

[BSP CIRCULAR NO. 585, S. OF 2007, October 15, 2007]

GUIDELINES ON THE IMPOSITION OF MONETARY PENALTIES ON BSP-SUPERVISED FINANCIAL INSTITUTIONS

The Monetary Board (MB) in its Resolution No. 1125 dated 05 October 2007, approved the following guidelines on the imposition of monetary penalties on BSP-supervised financial institutions, their directors and/or officers:

SECTION 1. Objective. It is the objective of the BSP to provide a fair and uniform treatment to all BSP-supervised financial institutions, including their directors and/or officers. Towards this end, the following guidelines on the imposition of monetary penalties on said institutions, their directors and/or officers are hereby issued.

SECTION 2. Definition of Terms. For purposes of this Circular, the following definitions are hereby adopted:

1. Continuing offenses/violations are acts, omissions or transactions entered into, in violations of laws, BSP rules and regulations, MB directives, and orders of the Governor which persist from the time the particular acts were committed or omitted or the transactions were entered into until the same were corrected/rectified by subsequent acts or transactions. They shall be penalized on a per calendar day basis from the time the acts were committed/omitted or the transactions were effected up to the time they were corrected/ rectified.
2. Transactional offenses/violations are acts, omissions or transactions entered into in violation of laws, BSP rules and regulations, MB directives, and orders of the Governor which cannot be corrected/rectified by subsequent acts or transactions. They shall be meted with one-time monetary penalty on a per transaction basis.
3. Continuing penalty refers to the monetary penalty imposed on continuing offenses/ violations on a per calendar day basis reckoned from the time the offense/violation occurred or was committed until the same was corrected/rectified.
4. Transactional penalty refers to a one-time penalty imposed on a transactional offense/ violation.

SECTION 3. Basis for the Computation of the Period or Duration of Penalty - The computation of the period or duration of all penalties shall be based on calendar days. For mispurpose the terms "per banking day", "per business day", "per day" and/or "a day" as used in the Manual of Regulations for Banks (MORB), Manual of Regulations for Non-Bank Financial Institutions (MORNBFI) and other BSP rules and regulations are hereby amended to read as "per calendar day" and/or "calendar day" as the case may be.