



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE DEPUTY GOVERNOR I FINANCIAL SUPERVISION SECTOR

MEMORANDUM NO. M-2022-040

To : **All BSP-Supervised Financial Institutions**

Subject : **Guidelines on the Implementation of the Rural Bank Strengthening Program**

The Monetary Board, in its Resolution No. 1145 dated 04 August 2022, approved the following guidelines on the implementation of the Rural Bank Strengthening Program (RBSP) as provided under Memorandum No. M-2022-024 dated 5 May 2022. The guidelines provide the phased implementation of the different tracks, available incentives, and requirements to avail of the incentives under the RBSP.

The RBSP was developed to enhance the operations, capacity, and competitiveness of rural banks (RBs) in view of their vital role in promoting countryside development and inclusive economic growth. It features five time-bound tracks aimed at strengthening the capital position of RBs alongside the corresponding supervisory actions. These tracks are as follows:

- Track 1: Merger/Consolidation
- Track 2: Acquisition/Third Party Investment
- Track 3: Voluntary Exit/Upgrade of Banking License
- Track 4: Capital Build-up Program
- Track 5: Supervisory Intervention

The RBSP shall be available within three (3) years from the effectivity of the amended minimum capital requirements for RBs, under Circular No. 1151¹ dated 24 August 2022.

A. Implementation Guidelines of the RBSP Tracks

Pre-onboarding Stage

RBs and interested parties, including third-party investors or TPIs (bank or non-bank entities), must undergo pre-onboarding discussions before applying or engaging on any of the tracks. This stage aims to provide the potential applicants with a sufficient understanding of the process, requirements, relief/incentives, and consequences of availing any of the tracks.

The pre-onboarding discussions will be conducted by the BSP. The BSP will announce the schedule and details of these discussions.

RBs are expected to conduct a preliminary self-assessment to determine the track suited to their conditions. RBs which comply with the new capital levels under Circular No. 1151 shall submit to the Bangko Sentral a certification (*Annex A*) to this effect, signed by the president or officer of equivalent rank, within ten (10) banking days from the date of effectivity of the said Circular. Meanwhile, RBs with capital levels below the new minimum capital requirements may avail of any of Tracks 1 to 4

¹ Circular No. 1151 is effective on 21 September 2022

of the RBSP. The BSP reserves the right to automatically classify RBs with serious supervisory concern, to Track 5.

Banks that have decided to pursue any of Tracks 1 to 4 shall submit the following to the appropriate Financial Supervision Department (FSD):

- a. Letter of Intent, signed by the President, informing the BSP of the bank's preferred RBSP track. It shall also indicate that: (a) self-assessment has been made to determine that track best suited for the Bank, and (b) the Bank is willing and capable to adhere to the requirements of the RBSP; and
- b. Sworn Secretary's Certificate of the Board of Directors' resolution approving, among others, the (a) RBSP track that will be pursued, (b) the Bank's willingness and capacity to adhere to the requirements of the RBSP, and (c) authority of the President to sign the Letter of Intent.

Concerned banks are expected to engage with the FSDs on their plan to avail of the RBSP. This will allow the RBs to be apprised of the procedures regarding the processing of the application as well as address concerns, if any, relative to the preferred track.

Concerned banks and/or interested parties shall then undergo the following phases relevant to their tracks:

1. Tracks 1 and 2: Merger/Consolidation and Acquisition/Third Party Investment (TPI), collectively termed as MCA Track

Stage 1 – Screening Phase

The BSP shall assess the eligibility or qualification of Merger/Consolidation and Acquisition/Third Party Investment (MCA) applicants or proponent banks/parties to undergo the MCA track. The criteria set will gauge the safety and soundness of the parties concerned, the proponents' financial capacity, and the proposal's viability.

Under this phase, the parties for the MCA shall undergo and complete the following procedures:

- a. BSP's assessment of the fitness and propriety of the incorporators, subscribers, proposed directors, and principal officers. The documents and other information prescribed under items 2b and 2c (as applicable) of Appendix 33, Pre-Approval stage of the Basic Guidelines in Establishing Domestic Banks of the Manual of Regulations for Banks (MORB) shall likewise apply to the MCA applicants of the RBSP;
- b. Financial advisor's due diligence to determine the viability of the MCA transaction. The Lead Proponent Bank² or the TPI must submit to the BSP a Certification stating that due diligence has been conducted to assess the viability of the application.

Applicants that completed and obtained favorable results from the above procedures shall receive a 'notice to proceed' or a 'confirmation of eligibility' to proceed to the next stage from the BSP. Applicants that did not pass the above

² Under Joint Circular No. 01 on the Streamlined MCA Procedures, the Lead Proponent Bank refers to the bank overseeing the arrangement of the MCA transaction; one whose financial condition shall be the basis of determining compliance with the web-based self-assessment questionnaire.

procedures shall receive a ‘confirmation of non-eligibility’ to proceed to the next stage.

Applicants that failed the screening process are not precluded from submitting an application/reapplying under any of the other tracks of the RBSP (i.e., capital build-up program, voluntary exit), subject to existing regulations and relevant requirements.

Stage 2 - Evaluation Phase

This involves the submission of documentary requirements and the processing of formal MCA application of proponent banks, in accordance with the Implementing Guidelines for the Streamlined Procedures on Application for Mergers, Consolidations, and Acquisitions (MCA) of Banks under Joint Circular No. 01 dated 27 May 2022 (*Annex B*). This will be referred to as the “Streamlined MCA Procedures.”

The Lead Proponent Bank shall first accomplish the web-based Self-Assessment Questionnaire (SAQ)³, under Section 3 of the Streamlined MCA Procedures. The BSP shall assess whether the Lead Proponent Bank is eligible to submit its MCA application and documentary requirements. Only applications with complete documents, in accordance with Annexes D and E of the Streamlined MCA Procedures, shall be evaluated. The MCA application should include the Lead Proponent Bank’s list of preferred incentives under Section B of this Memorandum.

MCA transactions involving non-banks and/or considered ‘notifiable’⁴ shall be evaluated in accordance with Section 104 and Appendix 90 of the MORB.

Applications for transfer or sale of shares of stocks to TPIs, including non-bank entities shall be evaluated in accordance with applicable laws, rules, and regulations.

Stage 3 - Program Implementation

This covers the grant of incentives for qualified/eligible banks, as may be determined by the BSP. To qualify for the incentives, the MCA application should be approved by the Monetary Board (MB) within the three-year availability period of the RBSP. An MCA application approved by the MB beyond the said period may also qualify for the incentives provided that complete documents were submitted within the effectiveness period of the RBSP, and no major deficiencies were cited during the evaluation.

2. Track 3: Voluntary Exit

Stage 1 - Screening Phase

This stage refers to the assessment of whether a bank that intends to undergo the voluntary exit track meets the criteria or prerequisites to surrender a banking license. Under this track, there should be no grounds to prohibit the bank from doing business in the Philippines, as outlined in Section 30 of the Republic Act (R.A.) No. 7653 or the *New Central Bank Act* (NCBA) and as amended by R.A. No. 11211. The bank must likewise be solvent and with sufficient liquid assets to fully repay all depositors and creditors in a timely manner.

