NATIONAL ADMINISTRATIVE REGISTER · SEPTEMBER 2, 1998

SANCTIONS TO BE IMPOSED ON FINANCIAL INSTITUTIONS THAT FAILED TO COMPLY WITH THE TEAR 2000 BSP DIRECTIVES

BSP CIRCULAR NO. 173, September 02, 1998

Read online (full-text search, related cases, audio case brief): https://batas.org/library/786a20e9a8e9/

The Monetary Board, in its Resolution No. 1188 dated August 19, 1998 approved the following sanctions to be imposed on financial institutions that failed to comply with the Year 2000 BSP directives, as follows:

1. For non-submission of the required action plan, the accomplished self-assessment questionnaire, the status report and other required reports.

For every banking day of delay, from the time bank was notified in writing up to the time of submission, a monetary penalty of:

Bank Type Monetary Penalty

Commercial Banks P 1,000.00

Thrift Banks & Non-Bank Financial Intermediaries P 500.00

Rural Banks P 300.00

2. If after due validation and without reasonable justification, the financial institution is deemed to be substantially delayed in its Year 2000 compliance and/or has not taken appropriate steps to resolve it in accordance with the targeted schedule, the following sanctions shall be imposed:

First Notice - Issuance by the appropriate supervising and examining department of a warning letter to non-compliant financial institutions to the effect that continuing non-compliance will be subject to more severe sanctions

Second Notice - suspension of branching privileges restriction on certain activities such as limiting investments, overall loan growth, accepting government deposits, accepting demand deposits, and other activities

- where bank shall be exposed to material risks that may lead to potential losses, increase institutions' liquidity requirements by accelerating their compliance with the capital build-up program or require institution to infuse additional capital to the extent determinable

Final Notice - exclusion from clearing arrangement

- suspension of authorities to perform quasi-banking functions, trust operations, FCDU/EFCDU activities, derivatives activities, etc.

- where all supervisory tools have been exhausted to resolve the Year 2000 problem of the institution and effects of the problem are wide-scale in nature, temporary closure of the financial institution shall be recommended.

This Circular shall take effect immediately.

Adopted: 2 Sept. 1998

Turn this case into an audio lecture - facts, issues, ruling and doctrine - at batas.org

(SGD.) GABRIEL C. SINGSON
Governor

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

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.