

[BSP CIRCULAR NO. 431, May 11, 2004]

AMENDMENTS TO THE MANUAL OF REGULATIONS FOR NON-BANK FINANCIAL INSTITUTIONS (MORNBFI)

Pursuant to Section 57 of Republic Act No. 8791, "The General Banking Law of 2000," the Monetary Board, in its Resolution No. 586 dated 26 April 2004, approved the following amendments to the Manual for Regulations for Non-Bank Financial Institutions (MORNBFI):

SECTION 1. Section 4126Q of the MORNBFI is hereby amended to read as follows:

"Section 4126Q Dividends. Pursuant to Section 57 of Republic Act No. 8791, no non-bank quasi bank shall declare dividends greater than its accumulated net profits then on hand, deducting therefrom its losses and bad debts. Neither shall the quasi-bank declare dividends if, at the time of declaration, it has not complied with the provisions of Subsec. 4126Q.2.

SECTION 2. Section 4126Q.2 is hereby amended to read as follows:

"Section 4126Q.2 Requirements on the declaration of dividends/net amount available for dividends.

- a) Requirements on the Declaration of Dividends.
At the time of declaration, quasi-banks shall have complied with the following:
- 1) Clearing account with the Bangko Sentral is not overdrawn;
 - 2) Liquidity floor requirement for government funds;
 - 3) Minimum capitalization requirement and risk-based capital ratio;
 - 4) Statutory and liquidity reserves requirement;
and