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EXEMPTIONS FROM THE NOTIFICATION PERIOD OF 90 DAYS PRIOR TO TRANSFER/RELOCATION AND/OR CLOSURE OF BRANCHES

BSP CIRCULAR NO. 504, December 22, 2005

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Pursuant to Monetary Board Resolution No. 1558 dated 08 December 2005, the Manual of Regulations for Banks (MORB) is hereby amended, as follows:

SECTION 1. Item a.(1) of Subsection X151.7 of the MORB on relocation/transfer of branches is hereby amended to read as follows:

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> "1) Notice of transfer to depositors and other creditors by registered mail and posters in conspicuous places in the premises of the banking office to be transferred at least three (3) months prior to the to transfer: PROVIDED, THAT SAID NOTIFICATION PERIOD MAY BE REDUCED TO FORTY FIVE (45) DAYS UNDER ANY OF THE FOLLOWING CIRCUMSTANCES:
>
> a. AS AN INCENTIVE TO MERGER OR CONSOLIDATION OF BANKS;
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> b. AS AN INCENTIVE TO PURCHASE OR ACQUISITION OF MAJORITY OR ALL OF THE OUTSTANDING SHARES OF STOCK OF A DISTRESSED BANK FOR THE PURPOSE OF REHABILITATING THE SAME; OR
>
> c. THE PROPOSED TRANSFER SITE IS WITHIN THE SAME BARANGAY OR DISTRICT OF THE SAME CITY OR MUNICIPALITY OF THE BRANCH TO BE RELOCATED.
>
> 2. A CERTIFICATION SIGNED BY THE HEAD OF THE BRANCHES DEPARTMENT WITH THE RANK OF VICE PRESIDENT OR ITS EQUIVALENT OR BY A HIGHER RANKING OFFICER INFORMING THE APPROPRIATE SUPERVISING AND EXAMINING DEPARTMENT OF THE BSP OF THE TRANSFER AND THAT THE ABOVE REQUIREMENTS HAVE BEEN COMPLIED WITH NOT LATER THAN FIVE (5) BANKING DAYS FROM THE DATE OF TRANSFER. THE CERTIFICATION SHALL BE ACCOMPANIED BY A CERTIFIED TRUE COPY OF THE RESOLUTION OF THE BANK'S BOARD OF DIRECTORS AUTHORIZING THE TRANSFER."
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SECTION 2. Item b(1).(b) of Subsection X151.8 of the MORB on Voluntary closure/sale of banking offices is hereby amended to read as follows:

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"(b) The selling bank shall get the prior approval of the BSP to close the branches to be sold SUBJECT TO THE FOLLOWING CONDITIONS:

1. NOTICE OF SALE TO DEPOSITORS AND OTHER CREDITORS BY REGISTERED MAIL AND POSTERS IN CONSPICUOUS PLACES IN THE PREMISES OF THE BANKING OFFICE AT LEAST THREE (3) MONTHS PRIOR TO THE CLOSURE: PROVIDED, THAT SAID NOTIFICATION PERIOD MAY BE REDUCED TO FORTY-FIVE (45) DAYS WHEN THERE IS NO ACTUAL BRANCH CLOSURE. THE DEPOSITORS SHALL LIKEWISE BE INFORMED OF THEIR OPTION TO WITHDRAW THEIR DEPOSITS OR TO MAINTAIN THE SAME WITH THE ACQUIRING BANK;

2. A CERTIFICATION SIGNED BY ITS PRESIDENT OR ITS EXECUTIVE VICE PRESIDENT (EVP) INFORMING THE APPROPRIATE SUPERVISING AND EXAMINING DEPARTMENT OF THE BSP OF THE CLOSURE AND THAT THE ABOVE REQUIREMENTS HAVE BEEN COMPLIED WITH, NOT LATER THAN FIVE (5) BANKING DAYS FROM THE DATE OF CLOSURE. THE CERTIFICATION SHALL BE ACCOMPANIED BY A CERTIFIED TRUE COPY OF THE RESOLUTION OF THE BANK'S BOARD OF DIRECTORS AUTHORIZING THE CLOSURE."

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This Circular shall take effect fifteen (15) days following its publication either in the Official Gazette or in a newspaper of general circulation.

Adopted: 22 Dec. 2005

(SGD.) AMANDO M. TETANGCO, JR.
Governor

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