

[BSP CIRCULAR NO. 617 SERIES OF 2008, July 30, 2008]

AMENDMENT OF EXISTING REGULATIONS ON PENALTIES THAT SHALL BE IMPOSED ON BANKS/NON-BANK FINANCIAL INSTITUTIONS (NBFIS) WITH AUTHORITY TO ENGAGE IN TRUST AND/OR INVESTMENT MANAGEMENT ACTIVITIES AND/OR OFFICERS FOR NON-COMPLIANCE WITH THE BASIC SECURITY DEPOSIT FOR THE FAITHFUL PERFORMANCE OF TRUST, INVESTMENT MANAGEMENT AND OTHER FIDUCIARY DUTIES

The Monetary Board, in its Resolution No. 907 dated 18 July 2008, approved the amendment of the Manual of Regulations for Banks (MORB) and the Manual of Regulations for Non-Bank Financial Institutions (MORNBFI) as follows:

Section 1. Subsection X405.4 of the MORB and Subsection 4405Q.4 of the MORNBF1, on the compliance period of, and sanctions that may be imposed on the bank/QB, its trust officer and/or other officer(s) responsible for any deficiency in the basic security deposit for the faithful performance of trust and other fiduciary duties, are hereby amended to read as follows:

"§ X405.4/§ 4405Q.4 Compliance period; sanctions. The trustee or fiduciary shall have thirty (30) calendar days after the end of every calendar quarter within which to deposit with the BSP the securities required under this Section.

The following sanctions shall be imposed for any deficiency in the basic security deposit for the faithful performance of trust, and other fiduciary duties:

a. On the bank/quasi-bank(QB):

i. Monetary penalty/ies:

Trust	Penalty per Calendar Day				
	UBs/KBs/TBs/QBs with Full Trust Authority and		/with Trust Assets of		
Asset Size	TBs/RBs with Limited Trust	Up to P500 Million but not exceeding P1 billion	Above P500 million but not exceeding P1 billion	Above PI billion but not exceeding P50 billion	Above ? P50 million
Offense					