A bank that meets said criteria shall receive a notice to proceed from the BSP. The bank shall then undergo the application procedures and submit the

³ The web based SAQ can be accessed through http://www.bsp.gov.ph/SES/reporting_templates

⁴ As determined by the Philippine Competition Commission (PCC).

documentary requirements⁵ including the list of its requested incentives, for BSP evaluation.

Stage 2 – Evaluation Phase

This stage refers to the evaluation of the application based on the existing guidelines and requirements for the voluntary surrender of a banking license, outlined in the MORB and other pertinent laws⁶. Applications with complete documentary requirements and satisfactory compliance with the application procedures shall be elevated for MB's approval. Upon approval of the application, the BSP shall immediately notify the bank of the MB's approval including the list of approved incentives, and corresponding conditions/directives, if any.

Stage 3 – Program Implementation

This covers the grant of incentives for qualified banks under Track 3 or voluntary exit. To qualify for the incentives, the voluntary exit application should be approved by the MB within the three-year availability period of the RBSP. An application approved by the MB beyond the said period may also qualify for the incentives provided that complete documents were submitted within the effectiveness period of the RBSP, and no major deficiencies were cited during the evaluation.

The release of certain incentives may depend on the bank's fulfillment of the conditions and corresponding directives relevant to its dissolution and liquidation.

3. Track 3: Upgrade of Banking License

Stage 1 – Screening Phase

The BSP shall assess whether an RB meets the minimum requirements for the upgrade of the banking license.

The applicant RB must submit proof showing its compliance with the minimum capitalization requirements of the desired banking license as provided under Section 121 of the MORB. An RB that meets said requirement shall receive a notice from BSP to proceed to the next stage.

Stage 2 – Evaluation Phase

Under this stage, an RB seeking to upgrade its banking license must submit its formal application letter together with its list of requested incentives for BSP evaluation. The application shall be evaluated based on its compliance with the statutory and regulatory provisions, which include the following:

- a. Section 15 of R.A. No. 11232 or the Revised Corporation Code of the Philippines;
- b. Pertinent Sections of the MORB:
 - Section 102 and Appendix 33 on the Basic Guidelines in Establishing Domestic Banks; and
 - Section 111 on Licensing, as amended by Circular No. 1121 dated 08 June 2021.

⁵ As set forth in Sections 191 (Voluntary Surrender of a Banking License) and 192 (Voluntary Dissolution and Liquidation) of the BSP MORB and the pertinent provisions of the Republic Act (R.A.) No. 8791 or the General Banking Law of 2000, R.A. No. 11232 or the Revised Corporation Code of the Philippines or R.A. No. 9520 or the Philippine Cooperative Code of 2008.

⁶ Ibid.

The RB must submit to the BSP the required documents including the proposed Amended Articles of Incorporation (AOI) and By-Laws (BL). Upon satisfactory compliance with the said requirements, the bank's application for the upgrade of banking license and its requested incentives shall be elevated for MB's approval. If granted, the BSP shall notify the bank of the MB's approval of the application with the corresponding incentives. The BSP shall likewise issue the bank's Certificate of Authority (COA) to Register the Amended AOI and BL, subject to certain conditions.

Consequently, the bank concerned shall apply to register its Amended AOI and BL with the Securities and Exchange Commission (SEC). Upon securing the SEC's registration of the Amended AOI and BL, the bank shall fulfill the conditions of the approval of the upgrade and seek the BSP's issuance of the COA to Operate.

Stage 3 – Program Implementation

This covers the grant of incentives for qualified banks under Track 3 on the upgrade of banking licenses. To qualify for the incentives, the application should be approved by the MB within the three-year availability period of the RBSP. An application approved by the MB beyond the said period may also qualify for the incentives provided that complete documents were submitted within the effectivity period of the RBSP, and no major deficiencies were cited during the evaluation.

The release of certain incentives may depend on the bank's fulfillment of the conditions of the approval including the issuance of the COA to Operate.

4. Track 4: Capital Build-Up Program

RBs availing of Track 4 must submit to the FSD a board-approved capital build-up program (CBUP) together with its list of preferred incentives. The CBUP shall contain, at the minimum, the RBs' strategies, financial projections with underlying assumptions, and other relevant information to ensure compliance with the amended minimum capital requirements for RBs within the prescribed timeline. It shall be accompanied by relevant supporting documents such as the Deed of Undertaking from Stockholders, and subscription agreements. The BSP shall then proceed with the assessment of the reasonableness and timeliness of the RBs' CBUP. The RB shall receive a letter/notification that the CBUP is accepted by the BSP.

RBs must then complete their capital build-up and meet the minimum capital requirements in accordance with their CBUP. Upon reaching the required minimum capital, RBs must submit to BSP, the proof of capital infusion, for verification. If the CBUP involves an increase in the RBs' authorized capital stock to accommodate the capital infusions, RBs concerned should submit the required documents for the amendments of the AOI within six (6) months from the BSP's acceptance of the RBs' CBUP.

Regardless of the prescribed timeline under the amended minimum capital requirements for RBs, those that have reached the required capital levels within the three-year effectivity period of the RBSP shall be entitled to incentives, as may be determined by the MB.

5. Track 5: Supervisory Intervention

RBs with major supervisory concerns as of the effectivity of the amended minimum capital requirements for RBs shall automatically be enrolled under Track 5. Under this track, the BSP shall implement a strict, time-bound, and milestones-based supervisory intervention to mitigate further losses and protect the interest of

depositors. Track 5 will leverage on existing supervisory approach and strictly adhere to the timelines provided therein.

Nonetheless, RBs under this track are not precluded from engaging in an MCA transaction nor applying for any of the other tracks, within the period of effectivity of the RBSP, subject to compliance with the relevant requirements. It is understood, however, that notwithstanding any outstanding application, the BSP reserves the right to deploy drastic supervisory actions should circumstances warrant.

At any stage of the RBSP tracks discussed above, the BSP reserves the right to request additional requirements and/or data/information from concerned banks or parties, if necessary, to properly assess the application. Moreover, applications with unique circumstances shall be handled, on a case-by-case basis, in accordance with existing laws, rules, and regulations.

B. Incentives and Capacity-Building Intervention

The RBSP provides incentives to banks that completed the relevant requirements, within the timelines given per track. As may be determined by the BSP, incentives that banks may avail or apply for include the following:

1. Financial Advisory Support

This applies to banks that completed the requirements under Tracks 1 and 2 of the RBSP. It aims to augment the funds for the hiring of financial advisory services. This will be deployed subject to the terms of the development partners.

2. Digitalization Support

This applies to banks that completed the requirements under Tracks 1, 2, 3 (upgrade of banking license), and 4 of the RBSP. It provides an opportunity for banks to apply for support that may cover the transition to cloud banking, upgrading of banking systems, and capacity-building of personnel on digital transformation. This will be deployed subject to the terms of the development partners.

