetable for the said