

REGULATIONS TO IMPLEMENT SECTION 16, ARTICLE XI OF THE CONSTITUTION

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/27aeb1c666d6/>

Pursuant to Monetary Board Resolution No. 228 dated February 19, 1999, the following regulations are issued to implement Section 16, Article XI of the Constitution, which reads as follows:

"SECTION 16. No loan, guaranty, or other form of financial accommodation for any business purpose may be granted, directly or indirectly, by any government-owned or controlled corporation or financial institution to the President, the Vice-President, the Members of the Cabinet, the Congress, the Supreme Court, and the Constitutional Commissions, the Ombudsman, or to any firm or entity in which they have controlling interest, during their tenure."

SECTION 1. The terms "loan", "guaranty" or "other form of financial accommodation" as used in these regulations shall refer to transactions which involve the grant, renewal or extension to a bank by the Bangko Sentral of any loan, advance, discount, rediscount or credit in any form whatsoever.

SECTION 2. Any of the government officials mentioned in Section 16, Article XI of the Constitution (the "OFFICIAL") shall be deemed to have a controlling interest in a bank if he owns more than fifty percent (50%) of the voting stock of such bank. For the purpose of this Section, the stockholdings of the spouse or minor child of the OFFICIAL shall be included in determining if he has such controlling interest.

SECTION 3. A bank applying for a loan or financial accommodation with the Bangko Sentral shall submit together with the application a certification under oath of the president of the bank that the bank and/or any of its stockholders do not fall within the prohibition under Section 16, Article XI of the Constitution.

SECTION 4. Any violation of this Circular shall subject the offender to the provisions of Section 36 and/or 37 of Republic Act No. 7653.

Adopted: 25 March 1999

(SGD.) ARMANDO L. SURATOS
Officer-In-Charge

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.