

[**BSP CIRCULAR NO. 239, May 04, 2000**]

BANK PREMISES; MANUAL OF ACCOUNT

The Monetary Board, in its Resolution No. 604 dated 14 April 2000, approved the amendments to the Manual of Regulations and the Manual of Accounts for Banks and for Non-bank Financial Institutions to read as follows:

MANUAL OF REGULATIONS

SECTION 1. Subsection X 606.3 of the Manual of Regulations for Banks is hereby renumbered as Subsection X606.4.

SECTION 2. Subsection X606.3 as hereby added to the Manual of Regulations for Banks, shall read as follows:

"REAL AND OTHER PROPERTIES OWNED OR ACQUIRED

REAL AND OTHER PROPERTIES OWNED OR ACQUIRED (ROPOA) RECLASSIFIED AS BANK PREMISES SHALL BE BOOKED AT THEIR ROPOA BALANCE, NET OF ANY VALUATION RESERVES: PROVIDED, THAT ONLY SUCH ACQUIRED ASSET OR A PORTION THEREOF THAT WILL BE IMMEDIATELY USED OR EARMARKED FOR FUTURE USE MAY BE RECLASSIFIED AND BOOKED AS BANK PREMISES.

BANKS, PRIOR TO THE RECLASSIFICATION OF THEIR ROPOA ACCOUNTS TO BANK PREMISES, SHALL FIRST SECURE PRIOR BANGKO SENTRAL APPROVAL BEFORE EFFECTING THE RECLASSIFICATION AND SHALL SUBMIT, IN CASE OF FUTURE USE, JUSTIFICATION AND PLANS FOR EXPANSION/USE."

SECTION 3. Sections 4657Q, 4655S, 4653P, 4653B and 4104N as hereby added to the Manual of Regulations for Non-bank Financial Institutions shall read as follows:

"REAL AND OTHER PROPERTIES OWNED OR ACQUIRED

REAL AND OTHER PROPERTIES OWNED OR ACQUIRED (ROPOA) RECLASSIFIED EITHER AS REAL PROPERTY-LAND OR REAL PROPERTY-BUILDING SHALL BE BOOKED AT THEIR ROPOA BALANCE, NET OF ANY VALUATION RESERVES: PROVIDED, THAT ONLY SUCH ACQUIRED ASSET OR A PORTION THEREOF THAT WILL BE IMMEDIATELY USED OR EARMARKED FOR FUTURE USE MAY BE RECLASSIFIED AND BOOKED AS REAL PROPERTY LAND/BUILDING.

NON-BANKS, PRIOR TO THE RECLASSIFICATION OF THEIR ROPOA ACCOUNTS TO REAL PROPERTY LAND/BUILDING, SHALL FIRST SECURE THE BANGKO SENTRAL APPROVAL BEFORE EFFECTING THE