3. Prudential relief/support measures and other regulatory incentives

These apply to banks that completed the requirements under Tracks 1, 2, 3, and 4 of the RBSP. Subject to compliance with BSP requirements and approval of the MB, qualified banks may avail prudential relief and regulatory incentives such as but not limited to the following:

- a. Lifting of MB-approved restrictions/suspensions (e.g., as to loan activities);
- b. Discount in the Annual Supervisory Fees under Section 1101 of the MORB;
- c. Waiver of all processing and licensing fees and condonation of liquidated damages/penalties on loan arrearages with the BSP;
- d. Operational relief on submission of periodic reports;
- e. Temporary relief from compliance with prudential limits/ratios such as real estate loan limits and single borrower's limit;
- f. Relocation of head offices and/or branches/branch-lite units in cases of duplication in certain areas;
- g. Downgrading of branch to branch-lite unit or upgrading of branch-lite unit to branch;
- h. Increase in the rediscounting line ceiling based on adjusted capital of the surviving bank;

- i. Concurrent directorship/officership between constituent banks; and
- j. Other regulatory incentives as may be requested by banks.

4. Capacity-Building Interventions

This incentive is available to all tracks of the RBSP except Track 3 (Voluntary Exit) and Track 5. It aims to enhance the quality of corporate governance, improve operations, and boost the competitiveness of RBs. Training interventions will focus on governance and oversight/managerial functions as well as operational/technical functions. This will be carried out through the support of various development partners.

The BSP shall monitor the relevant developments concerning the RBSP implementation. Further updates on the RBSP will be communicated through various channels, engagements, or issuances. For clarification and related queries, interested parties may send electronic mail to the concerned Financial Supervision Department, copy furnished, mca-applications@bsp.gov.ph.

For guidance and implementation.


Digitally signed by
Chuchi G. Fonacier
Date: 2022.09.13
11:45:40 +08'00'
CHUCHI G. FONACIER
Deputy Governor

13 September 2022

<Bank Letterhead>

CERTIFICATION

This certifies that Name of Bank, with capital of P<amount> as of September 2022 (computation attached) and with number of branches, complies with the minimum capital requirement of P<amount> for rural banks, pursuant to Section 8.3 of Republic Act No. 8791 (The General Banking Law of 2000), as implemented under Section 121 of the Manual of Regulations for Banks, as amended by Circular No. 1151 dated 24 August 2022.

This further certifies that the Bank's Board of Directors and stockholders commit that in case the Bank's capital falls below the minimum capital requirement, they shall take immediate action to address the capital deficiency.

Signed this ___ day of September 2022 at the location.

NAME OF PRESIDENT

President

Att.: As stated

CAPITAL COMPUTATION
As of September 2022

Particulars	Amount
A. Unimpaired Paid-in Capital	
Surplus	
Undivided Profits	
B. Add:	
Deposit for Stock Subscription recognized as equity pursuant to Section 123 of the MORB, if any	
C. Deduct (as may be applicable):	
1) Treasury stock	
2) Unbooked allowance for probable losses (which includes allowance for credit losses and impairment losses)	
3) Total outstanding unsecured credit accommodations, both direct and indirect, to DOSRI granted by the bank proper: Provided, That in the case of government-owned or -controlled banks, the adjustment shall not include the unsecured peso-denominated credit accommodations to the Philippine National Government	
4) Total outstanding unsecured loans, other credit accommodations and guarantees granted to subsidiaries	
5) Total outstanding loans, other credit accommodations and guarantees granted to related parties that are not at arm's length terms as determined by the appropriate supervising department of the Bangko Sentral	
6) Deferred tax assets that rely on future profitability of the bank to be realized, net of (a) any allowance for impairment and (b) associated deferred tax liability, if the conditions cited in PAS 12 on Income Taxes are met: Provided, That, if the resulting figure is a net deferred tax liability, such excess cannot be added to net worth	
7) Reciprocal investment in equity of other banks/enterprises, whether foreign or domestic, the deduction shall be lower of the investment of the bank or the reciprocal investment of the other bank or enterprise	
8) Government counterpart equity, except those arising from conversion of arrearages under the Bangko Sentral rehabilitation program	
TOTAL CAPITAL	

Note: Supporting documents should be attached to this Annex



REPUBLIC OF THE PHILIPPINES
Philippine Deposit Insurance Corporation
Bangko Sentral ng Pilipinas
Securities and Exchange Commission
Cooperative Development Authority
Philippine Competition Commission

JOINT CIRCULAR NO. 01, series of 2022

TO: **ALL BANKS**

SUBJECT: **Implementing Guidelines for the Streamlined Procedures for Applications for Mergers, Consolidations and Acquisitions of Banks**

The Philippine Deposit Insurance Corporation, Bangko Sentral ng Pilipinas, Securities and Exchange Commission, Cooperative Development Authority, and the Philippine Competition Commission, pursuant to their respective mandates and in line with the Government's thrust of promoting ease of doing business, hereby issue the Implementing Guidelines for the Streamlined Procedures for Applications for Mergers, Consolidations and Acquisitions of Banks, for guidance and compliance of banks.

Issued this MAY 27 2022.

BANGKO SENTRAL NG PILIPINAS

By:


BENJAMIN E. DIOKNO
 Governor



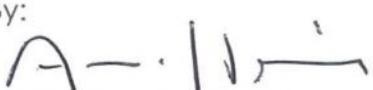
SECURITIES AND EXCHANGE COMMISSION

By:


EMILIO B. AQUINO
 Chairperson

PHILIPPINE COMPETITION COMMISSION

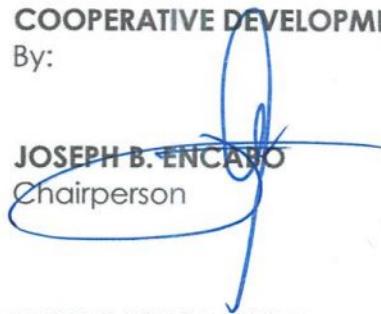
By:


ARSENIO M. BALISACAN
 Chairperson



COOPERATIVE DEVELOPMENT AUTHORITY

By:


JOSEPH B. ENCABO
 Chairperson

PHILIPPINE DEPOSIT INSURANCE CORPORATION

By:


ROBERTO B. TAN
 President and CEO







IMPLEMENTING GUIDELINES For the Streamlined Procedures for Applications for Mergers, Consolidations and Acquisitions of Banks

Section 1. Scope and Coverage

These Guidelines shall apply to the applications for Mergers, Consolidations and Acquisitions (MCA) of banks, which are non-notifiable to the Philippine Competition Commission and do not involve financial assistance from the Philippine Deposit Insurance Corporation under Section 22 (e) of Republic Act No. 3591, as amended.

Section 2. Definition of Terms

For purposes of these Implementing Guidelines, the following terms are defined as herein provided.

Acquisitions – refer to acquisition transactions between banks involving the purchase of recorded assets and assumption of recorded liabilities (P&A), subject to the provisions of existing and applicable laws.

Agency – refers individually to any agency between and among the Philippine Competition Commission (PCC), Philippine Deposit Insurance Corporation (PDIC), Bangko Sentral ng Pilipinas (BSP), Securities Exchange Commission (SEC), and Cooperative Development Authority (CDA).

Agencies – refers collectively to the PCC, PDIC, BSP, SEC, and CDA involved in the harmonization of the list of requirements and synchronization of process flow and timelines for the evaluation of MCA.

Agreement – refers to the "Memorandum of Agreement on the Procedures for Applications for Mergers Consolidations and Acquisitions of Banks" dated 29 October 2021 executed by and among the Agencies.

