

**[ BSP CIRCULAR NO. 12-94, February 08, 1994 ]**

**AMENDMENT OF ITEM A SECTION 2 OF CIRCULAR NO. 1288, AS AMENDED**

The Monetary Board, in its Resolution No. 30 dated January 12, 1994, approved the amendment of Item a, Section 2 of Circular No. 1288, as amended, to read as follows:

"a. All lending institutions shall set aside a portion of their total loan portfolio based on their Consolidated Statement of Condition/Balance Sheet as of the end of the previous quarter, and make it available for small enterprises credit. The portion mandated to be so set aside shall at least be five percent (5%) by December 31, 1991, ten percent (10%) by December 31, 1992 through December 31, 1995, and five percent (5%) by December 31, 1996 and may come down to zero by December 31, 1997.

Banks may, however, be allowed to report compliance on a groupwide basis (based on Consolidated financial statements of investor-financial institution or parent bank and its subsidiaries/affiliates) provided that the subsidiary banks are at least 75% owned/controlled by the parent bank, subject to the following conditions:

1. The consolidated report shall be submitted by the bank in the prescribed form (Annex "A") and which shall be supported by the individual reports of the bank and its subsidiaries duly signed by each bank's authorized signatory. The subsidiaries shall continue with their separate submission of the subject report to their respective SES departments within the prescribed period.
2. Only the parent bank can exercise the right to avail/use the excess of its subsidiaries for its own compliance.
3. In the event of a deficiency in compliance of any parent of subsidiary or all of these banking institutions, the members of the Board of Directors and its President and the other officers of the parent bank shall be responsible for the Group's compliance.

This Circular shall take effect immediately.

Adopted: 8 Feb. 1994

(SGD.) GABRIEL C. SINGSON  
*Governor*