

**[ CIRCULAR LETTER NO. CL-2015-057, October 09, 2015 ]**

**UPDATED VALIDATION RULES OF THE BSP FOR THE FINANCIAL REPORTING PACKAGE**

*Adopted: 21 September 2015*

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In an effort to further assist banks in finalizing the Financial Reporting Package (FRP), attached are the updated validation rules used by the BSP to check and determine whether the entries in the FRP are either balanced and reconciled or cited with mathematical defects requiring correction and the submission of amendments that are subject to penalty in accordance with existing regulations. Same validation rules emanate from the existing Reconciliation Report electronically transmitted by the BSP to banks immediately after the submitted FRP has been processed and validated.

The updated validation rules considered the following issuances of the BSP:

- 1) Stress Testing Reports pursuant to Memorandum No. M-2014-032 dated 11 August 2014,
- 2) Report on Cross-Border Financial Positions pursuant to Memorandum No. M-2015-021 dated 22 April 2015,
- 3) The updated Financial Reporting Package for Trust Institutions (FRPTI) template pursuant to Memorandum No. M-2015-032 dated 14 September 2015 and
- 4) The updated FRP templates pursuant to Memorandum No. M-2015-033 dated 14 September 2015.

Other rules have been also enhanced to further strengthen the overall validation of the FRP. The attached validation rules have the following three (3) components:

- 1) A User Guide that explains and describes the validation process and the translation of the validation rules into the Reconciliation Report transmitted by the BSP to banks with illustrative samples and references;
- 2) The Intra Validation Rules in Annex A" itemizing the arithmetic formulations in balancing and reconciling the Balance Sheet, Income Statement, and Supporting Schedules of the FRP; and