

AMENDMENTS TO SECTION X101 OF THE MANUAL OF REGULATIONS FOR BANKS

BSP Circular No. 865, December 22, 2014

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The Monetary Board, in its Resolution No. 1875 dated 20 November 2014, approved the amendment of Section X101 of the Manual of Regulations for Banks to read as follows:

"Section X101 Classifications, Powers and Scope of Authorities of Banks. The following are the classifications, powers and scope of authorities of banks, as well as the prerequisites for the grant of banking authorities.

"a. Classification of banks. xxx

"b. Powers and scope of authorities. The following are the powers and scope of authorities of banks.

"(1) UBs. xxx

"(2) KBs. xxx

"(3) TBs. in addition to the powers provided in other laws, a TB may perform any or all of the following services:

"(a) xxx

"xxx

"(j) purchase, hold and convey real estate as specified under Sections 51 and 52 of RA. No. 8791;

"(k) offer other banking services as provided in Section 53 of RA. No. 8791; and

"(l) buy and sell foreign exchange.

"With prior approval of the Monetary Board, and subject to such guidelines as may be established by it, TBs may also perform the following services:

"(m) open current or checking accounts;

"(n) engage in trust, quasi-banking functions and money market operations;

"(o) act as collection agent for government entities, including but not limited to, the Bureau of Internal Revenue (BIR), Social Security System (SSS) and the Bureau of Customs (BOC);

"(p) act as official depository of national agencies and of municipal, city or provincial funds in the municipality, city or province where the TB is located;

"(q) issue mortgage and chattel mortgage certificates, buy and sell them for its own account or for the account of others, or accept and receive them in payment or as amortization of its loan;

"(r) invest in the equity of allied undertakings;

"(s) issue foreign letters of credit; and

"(t) pay/accept/negotiate import/export draft/bills of exchange.

"(4) RBs. In addition to the powers provided in other laws, an RB may perform any or all of the following services:

"(a) xxx

"xxx

"(f) offer other banking services as provided in Section 53 of RA. No. 8791; and

"(g) buy and sell foreign exchange.

"With prior approval of the Monetary Board, an RB may perform any or all of the following services:

"(h) accept current or checking accounts: Provided, That such RB has net assets of at least P5.0 million;

"(i) accept negotiable order of withdrawal (NOW) accounts;

"(j) act as trustee over estates or properties of farmers and merchants;

"(k) act as official depository of municipal, city or provincial funds in the municipality, city or province where it is located;

"(l) sell domestic drafts; and

"(m) invest in allied undertakings.

"(5) Coop Banks. A Coop Bank shall primarily provide financial, banking and credit services to cooperatives and their members, although it may provide the same services to non-members or the general public.

"In addition to the powers granted to Coop Banks under existing laws, any Coop Bank may perform any or all of the banking services offered by rural banks under Item 4.a to 4.g above. A Coop Bank may likewise perform any or all of the banking services offered by rural banks under Item 4.h to 4m, as well as any or all of the banking services offered by other types of banks, subject to prior approval of the BSP.

"xxx."

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

FOR THE MONETARY BOARD:

(SGD) AMANDO M. TETANGCO, JR.
Governor

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