

**[ CIRCULAR NO. 322, MARCH 7, 2002, March 07, 2002 ]**

**RULES AND REGULATIONS ON FCDU**

Pursuant to Monetary Board Resolution No. 222 dated 14 February 2002, the following rules and regulations are hereby issued:

SECTION 1. Thrift banks with net worth or combined capital accounts of at least P650 million if located in Metro Manila or P150 million if located outside Metro Manila may, subject to prior Monetary Board approval, operate an FCDU.

SECTION 2. Application for authority to operate FCDU. — A thrift bank desiring to operate an FCDU shall file an application with the Department of Thrift Banks and Non-Bank Financial Institutions (DTBNBFI). The application shall be signed by the bank president or officer of equivalent rank and shall be accompanied by the following documents:

- a. Certified true copy of the resolution of the bank's board of directors authorizing the application.
- b. A certification signed by the president or the officer of equivalent rank that the bank has complied with all conditions/prerequisites for the grant of authority to operate FCDU.

SECTION 3. Prerequisites for the grant of authority to operate FCDU. — A thrift bank applying for authority to operate FCDU must comply with the following requirements:

- a. The bank's operation during the preceding calendar year and for the period immediately preceding the date of application has been profitable.
- b. The bank is well capitalized whose risk-based capital adequacy ratio is not lower than twelve percent (12%) at the time of filing the application.
- c. The officer, who will be in charge of FCDU operations shall have at least one (1) year of actual experience in another bank as in-charge or assistant in-charge of the same operations.
- d. It has not incurred net weekly reserve deficiencies within eight (8) weeks immediately preceding the date of application.
- e. It has generally complied with banking laws, rules and regulations, orders or instructions of the Monetary Board and/or BS Management in the last two preceding examinations prior to the date of application, more particularly: