

**[ PDIC REGULATORY ISSUANCE NO. 2002-03, MAY  
2, 2002, May 02, 2002 ]**

**RULES IN ORDER TO DETERMINE THE INSURED DEPOSIT  
PAYABLE BY PDIC UPON CLOSURE OF AN INSURED BANK**

Pursuant to its authority to prescribe and issue rules and regulations under Section 3 (g), in relation to Section 16 (f) of Republic Act 3591, as amended, the Board of Directors of the Philippine Deposit Insurance Corporation (PDIC), by virtue of Resolution No. 2002-03-047 dated March 20, 2002, approved the following rules in order to determine the insured deposit payable by PDIC upon closure of an insured bank.

*SECTION 1. Determining Beneficial Ownership of Deposit Accounts*

1.1. In determining the insured deposit payable by PDIC to a depositor of a closed insured bank, PDIC shall deem that the deposits are maintained and/or actually owned by the accountees/names shown in the deposit account records of the bank, except in the cases provided under Sections 1.2 and 1.3 hereof.

1.2 In case the outstanding deposit accounts are shown in the deposit account records of the insured bank to be established and/or opened from transfers or breakups of previous deposit accounts, PDIC shall recognize the actual or beneficial ownership of the transferee/s / outstanding accountee/s, who is/are qualified relative/s of the transferor.

For this purpose, the term "qualified relative/s" shall mean relative/s within the third degree of consanguinity or affinity of the transferor.

1.3 Where the transferee/new deposit accountee is not a qualified relative, PDIC shall not presume beneficial ownership in his favor unless the deposit account records of the insured bank disclose the certified details of the transfer or relationship establishing the validity and/or effectivity of the transfer of the deposits/funds from the transferor to the transferee or establishing the right and capacity of the transferee or new deposit accountee, such as Board Resolution, order of competent government body/agency, contract or similar document as required/provided by applicable laws.

*SECTION 2. Deposit Accounts in the Name of Corporation, Partnership,  
Association or Unincorporated Entity*

2.1 For deposit accounts and deposit transfers made in favor of individuals or entities, either singly or jointly with individual/s from an account in the name of a corporation, partnership, association or unincorporated entity, certified details or information establishing the right and capacity as well as the relationship of the corporation, partnership, association or unincorporated entity with the individual/s, and/or the validity or effectivity of the deposit transfer shall be shown in the deposit

account records of the bank, such as Board Resolution, order of competent government body/agency, contract or similar document as required/provided by applicable laws.

### *SECTION 3. Documentation*

3.1 If the deposit account records of the closed insured bank do not show the details/information mentioned under Sections 1.3 and 2.1, and the deposit transfers will result in increased deposit insurance coverage, the outstanding deposit shall be deemed as being maintained for the benefit of the transferor although in the name of the transferee, subject to consolidation with other deposits of the transferor.

3.2 In addition to the document/s stated above, PDIC may require additional documents from the depositor to ascertain the details of the deposit transfer or his relationship with the transferor or his right and capacity over the deposit.

3.3 Deposit account records of the insured bank pertains to account ledgers, signature cards, certificates of deposits, passbooks, corporate resolutions, orders of competent government body/agency, contracts or similar instruments, copies of which must be in the custody or possession of the bank upon takeover by PDIC.

### *SECTION 4. Duty of the Bank*

4.1 In order for the deposits to be covered by insurance and to cause compliance with the rules herein provided, the insured bank shall within thirty (30) days upon from date of effectivity of this Regulatory Issuance:

(a) Print these rules as part of the Terms and Conditions in the passbook, certificate of time deposit and other deposit instrument which shall be in the form and substance as in Annex "A" hereof.

(b) Issue a bank circular setting forth internal guidelines ensuring its employees' compliance with these rules and for its staff to duly inform all depositors on the provisions herein, and

(c) Send a letter to all depositors to their last recorded address.

4.2 The insured bank shall maintain in good faith and in the regular course of the business a complete and accurate record of every deposit transaction. Non-compliance or violation of any provision of this Regulatory Issuance shall be subjected to the corresponding penalties and fines imposed herein.

### *SECTION 5. Penalties/Sanctions*

Non-compliance with or violation of this Issuance shall subject the bank, its directors, officers and employees to the penalties provided for under Sections 16 (f) and (g) of Republic Act 3591, as amended.

### *SECTION 6. Separability Clause*

If any provision of this Issuance or the application thereof to any person and/or banking institution is declared invalid for whatever reason, the other provisions hereof shall not be affected thereby.

### *SECTION 7. Effectivity*