

GUIDELINES ON THE SUSPENSION OF THE GRANT OF NEW BANK LICENSES

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/e524ab9119e8/>

For the guidance of all concerned, the Monetary Board in its Resolution No. 1224 dated 27 August 1999, approved the issuance of the following clarifications on the suspension of the grant of new bank licenses:

1. On Establishment of New Banks

Pending completion of a study, there shall be an indefinite moratorium on the establishment of new banks, except in cities and municipalities where there are no existing banking offices.

The moratorium shall apply to all applications for establishment of new banks, including pending ones received prior to 16 August 1999.

However, approved but not yet opened banks shall be exempted from the moratorium. Requests for extension of the period within which to open-approved but not yet opened banks shall, however, be evaluated on a case-to-case basis depending, among others, on the bank's substantial compliance with the pre-operating requirements.

2. On mergers and acquisition of domestic banks

Mergers and consolidations among domestic banks, as well as purchases or acquisitions of majority or all of the outstanding shares of stocks of a domestic bank, shall not be subject to moratorium.

3. On foreign banks establishing a branch/subsidiary or acquiring an existing domestic bank

Applications for establishment of a branch/subsidiary or acquisition of an existing domestic bank by a foreign bank pursuant to R.A. No. 7721 shall be exempted from the moratorium.

The exemption from the moratorium shall also apply to applications for establishment of additional branches by foreign banks with existing branch/es.

4. On establishment of new branches

Pending issuance of a new set of guidelines for the establishment of new branches, there shall be a moratorium on the establishment of new branches, except as follows:

- a. In cities and municipalities where there are no existing banking offices; and
- b. In any place in the Philippines be merged/consolidated banks as one of the incentives for consolidations and mergers, provided that merged/consolidated rural banks may establish a branch each in Cebu City, and Davao City only if they have put up the minimum capital requirements for these places, and a branch in Greater Manila Area only if their capital is at least equal to the capital requirement for new thrift banks in Metro Manila.

The moratorium shall apply to all applications for establishment of new branches including pending ones received prior to 16 August 1999. It shall also apply to applications for (a) conversion of a branch of a subsidiary bank into a branch of a higher category parent bank, and (b) conversion of an existing banking office (head office) into a branch as a result of the transfer of the head office to other places.

Approved but not yet opened branches shall be exempted from the moratorium. Requests for extension of the period within which to open approved but not yet opened branches shall, however, be evaluated on a case-to-case basis depending, among others, on the bank's substantial compliance with the pre-operating requirements.

Adopted: 19 Sept. 1999

(SGD.) RAFAEL B. BUENAVENTURA

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.