

**[ BSP CIRCULAR NO. 252, July 18, 2000 ]**

**AGRI-AGRA MANDATORY ALLOCATION OF FUNDS UNDER P.D.  
NO. 717**

The Monetary Board, in its Resolution No. 771 dated May 12, 2000, decided to allow compliance on a groupwide basis with the Agri-Agra mandatory allocation of funds which is in line with Executive Order No. 83 dated 25 December 1998 which provides among others, that the BSP shall continuously try to implement and improve compliance by the banking sector with the provisions of P.D. No. 717.

*SECTION 1. Consolidated Compliance .* — The compliance with Agri-Agra mandatory allocation of funds under P.D. No. 717 shall be allowed on a groupwide basis (based on consolidated financial statements of investor-financial institution or parent bank and its subsidiaries/affiliates); *Provided*, That the subsidiary banks are at least seventy-five percent (75%) owned/controlled by the parent bank, subject to the following conditions:

- a. The consolidated report shall be submitted by the bank in the prescribed form and shall be supported by the individual reports of the bank and its subsidiaries duly signed by each bank's authorized signatory. The subsidiaries shall continue with their respective submission of the subject report to their respective supervising and examining departments within the prescribed period.
- b. Either the parent bank or the subsidiary bank can exercise the right to avail itself of/use the excess of its subsidiary bank/parent bank for its own compliance.
- c. In the event of a deficiency in compliance of any parent or subsidiary or all of these banks, the members of the board of directors and its president and the other officers of the parent bank shall be responsible for the group's compliance.

*SECTION 2. Effectivity.* — This Circular shall take effect immediately.

Adopted: 18 July 2000

(SGD.) RAFAEL B. BUENAVENTURA  
Governor

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