Banks – refer to entities engaged in the lending of funds obtained in the form of deposits and are classified into universal banks, commercial banks, thrift banks, rural banks, cooperative banks, Islamic banks, digital banks, and other classification of banks as determined by the Monetary Board (MB) of the BSP.

Business Day – refers to Monday to Friday except local and national holidays, and non-working days due to a declaration of suspension or cancellation of work for government offices.

Calendar Day – refers to all the days of the year including Saturday, Sunday, and holidays.

Consolidation – is the union of two (2) or more banks into a single new bank, called the consolidated bank, all the constituent banks thereby ceasing to exist as separate entities. The consolidated bank shall thereupon and thereafter possess all the rights, privileges, immunities, franchises and properties, and assume all the liabilities and obligations of each of the constituent banks in the same manner as if it had itself incurred such liabilities or obligations.

Lead Proponent Bank – refers to the bank overseeing the arrangement of the merger, consolidation or acquisition transaction; one whose financial condition shall be the basis of determining compliance with the web-based self-assessment questionnaire (SAQ) of the BSP.

Letter of Acknowledgment – refers to the PCC's confirmation that the MCA transaction is a Non-Notifiable Transaction.

Letter of Non-Coverage from Compulsory Notification – refers to the letter submitted to the PCC by Proponent Banks seeking confirmation that an MCA transaction is not covered by the compulsory notification requirement under Section 17 of the Philippine Competition Act (PCA), if required by the BSP, PDIC, SEC, or CDA.

Merger – is the absorption of one (1) or more banks by another existing bank (called absorbing bank), which retains its identity and takes over the rights, privileges, franchises, and properties, and assumes all the liabilities and obligations of the other banks (i.e., absorbed bank/s) in the same manner as if it had itself incurred such liabilities or obligations. The absorbing bank continues its existence while the life or lives of the other bank/s is/are terminated.

Non-Notifiable Transactions – refer to MCA transactions that do not reach the notification thresholds provided under Rule 4, Section 3 of the Implementing Rules and Regulations of R.A. No. 10667 or the PCA, as amended by PCC Memorandum Circular No. 18-001, or provided under a law, or are exempted from compulsory notification under an effective circular or guideline issued by the PCC.

Proponent Banks – refer to banks applying for MCA.

Section 3. Submission of the Application of the Proponent Banks (Process Flow in [Annex A](#))

- 3.1. The Lead Proponent Bank shall accomplish the SAQ ([Annex B](#)) pursuant to Section 111 and Appendix 124 of the Manual of Regulations for Banks, as implemented by BSP Memorandum No. M-2020-077 dated 28 September 2020. The accomplishment of the SAQ will be acknowledged by the BSP via automatic-reply, copy furnished the concerned Agencies.

Within five (5) business days from the automatic reply, the BSP shall notify/confirm with the Proponent Banks, copy furnished the Agencies, of its eligibility/non-eligibility to submit the MCA application and documentary requirements. The confirmation of eligibility at this point should not be construed as BSP's pre-approval of the MCA application.

- 3.2. The Proponent Banks shall submit simultaneously to the Agencies concerned the duly-accomplished Application Form (**Annex C**), together with the documents required under the Harmonized List of Requirements classified as follows:
- Common Documents Required by All Agencies (**Annex D**);
 - Distinct Documents Required by Each Agency (**Annex E**).

The authorized signatory/ies is/are the person/s authorized by the respective Boards of the Proponent Banks as its representative/s in the MCA transaction.

Upon receipt by each Agency of the duly filled-up Application Form and documentary requirements, the application form shall be stamped, either in wet, digital and/or electronic stamp/signature, with the actual date of receipt by the Agencies.

- 3.3. BSP shall assign a Unified Application Number (UAN) to the MCA application upon confirmation of receipt thereof by all the Agencies. The BSP shall immediately disseminate the UAN to the Agencies through e-mail. All correspondences regarding the MCA application shall indicate thereon the assigned UAN.
- 3.4. The MCA Application and documentary requirements may be submitted to the Agencies either by personal service, registered mail or courier service, or transmitted by electronic mail or other electronic means, in accordance with each Agency's rules and regulations, addressed to the following:

Agency	Designated Officer and Address	Email address
PCC	The Director Mergers and Acquisitions Office Philippine Competition Commission 25F Veritis North Corporate Center 1 North Avenue, Quezon City	mergers@phcc.gov.ph or mergers1nd@phcc.gov.ph
PDIC	President and CEO Philippine Deposit Insurance Corporation 7F SSS Building Ayala Ave., Cor. Rufino St., Makati City	mca@pdic.gov.ph
BSP	The Director Financial Supervision Department Bangko Sentral ng Pilipinas A. Mabini St. Malate, Manila	mca-applications@bsp.gov.ph
SEC	Assistant Director Financial Analysis and Audit Division Company Registration and Monitoring Department Securities and Exchange Commission	mergersconsobanks_faad@sec.gov.ph

Agency	Designated Officer and Address	Email address
CDA	The Administrator, thru The Director Registration, Supervision and Examination Service Cooperative Development Authority 827 Aurora Blvd, Brgy. Immaculate Concepcion Cubao, Quezon City	registration@cda.gov.ph

MCA Application and documentary requirements transmitted by electronic mail or other electronic means shall be encrypted or password-protected. The transmission of the password of the files shall be made in a separate e-mail or through other means.

Section 4. Assessment of the Completeness of Documents

- 4.1. Each Agency shall undertake an independent initial review/assessment of the submitted documents as to completeness, based on their respective mandates and requirements and in accordance with the respective turn-around times (TAT) of the Agencies.
- 4.2. If found to be incomplete, each Agency shall notify the Proponent Banks of the deficiencies noted within the TAT provided below:

Agency	TAT to Inform Proponent Banks
PCC	Within seven (7) business days from receipt of the MCA application
PDIC	Within seven (7) business days from receipt of the MCA application
BSP	Within seven (7) business days from latest receipt by any of the Agencies of the MCA application
SEC	Within seven (7) business days from receipt of the MCA application
CDA	Within seven (7) business days from receipt of the MCA application

The Proponent Banks shall have fifteen (15) calendar days from receipt of notice within which to submit/comply with any noted deficiency. Should the Proponent Banks fail to comply/submit the noted deficiencies within the period provided in this Section, the MCA application may be considered closed or terminated without prejudice to the refiling thereof.

- 4.3. The Agencies shall commence their respective evaluation of the Proponent Banks' application upon issuance of the latest Notice of Complete Submission by the BSP, PDIC, SEC or CDA or the receipt by the said Agencies of the email of the PCC informing the other Agencies of the complete submission of requirements by the Proponent Banks.

