

[BSP CIRCULAR NO. 182, December 04, 1998]

**REQUIREMENTS FOR THE ESTABLISHMENT OF ADDITIONAL
BRANCHES OF FOREIGN BANKS IN THE PHILIPPINES PURSUANT
TO R.A. NO. 7721, AND SANCTIONS FOR FAILURE TO SUBMIT
REQUIRED CERTIFICATIONS.**

The Monetary Board, in its Resolution No. 1582 dated November 17, 1998, approved the following amendments to Book I of the Manual of Regulations for Banks and Other Financial Intermediaries on the requirements for the establishment of additional branches of foreign banks in the Philippines pursuant to R.A. No. 7721, and sanctions for failure to submit required certifications.

SECTION 1. Items b to j of Subsection 1153.2 of the Manual are hereby amended and new items are hereby added thereto, as follows:

"b. The bank during the last ninety (90) days immediately preceding the date of application has:

1. Not been deficient in its net worth-to-risk assets ratio; and
2. Complied with the ceilings on credit accommodations to officers and their related interests;

c. The bank has no net weekly reserve deficiency against deposit liabilities and deposit substitutes during the last twelve (12) weeks immediately preceding the date of application; and

d. The bank has complied with the loans-to-deposits ratio for two (2) quarters immediately preceding the date of application;

e. The bank has complied with the mandatory allocation of credit resources to small and medium enterprises for two (2) quarters immediately preceding the date of application;

f. The bank has not been found engaging in unsafe and unsound banking practices during the last six (6) months immediately preceding the date of application where applicable;

g. The bank has complied with the twenty percent (20%) aggregate limit on real estate loans as of end of preceding quarter;

h. The bank does not have float items outstanding for more than sixty (60) calendar days in the "Due From/To Head Office/Branches/Offices" accounts and the "Due from Bangko Sentral" account exceeding one percent (1%) of the total resources as of end of preceding month;