

[BSP CIRCULAR NO. 45, s. 1994, September 02, 1994]

AMENDING CIRCULAR NO. 1369

Pursuant to Monetary Board Resolution No. 771 dated August 17, 1994, Items A and B of Circular No. 1369 prescribing guidelines for the implementation of the pertinent provisions of R.A. 7353 are hereby amended to read as follows:

A

Exemption from Ownership Ceiling (Section 4)

Stockholdings in a rural bank shall be exempt from any ownership ceiling for a period of ten (10) years effective as of April 2, 1992, the date of approval of said Act. *Provided*, That any exemption shall require the approval of the Monetary Board: *Provided, further*, That such exemption shall be valid up to April 2, 2002 only and therefore by such date, the stockholdings should have been reduced to within the allowable ceilings prescribed under Section 12-B and 12-D of R.A. 337, as amended.

Any request for exemption from the prescribed ownership ceilings of individual/family group/corporate stockholdings shall be submitted to the Monetary Board for approval through the appropriate supervising and examining department of the Bangko Sentral and the same shall be reflected in the required report on stock transactions. In cases where shares of the unsubscribed capital stock are sold to any person other than the existing stockholders, the bank's corporate secretary shall execute a certificate under oath that all pertinent requirements of the Corporation Code and pertinent banking laws on a valid stock transaction have been complied with.

B

Settlement or Liquidation of Arrearages with the Bangko Sentral Through a Conversion Scheme and or Plan of Payment

"xxx xxx xxx

"5.3 The stockholders of the rural bank shall match these preferred shares with private equity in equal annual installments over a period of fifteen (15) years, the provision of Section A notwithstanding, to begin three (3) years after the conversion date. The stock subscriptions by which this matching shall be effected shall represent a personal obligation of the stockholders and any sale of the shares of stock of the said stockholder to other parties shall not be allowed unless the purchasers assume said obligations.

"xxx xxx xxx"

This Circular shall take effect immediately.