Section 5. Evaluation of the MCA Application

- 5.1. Each Agency shall undertake an independent evaluation of the MCA application, based on their respective mandates, as follows:

Agency	Determination
PCC	<p>Determination if the proposed MCA transaction is non-notifiable</p> <p>Should the PCC find during the evaluation of an MCA Application that the MCA transaction is notifiable, the PCC shall immediately inform the Proponent Banks and other Agencies of such finding and require the Proponent Banks to file Notification Forms. In such case, the fifty-five (55) business days timeline under these Guidelines shall not apply. The BSP, PDIC, SEC or CDA shall proceed with the processing of the MCA application in accordance with their respective policies, rules, and regulations.</p> <p>The PCC shall inform the Agencies of competition concerns that may possibly trigger motu proprio review.</p>
PDIC	Compliance with PDIC Charter and PDIC Regulatory Issuances
BSP	Viability assessment of the business plan, and compliance with banking laws and BSP regulations
SEC	Compliance with the Revised Corporation Code and applicable Rules and Regulations
CDA	Compliance with the Philippine Cooperative Code of 2008

- 5.2. The Agencies shall have a total of fifty-five (55) business days to process the MCA application, which shall be reckoned from the date of receipt by the Lead Proponent Banks of the latest Notice of Complete Submission issued by any of the Agencies or the receipt by the BSP, PDIC, SEC or CDA of the email of the PCC informing the other Agencies of the complete submission of requirements by the Proponent Banks, whichever is later (the "Reckoning Date").
- 5.3. The Proponent Banks shall have a continuing obligation to inform the Agencies of any change in their proposal.

The MCA application shall be deemed withdrawn and/or terminated, without prejudice to refiling in case of any of the following major changes, such as, but not limited to:

- a. Changes in the composition of the Proponent Banks and/or change in the Lead Proponent Bank;
- b. Changes in the mode of business combination (e.g., from merger to consolidation or to P&A or vice-versa);
- c. Changes in the ownership and/or beneficial ownership; or

- d. Changes in the cut-off dates of the assets and liabilities to be transferred to the Surviving Bank (for mergers or P&A) or to the new entity (for consolidation).

Should there be other changes in their proposal considered to be major by any of the Agencies, the Proponent Banks will be notified by the Agency concerned, copy furnished the other Agencies, that the MCA application is deemed withdrawn and/or terminated without prejudice to refiling.

Any Letter of Acknowledgment issued by the PCC prior to a major change or substantial modification under the PCC Rules on Merger Procedure shall be vacated without prejudice to reinstatement after re-filing and upon full compliance by the Proponent Banks with the requirements of all the Agencies.

- 5.4. Each Agency shall evaluate the MCA application and issue the following notices/issuances to the Proponent Banks, copy furnished the other Agencies, within the TAT hereunder indicated:

Agency	TAT from Reckoning Date	Document to be Issued
PCC	Within seven (7) business days	Letter of Acknowledgment
PDIC	Within twenty (20) business days	Written consent subject to the approval of the MB and the conditions enumerated under Section 5.5
BSP	Within forty (40) business days	Certificate of Authority to Register (CoAR) or favorable recommendation in case of Mergers and Consolidations, or, the Notice of Approval by the MB in case of Acquisitions; or, Letter of Non-Compliance, informing the Proponent Banks, of the: (i) deficiencies noted; and (ii) the return of its application and accompanying documents and that the same is considered as "closed," as applicable.
SEC	Within twenty (20) business days	Notification Letter to the BSP on the Proponent Banks' compliance with the Revised Corporation Code and applicable Rules and Regulations; or, Letter of Non-compliance to the Proponent Banks, as applicable.
CDA	Within twenty (20) business days	Notification Letter to the BSP on the Proponent Banks' compliance with the Philippine Cooperative Code of 2008 and applicable rules and regulation; or, Letter of Non-Compliance to the Proponent Banks, as applicable.

- 5.5. Not later than five (5) business days after receipt of the CoAR/favorable recommendation or MB approval, as applicable, the Proponent Banks shall submit to the PDIC, BSP, and SEC / CDA, a Notarized Certification and/or Proof of Notice to Creditors/Depositors and Proof of Publication or Posting

Announcement of merger, consolidation, or acquisition by the Proponent Banks that shall include the following:

- (a) the respective depositors and creditors have been duly notified of the approved transaction and its full implication on the: (1) deposit liabilities of the Proponent Banks and (2) the rights of the depositors; and
 - (b) the Proponent Banks have set aside sufficient funds to cover possible withdrawal of depositors upon the actual merger, consolidation or acquisition.
- 5.6. The SEC or the CDA, as applicable, shall issue the following within the period indicated and after payment of applicable fees:

Agency	Documents to be Issued	TAT from receipt of the Notice to Depositors/Creditors under 5.5 and payment of applicable fees
SEC	Certificate of Approval of the Articles and Plan of Merger or Certificate of Approval of the Articles and Plan of Consolidation and Certificate of Incorporation	Within fifteen (15) business days
CDA	Certificate of Merger or Certificate of Registration	Within ten (10) business days

- 5.7. If upon evaluation, the MCA application does not meet the requirements of one or more Agencies, the MCA application shall be returned and the application process shall be deemed terminated. The Agency/ies concerned shall issue the following notice or letter copy furnished the other Agencies indicating the ground/s for the denial and/or termination of the application:

Agency	Document to be Issued
PCC	Notice of Non-Acceptance of the Letter of Non-Coverage from Compulsory Notification
PDIC	Letter of Denial of MCA Application
BSP	Letter of Non-Compliance
SEC	Letter of Non-Compliance
CDA	Letter of Non-Compliance

Upon receipt by the Proponent Banks of any of the above notice or letter as applicable, from the Agency/ies concerned, clearances which may have been issued by the PDIC, BSP, SEC or CDA to the MCA application prior to such Letter of Denial from PDIC, or Letter of Non-Compliance from BSP, SEC or CDA, shall cease to have force and effect.

Such Letter of Denial of the MCA application from PDIC, or Letter of Non-Compliance from BSP, SEC or CDA shall be without prejudice to the filing by the Proponent Banks of another MCA application.

- 5.8. Notices shall be served to the Proponent Banks either through email, registered mail, or courier addressed to the Proponent Banks' designated email address or contact person.

Notice to the Proponent Banks shall be deemed complete, as follows:

- a. E-mail – upon transmission unless notice on the failure of delivery is received.
 - b. Correspondence sent through courier or delivered through personal service – based on the date of receipt by the addressee.
 - c. Registered mail – upon actual receipt by the addressee or five (5) calendar days after the date of receipt of the first notice from the postmaster.
- 5.9. The mode of communication to the Proponent Banks and among the Agencies shall be through printed letter or electronically-signed letter sent via email using the official addresses indicated in Section 3.4 of these Guidelines.

