

[BSP CIRCULAR NO. 455, September 29, 2004]

EFFECTIVITY OF SELECTION AND INCLUSION OF EXTERNAL AUDITORS IN BSP LIST

Pursuant to Monetary Board Resolution No. 1352 dated 16 September 2004, Section 5 of Circular No. 410 dated 29 October 2003 is hereby amended to read as follows:

"Section 5. EFFECTIVITY OF SELECTION AND INCLUSION IN BSP LIST

The selection of external auditors shall be valid for a period of three years. BSP selected external auditors shall apply for the renewal of their selection every three years. The provisions of Section 2 (General Requirements) and Section 4 (Applications and Pre-qualification Requirements) of this Circular shall likewise apply for each application for renewal.

The Supervision and Examination (SES) Sector shall make an annual assessment of the performance of external auditors and will recommend deletion from the list even prior to the three-year renewal period, if based on assessment, the external auditors' report did not comply with BSP requirements.

External auditors who meet the requirements specified in this Circular shall be included in the list of BSP selected external auditors. In case of partnership, inclusion in the list of BSP selected external auditors shall apply to the audit firm only and not to the individual signing partners or auditors under its employment.

The BSP will circularize to all banks, quasi-banks, trust entities and NSSLAs the list of selected external auditors once a year. The BSP, however, shall not be liable for any damage or loss that may arise from its selection of the external auditors to be engaged by banks, quasi-banks, trust entities or NSSLAs for regular audit or special engagements."

This Circular shall take effect fifteen (15) days after publication in the Official Gazette or in a newspaper of general circulation.

Adopted: 29 Sept. 2004