

**[PDIC REGULATORY ISSUANCE NO. 2009-02,
January 22, 2010]**

**REGULATIONS ON THE USE OR ISSUANCE OF STATEMENTS ON
DEPOSIT INSURANCE COVERAGE**

Pursuant to its authority under Section 2(d)(1) of R.A. 3591, as amended, to prescribe and issue rules and regulations, the PDIC Board of Directors, by virtue of Resolution No. 2009-08-139 dated August 26, 2009, approved the following regulations on the use or issuance of statements on deposit insurance coverage:

I. Statement of Policy

The State, through the PDIC, safeguards the interests of the depositing public by providing insurance protection on all legitimate deposits held by *bona fide* depositors. Accordingly, deposit accounts maintained in the same right and capacity for the depositor's benefit, either in his own name or in the name of others who have no beneficial ownership over the accounts, shall be consolidated and treated as one deposit account for purposes of deposit insurance coverage.

II. Use or Issuance of Deposit Insurance Statements

The making, use or issuance of bank advertisements, marketing proposals or strategies, and other similar statements or issuances, which directly or indirectly offer, promise, represent, or promote: (a) a separate and distinct PDIC deposit insurance cover for deposit accounts maintained in the same right and capacity of a depositor, either in his own name or in the name of others, who have no beneficial ownership over the account/s; or (b) deposit insurance coverage that is inconsistent with and otherwise violative of the laws, rules and regulations and/or policies on beneficial ownership and deposit splitting, are strictly prohibited.

The directors, officers, employees, or agents of banking institutions are hereby enjoined from making any such offer, promise, or representations in any of the bank's advertisements, marketing proposals or strategies, and other similar statements, issuances, programs, or schemes.

As used in this issuance, the concept of "beneficial ownership" exists when a deposit is maintained in the same right and capacity for a depositor's benefit, whether in his own name or in the name of others.

III. Penalties

Violation of this Regulatory Issuance shall subject the bank and its responsible directors, officers, employees, or agents to the criminal sanctions provided for under Section 21(f) of the PDIC Charter, without prejudice to the imposition of administrative fines by the PDIC Board of Directors pursuant to Section 21 (g) of the