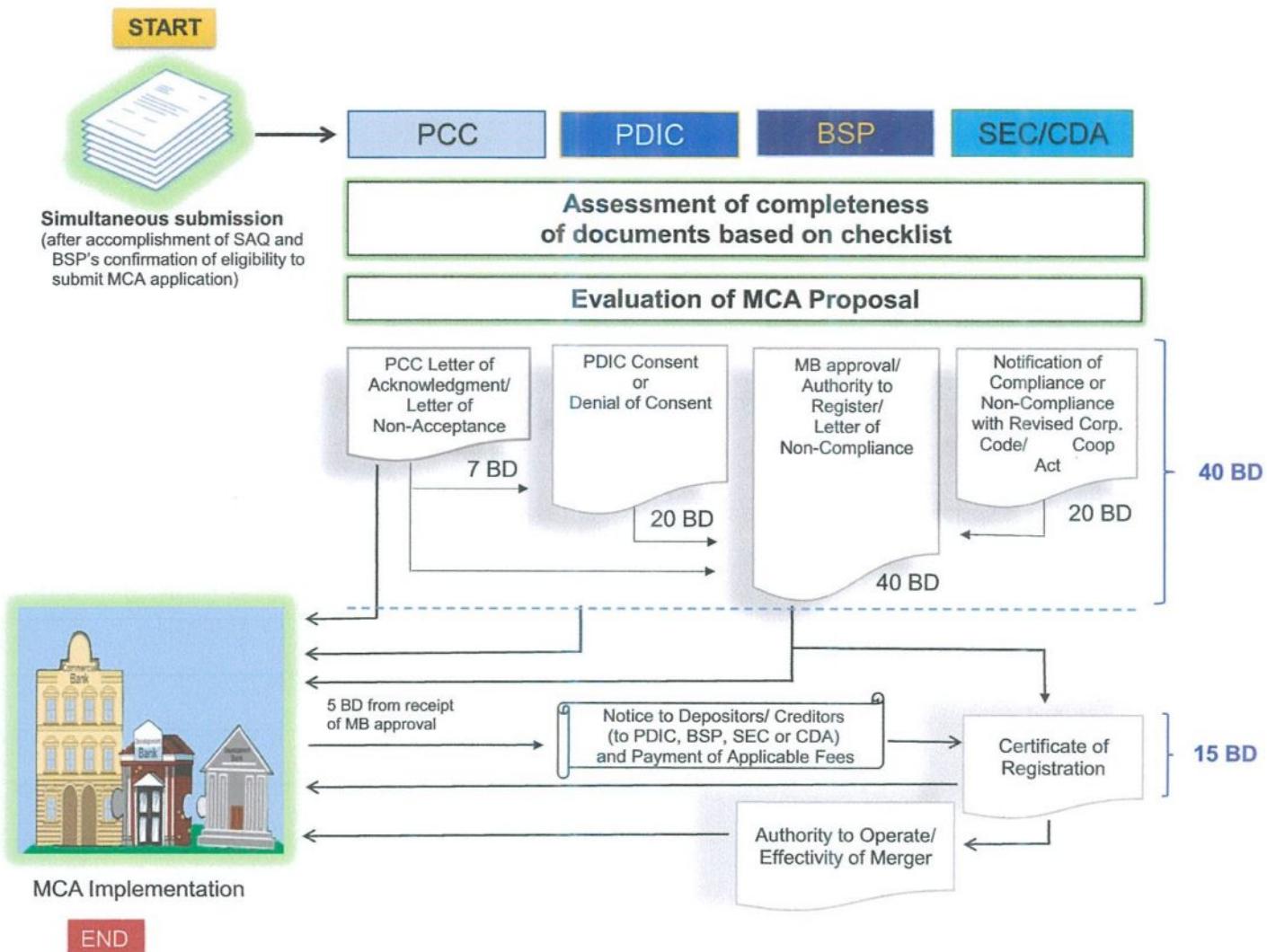
Section 6. Amendment and Review

These Guidelines may be reviewed and amended by the Agencies as the need arises in order to carry out the objectives of the Agreement. Any request for the amendment of all or any part of these Guidelines may be made at the instance of any Agency. Any such amendment agreed to shall be reduced in writing via issuance of another Joint Circular by the Agencies to provide proper notice to the banks and shall come into force and effect upon date of publication.

Section 7. Effectivity

These Guidelines shall take effect after fifteen (15) calendar days from the date of publication in a newspaper of general circulation and/or Official Gazette.

Annex A PROCESS FLOW



Note:

1. The P&A transactions will be approved by the PDIC, BSP and PCC, thus, requirements shall only be submitted to these agencies.
2. BD refers to Business Day.

Annex B

**GUIDELINES ON THE USE OF THE WEB-BASED
SELF-ASSESSMENT QUESTIONNAIRE (SAQ)**
FOR MERGER CONSOLIDATION and ACQUISITION (MCA) TRANSACTIONS
Adopted from BSP Memorandum No. M- 2020 – 077 dated 28 September 2020

Coverage

1. All Lead Proponent Banks shall conduct an eligibility test and self-assessment pursuant to Section 111 and Appendix 124 of the Manual of Regulations for Banks (MORB), as implemented by BSP Memorandum No. M- 2020 – 077 dated 28 September 2020. The Lead Proponent Bank shall accomplish the web-based Self-Assessment Questionnaire (SAQ) before submission of a merger, consolidation or acquisition application to the Philippine Competition Commission (PCC), Philippine Deposit Insurance Corporation (PDIC), Bangko Sentral ng Pilipinas (BSP), Securities and Exchange Commission (SEC), or Cooperative Development Authority (CDA), herein collectively referred to as the Agencies.

Mechanics

2. The accomplishment of the SAQ shall be one of the requirements in the submission of an MCA application of banks. Failure to accomplish the SAQ prior to submission of an application shall be a ground for the return of application.
3. The SAQ can be accessed in the BSP website by using the FI Code of the Lead Proponent Bank. It shall be accomplished only by the Lead Proponent Bank's Chief Compliance Officer or any authorized senior officer with the rank of at least Senior Vice-President. The Lead Proponent Bank is reminded that any misrepresentation in the responses in the SAQ may be a ground for the imposition of applicable supervisory enforcement action(s) under Section 37 of Republic Act (R.A.) No. 7653, as amended by R.A. No. 11211, and the return of application.
4. A "Yes" answer to all applicable questions in the SAQ is expected since this is an indication of the qualification of the lead proponent bank for the MCA transaction applied for. In case of "No" answers, however, the BSFI shall provide justification(s) therein including relevant information on the actions taken to comply with a directive or commitment and updates on supervisory concerns, such as on corporate governance, financial condition and risk management, that are necessary in the course of evaluation by the supervising or specialist department.
5. Within twenty-four (24) hours from accomplishing the web-based SAQ, the Lead Proponent Bank will receive an automatic reply (auto-reply)¹ from the BSP, copy furnish the concerned BSP-Financial Supervision Department (FSD) and Agencies. In the event that the Lead Proponent Bank does not receive the auto-reply after the lapse of twenty-four (24) hours, the Lead Proponent Bank should immediately inform the BSP of the said concern by sending an email to mca-applications@bsp.gov.ph.

¹ The concerned BSP-Financial Supervision Department shall be automatically copied in this auto-reply to the lead proponent bank.

6. Within five (5) business days from its receipt of the auto-reply, the Lead Proponent Bank, copy furnish the Agencies, shall receive an email notification/confirmation from the concerned BSP-FSD relative to the latter's validation of the Lead Proponent Bank's representations in the SAQ. Only after the lead proponent bank is confirmed as eligible for the MCA transaction applied for as received by the BSP, may the Lead Proponent Bank proceed to submit its application together with complete supporting documents to the Agencies. It bears stressing that a confirmation of eligibility at this point should not be construed as BSP's pre-approval of the MCA application.
7. In case concerns or objections were received from the BSP instead of a confirmation of eligibility, the Lead Proponent Bank shall refrain from submitting its application until the noted concerns or objections are properly addressed, and a subsequent confirmation of eligibility is received from the concerned BSP-FSD.
8. In no case shall the Lead Proponent Bank submit an MCA application without the confirmation of eligibility from the concerned BSP-FSD, informing that it may proceed with the submission of its application to the Agencies.
9. The confirmation of eligibility from the concerned BSP-FSD shall have a 30-business day validity from date of issuance thereof. The Lead Proponent Bank may submit the MCA application to the Agencies within said validity period. However, the Lead Proponent Bank shall accomplish anew the web-based SAQ upon resubmission of an application, notwithstanding that resubmission is still within the 30-business day validity of the confirmation of eligibility.
10. The Lead Proponent Bank should ensure that it uses only its official email addresses as registered and/or with the Department of Supervisory Analytics updated pursuant to BSP Memorandum Nos. M-2017-026 dated 11 September 2017. The BSP shall not be liable in case the Lead Proponent Bank's submission of the SAQ shall be invalidated and the auto-reply function will fail because of invalid formats used in the SAQ submission. The BSP shall likewise not be liable for any breach of data or information in case BSP response/notification is sent to an incorrect email address provided by the Lead Proponent Bank.



PHILIPPINE
COMPETITION
COMMISSION

Annex C

Unified Application Form with Joint Undertaking

Application No.

(to be filled up by the Agency)

Type of Transaction

Merger

Consolidation

Purchase of
Assets & Assumption
of Liabilities (P&A)

Surviving Bank (if merger) _____

Proposed Name (if consolidation) _____

Acquirer (if P&A) _____

Contact Person and Contact No. _____

Information on Applicant Banks:

Bank 1

Bank 2

Name _____

Type (e.g., Universal,
Commercial, Thrift, Rural,
Cooperative) _____

Address _____

President _____

Chairman of the Board _____

Major Stockholders

(include % of ownership)

(add a separate sheet for SH
holding more than 10%)

Transaction Approval:

Board Resolution No. _____

Date _____

Stockholders' Resolution No. _____

Date _____

Authorized Signatories (as indicated in the Board Resolution of the transaction approval):

[Name of Bank]

[Name of Bank]

(Signature over Printed Name)

(Signature over Printed Name)

Position: _____

Position: _____

Authorized Representative/(s), if any, for purposes of coordinating with the Agencies:
(supported by attached Board Resolution designating the representatives)

(Signature over Printed Name)
(Indicate Position, as applicable)

(Signature over Printed Name)
(Indicate Position, as applicable)

(Add separate sheet if necessary)

JOINT DECLARATION AND UNDERTAKING

The _____, a (type of bank) duly organized and existing under Philippine laws, holding office at _____, represented by its _____, _____, duly authorized for this purpose under Board Resolution No. _____ dated _____ (Annex 1);

and

The _____, a (type of bank) duly organized and existing under Philippine laws, holding office at _____, represented by its _____, _____, duly authorized for this purpose under Board Resolution No. _____ dated _____ (Annex 2);

(collectively referred to as the "**Proponent Banks**")

The Proponent Banks hereby declare, warrant, and undertake to the Philippine Competition Commission, Philippine Deposit Insurance Corporation, Bangko Sentral ng Pilipinas, Securities and Exchange Commission or Cooperative Development Authority (the "**Agencies**") that:

1. The information provided and the documents submitted along with this application for merger/consolidation/acquisition (the "Application") based on the Harmonized List of Requirements are true, correct and complete;
2. Should there be additional/revised documents required in the processing of the Application, the Proponent Bank/s shall strictly comply within set deadlines from receipt of Notice from the Agency requiring the same. The failure to comply with the Agency's requirements and to submit the said documents within the allowable period shall render the Application denied and the application process terminated;
3. In case any document or information submitted by the Proponent Bank/s is found to be false, untrue, misrepresenting, or misleading, the same shall render the clearance, consent, certificate, or approval issued by any of the Agencies on the Application revoked or denied.
4. All representations, information, and statements pursuant to the Application are the sole responsibility of the Proponent Banks. The Proponent Banks shall indemnify, and hold the Agencies, their directors, officers, employees, agents and representatives free and harmless, against any and all claims, loss, damage, costs, and expenses of any nature whatsoever, which may arise out of, or based upon, any deficiency, misrepresentation or untrue statement in the Application by the Proponent Banks.

Authorized Signatories:

[Name of Bank]

[Name of Bank]

(Signature over Printed Name)

(Signature over Printed Name)

Position: _____

Position: _____

(Add separate sheet if necessary)

SUBSCRIBED AND SWORN TO before me, a Notary Public for and in _____ this _____
day of _____, by:

Name

Competent Proof of Identity

Doc. No. _____:

Page No. _____:

Book No. _____:

Series of _____.



Annex D

**Merger, Consolidation, and Acquisition¹ Transactions of Banks
Common Documents Required by All Agencies**

Legend: PC – Printed Copy
EC – Electronic Copy

Description of Documents	PCC	PDIC	BSP	SEC	CDA
STAGE 1. COMPLETENESS CHECK					
1. Articles of Merger or Consolidation	PC EC	EC	EC	PC EC	
2. For mergers (with proposed increase in capital stock and/or any amendment in the Articles of Incorporation/ Cooperation)					
2.1 Proposed Amended Articles of Incorporation/ Cooperation of surviving bank/cooperative bank		EC	PC EC	PC EC	
2.2 Certificate of increase in capital stock of surviving bank		EC	PC EC	PC EC	
2.3 Treasurer's Affidavit certifying the increase in capital stock, the amount subscribed, and the amount received as payment thereto		EC	PC EC	PC EC	
2.4 Notarized Directors' Certificate (surviving bank) signed by the majority of the directors and the Corporate Secretary certifying the following information:		EC	PC EC	PC EC	
• amendment of the Articles of Incorporation/Cooperation, • votes of the directors and Stockholders (SH)/ Members, as applicable, thereto, and • place and date of SH/Members' meeting, as applicable.					
For consolidation:					
2.5 Name verification/ reservation		EC	PC EC	PC EC	
2.6 New Articles of Incorporation/Cooperation and By-Laws		EC	PC EC	PC EC	
2.7 Treasurer's Affidavit (for stock)		EC	PC EC	PC EC	
2.8 Undertaking to change name (if not incorporated in the Articles of Incorporation/Cooperation).			PC EC	PC EC	

¹ For PCC, acquisition includes purchase of assets and assumption of liabilities and/or acquisition of control.
For PDIC, acquisition refers to purchase of assets and assumption of liabilities involving deposit liabilities only.

