

[BSP CIRCULAR NO. 446, September 03, 2004]

AMENDMENT TO SECTION X145.C OF THE MANUAL OF REGULATIONS FOR BANKS AND THE MANUAL OF REGULATIONS FOR NON-BANK FINANCIAL INSTITUTIONS, RESPECTIVELY

Pursuant to Monetary Board Resolution No. 1182 dated 19 August 2004, Section X145.c of the Manual of Regulations for Banks and Section 4144Q.c of the Manual of Regulations for Non-Bank Financial Institutions are hereby amended to read, as follows:

SECTION 1. Sec. X145.c and Sec. 4144Q.c Interlocking officerships are hereby amended to read as follows:

"As a general rule, there shall be no concurrent officerships between banks/NBQBs or between a bank/NBQB and non-bank financial intermediary, whether or not performing quasi-banking functions, except as follows:

1) With prior approval of the Monetary Board, concurrent officerships may be allowed:

a. Between a bank/NBQB and not more than two (2) of its subsidiary financial institutions; or

b. Between two (2) banks/NBQBs and one (1) of their subsidiary non-bank financial intermediaries.

2. With prior approval of the Monetary Board, concurrent officerships may also be allowed between banks/NBQBs, between a bank and non-bank financial intermediary other than an investment house, OR BETWEEN AN NBQB AND A NON-BANK FINANCIAL INTERMEDIARY: Provided, That at least twenty percent (20%) but less than majority of the equity of each of the banks/NBQBs and non-bank financial intermediaries is owned by a holding company or a bank/NBQB and the interlocking arrangement is necessary for the holding company or the bank to provide technical expertise or managerial assistance to its affiliates.

AFOREMENTIONED CONCURRENT OFFICERSHIPS MAY BA ALLOWED, SUBJECT TO THE FOLLOWING CONDITIONS: