

OWNERSHIP CEILINGS UNDER R.A. NO. 7906

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/cc0457085090/>

The following clarifications regarding Section 8 of R.A. No. 7906, otherwise known as the Thrift Banks Act of 1995, are hereby issued.

1. On the coverage of the 10-year moratorium period

The exemption from "ownership ceilings" refers to ceilings on family groups and corporate holdings under Sections 12-B, 12-C and 12-D of R.A. No. 337, as amended. It does not refer to limits on foreign ownership prescribed in Sections 12 and 12-A of said law.

2. On the matter of foreign holdings

The sixty percent (60%) limit on foreign ownership in the voting stock of thrift banks shall only apply to those incorporated after February 28, 1995.

Foreign holdings in thrift banks established before or after the approval of R.A. No. 7906 are not covered by the 10-year moratorium period on ownership ceilings. Section 8 of R.A. No. 7906 states that 40% of the voting stock of a thrift bank which may be established after the approval of this Act shall be owned by citizens of the Philippines. The clear implication is that the new foreign equity limits (60%) provided therein should be immediately and mandatorily applied to thrift banks established after the approval of the law.

In the case of a new bank that may be formed as a result of a merger or a consolidation of existing thrift banks with foreign holdings, the resulting foreign holdings shall not be increased but may be reduced and once reduced, shall not be increased thereafter beyond sixty percent (60%) of the voting stock of the thrift bank. The percentage of the foreign-owned voting stocks shall be determined by the citizenship of individual stockholders and in case of corporations owning shares, by the citizenship of each stockholder in the corporations.

R.A. No. 7721, otherwise known as An Act Liberalizing the Entry and Scope of Operations of Foreign Banks in the Philippines and For Other Purposes, authorizes the Monetary Board, under certain conditions, to allow foreign banks to operate in the Philippine banking system through any of the following modes of entry:

1. by acquiring, purchasing or owning up to sixty percent of the voting stock of an existing bank;
2. by investing in up to sixty percent (60%) of the voting stock of a new banking subsidiary incorporated under the laws of the Philippines; or
3. by establishing branches with full banking authority

provided that the foreign bank may avail itself of only one mode of entry and invest in only one domestic bank or new banking subsidiary.

3. On prior clearance from the Bangko Sentral on the acquisition of stocks in thrift banks

While the restrictions on holdings of family groups and corporate holdings have been lifted for the duration of the moratorium period, current regulations requiring prior Monetary Board approval on transfers to any person or entity of ownership or control of more than 20% of the voting stock of a thrift bank or any transfer which will

effect a change in the controlling interest in a thrift bank, shall continue to be observed.

Adopted: 6 Aug. 1996

(SGD.) ALBERTO V. REYES

Deputy Governor

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.