Description of Documents	PCC	PDIC	BSP	SEC	CDA
3. Plan of Merger or Consolidation	PC EC	SC	EC	PC EC	PC EC
For Purchase of Assets and Assumption of Liabilities (P&A): 3.1. Purchase and Sale Agreement (PSA) setting forth the following: <ul style="list-style-type: none"> ▪ Names of the proponent institutions; ▪ Terms of the PSA and the mode of carrying the same into effect including, but not limited to, -- <ul style="list-style-type: none"> ○ Breakdown and details of assets to be acquired; ○ Breakdown and details of liabilities to be assumed; ○ Purchase price of the assets and liabilities and the mode of payment; ○ Such other provisions with respect to the proposed asset acquisition/assumption of liabilities as are deemed necessary or desirable. 	PC EC	EC	EC		
3.2. Notarized certification signed by the duly-authorized signatory of the selling party that all requirements under the Bulk Sales Law (Act No. 3952) and all laws relevant thereto have been complied with.		EC	EC		
4. Corporate secretary's certificates of the respective banks on the stockholders' and/or board of directors' approval of the application for merger/consolidation/acquisition, including the duly-authorized signatories of the proponent banks. <ul style="list-style-type: none"> • certified under oath by the Corporate Secretaries of the respective institutions For Cooperatives, resolutions of the General/ Representatives Assembly of the respective institutions approving the merger, consolidation, or acquisition, including the duly-authorized signatories of the proponent banks. <ul style="list-style-type: none"> • certified under oath by the Corporate Secretaries of the respective institutions 	PC EC	EC	EC	PC EC	
5. Notarized Secretary's Certificate of the list of Stockholders/members and their stockholdings of record before and after the merger/consolidation	PC EC	EC	EC	PC EC	PC EC
6. Notarized Secretary's Certificate on no pending case involving intra-corporate dispute			EC	PC EC	
7. Financial Statements (FS) <ul style="list-style-type: none"> • Latest audited FS of the proponent banks (as applicable) 	PC EC	EC	EC		PC EC
• Latest audited FS as of a date not earlier than 120 days prior to date of filing of application	PC EC			PC	
• 3-year financial projections with valid assumptions of the merged or consolidated institution	PC EC	EC	EC		PC EC

Description of Documents	PCC	PDIC	BSP	SEC	CDA
8. Business Plan or viable operational plan that contains, at a minimum, the following information: <ul style="list-style-type: none"> • Market study/Economic Surveys • Marketing Strategies • Proposed Target Market • Proposed Loan portfolio diversification • Deposit Generation • Operations Support/Capacity (Manpower, Facilities, etc.) • Operations Control • System Integration 	PC EC	EC	EC		PC EC
STAGE 2. EVALUATION PROPER (not required during completeness check)					
9. Requirements from other Government agencies <ul style="list-style-type: none"> • PCC Letter of Acknowledgment/Commission Decision (pre-requisite requirement of PDIC, BSP, SEC or CDA) • PDIC Consent (pre-requisite requirement of BSP, SEC or CDA) • BSP's issuance of Certificate of Authority to Register Plan of Merger/Consolidation and/or Articles of Incorporation or Cooperation/ By-Laws (amended for merger; new for consolidation) and/or Favorable Recommendation from the BSP to SEC/CDA 					
10. Notarized certifications and/or Proof of Notice to Creditors/Depositors and Proof of Publication or Posting Announcement of merger, consolidation, or acquisition by the proponent banks that may include the following: <ul style="list-style-type: none"> (a) the respective depositors and creditors have been duly notified of the transaction, and (b) the proponent banks have sufficient funds to cover possible withdrawal of depositors. <p>Note: To be submitted <u>not later than 5 business days</u> after receipt by the banks of MB approval.</p>		EC	EC	PC EC	PC EC
11. Any other reasonable requirement deemed material in the proper evaluation of the merger or consolidation as may subsequently be requested by the agencies.	PC EC	EC	EC	PC EC	PC EC



Annex E

Merger, Consolidation, and Acquisition¹ Transactions of Banks Distinct Documents Required by Each Agency

Legend: PC – Printed copy

EC – Electronic copy

Description	PC	EC
Philippine Competition Commission (PCC)		
1. Letter of Non-Coverage from Compulsory Notification containing the following information: <ul style="list-style-type: none"> 1.1. Description of the Proposed Transaction 1.2. Names of the acquiring and acquired parties to the transactions including their respective Ultimate Parent Entity 1.3. Description of operations in the Philippines 1.4. Assets, shares, or other interests being acquired 1.5. Intended structure of ownership and control after the completion of the transaction 1.6. For acquisition of assets, description of all general classes of assets acquired 1.7. For acquisition of shares, a description of all general classes of the assets of the acquired entity and entities it controls 2. Latest General Information Sheet of the parties 3. Certification from an authorized person within the group of companies of the requesting party that (a) the letter, together with all the appendices and attachments thereto, was prepared and assembled under his supervision and (b) the information and data provided are complete, true, and correct to the best of his knowledge and/or based on authentic records.	✓	✓
For internal restructuring:		
4. Diagrams or charts showing the relationship between the acquiring group and the acquired entity before and after the proposed transaction 5. Evidence of control in cases where the parent company owns one-half or less of the voting power of the entity	✓	✓
(Note: Electronic version saved in a secure Universal Serial Bus)		
Philippine Deposit Insurance Corporation (PDIC)		
1. Joint letter, duly signed by the President of each of the constituent institutions, requesting for PDIC's written consent on the proposed MCA 2. Proponent banks' Notarized Certification on Compliance with PDIC RI signed by the duly authorized representatives (subject to PDIC validation, as necessary)	✓	✓

¹ For PCC, acquisition includes purchase of assets and assumption of liabilities and/or acquisition of control.
For PDIC, acquisition refers to purchase of assets and assumption of liabilities involving deposit liabilities only.

Bangko Sentral ng Pilipinas (BSP)	PC	EC
1. Application letter ² signed by the President or officer of equivalent rank, indicating the justifications on how the merger/consolidation is aligned with the acquiring/ surviving bank's business model and strategic direction. Said letter shall likewise include the list of requested merger/consolidation incentives, if any, with rationale, an affirmative statement that the bank has conducted a self-eligibility test and assessment, and any Anti-Money Laundering-related issues/concerns, if any, have been addressed/resolved.		✓
2. List of proposed officers and directors of the merged/consolidated bank, and the summary of their qualifications		✓
3. Organizational chart of the merged or consolidated institution including the number of offices and locations thereof		✓
4. Scanned Copy of existing Articles of Incorporation/Cooperation and By-Laws of the proponent banks		✓
Pre-requisite requirement of BSP to be provided by the SEC/CDA		
5. Letter notification from SEC/CDA to BSP on proponent banks' compliance with the pertinent laws such as the Revised Corporation Code, Securities Regulations Code, Foreign Investments Act/ Philippine Cooperative Code		✓
6. SEC/CDA Registration (for submission before the issuance of Authority to Operate as a consolidated bank or issuance of a Circular notifying effectivity of the merger)		✓
Securities and Exchange Commission (SEC)		
1. Long-form audit report of latest audited FS for absorbed corporations (not required if the surviving company will not issue shares of stock)	✓	✓
2. SEC Compliance Monitoring Division Clearance and/or clearance from other Departments of SEC	✓	✓
3. Publisher's affidavit on publication of the merger or consolidation, if one or more of the constituent corporations are insolvent (Note: To be submitted <u>not later than 5 business days</u> after receipt by the banks of MB approval)	✓	✓
Cooperative Development Authority (CDA)		
1. Original Certificate of Registration of proponent banks	✓	✓
2. Surety bond of Accountable Officers	✓	✓
3. Written Agreement to settle Obligations	✓	✓

² The application letter shall be submitted after accomplishing the self-eligibility test and assessment pursuant to BSP Memorandum No. M-2020-077 dated 28 September 2020, in relation to Section 111 and Appendix 124 of the Manual of Regulations for Banks (MORB).