



# BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

Circular No. 928  
Series of 2016

Subject: **Amendments to the Regulations Governing Fees on Retail Bank Products/Services and Dormant Deposit Accounts .**

Pursuant to Monetary Board Resolution No. 1748 dated 29 September 2016, the provisions of the Manual of Regulations for Banks (MORB) and the Manual of Regulations for Non-Bank Financial Institutions (MORNBFI) are hereby amended as follows:

**Section 1.** The provisions under Section X263 of the MORB on the imposition of service and maintenance fees on deposit accounts are hereby amended as follows:

**“Sec. X263 Fees on retail bank products/services.** Pursuant to the consumer protection principle of fair treatment, a bank’s board of directors shall adopt a policy on the imposition of any fee on its retail products/services. The policy shall cite the basis for the imposition of fees and rationalize the fee structure/amount.

## **§ X263.1 Fees on deposit accounts**

- a. **Maintenance Fee.** Banks may impose maintenance fees on a deposit account, whether active or dormant, subject to the following conditions:
  - (1) The required minimum monthly average daily balance (ADB), as well as the imposition and the rate/amount of maintenance fee, are properly disclosed among the terms and conditions of the deposit;
  - (2) The deposit account balance has fallen below the required minimum monthly ADB for at least two (2) consecutive months; and
  - (3) Banks must ensure that clients are notified of any change in the required minimum monthly ADB and amount of dormancy fee at least sixty (60) days prior to implementation.
- b. **Dormancy Fee.** Banks may only impose dormancy fee on a dormant deposit account five (5) years after the last activity therein, provided that:

- (1) The balance falls below the minimum monthly ADB, if any;
- (2) The monthly dormancy fee shall not exceed thirty pesos (P30.00); and
- (3) The bank complied with the two (2) notice requirement under Item numbers "7.b.(2) and 7.b.(4)", Appendix 112, prior to the charging of dormancy fees.

**§ X263.2 Fees on domestic remittance transactions.** In case of domestic remittance transactions, all fees to the transaction are charged upfront from the sender/remitter's end, with appropriate disclosure to the sender/ remitter of the components of the fees being charged. This does not preclude the bank and/or other participants to the domestic remittance transaction from charging service fees. Domestic remittance transaction, for this purpose, is a transfer of funds between a sender/remitter and a beneficiary who are both within the Philippines, or between two accounts within the Philippines."

**§ X263.3 Additional Disclosure Requirements.** Banks shall post fees/charges in readable font size at the following places:

- a. Automated Teller Machine (ATM) transaction fees at the ATM's on-screen messages; and
- b. Fees and charges on all retail bank products/services such as deposit, remittance and loan, on the bank's official website and at a conspicuous place within the premises of all banking units.

**§ X263.4. Amendments to Terms and Conditions of Retail Bank Products and Services.** Clients should be notified at least sixty (60) days prior to implementation of any amendments to the terms and conditions of retail bank products and services by public notice. Public notice may take the form of posting in public places, such as the bank's official websites and/or at a conspicuous place within the premises of all banking units.

Changes in deposit interest rate, however, may be immediately effected after the public notice.

Complementary individual notices to a client shall be sent if the amendments pertain to or will result to fees to be paid or charged on the account of the client.

Clients who do not agree with the new/revised terms and conditions have the right to exit the contract without penalty: Provided, That such right is exercised within thirty (30) days from receipt of individual notice or thirty (30) days from issuance of public notice."

**§ X263.5. Individual Notifications.** Individual notifications shall be sent to the client's last known postal address/ email address/ contact number either through postal or registered mail, courier delivery, electronic mail, text messages, telephone calls or other alternative modes of communication, as may be elected by the client.

**§ X263.6 Non-Waiver by Contractual Provisions.** The provisions of Subsec.X263.4 shall apply, notwithstanding any contrary provisions in the terms and conditions."

**Section 2.** Items 3, 6 and 7, Appendix 112 of the MORB on the internal control procedures for dormant accounts is hereby amended to read as follows:

**xxx 3. Joint custody xxx**

xxx f. Dormant deposit ledgers/EDP print-outs and corresponding signature cards including on-line posting of dormant accounts; xxx

**xxx 6. Confirmation of accounts xxx**

xxx b. Deposit account balances particularly new deposit accounts, dormant accounts and closed accounts; xxx

**xxx 7. Internal control procedures for dormant accounts**

**a. Definition of dormant accounts**

- (1) Current or checking accounts showing no deposit or withdrawal for a period of one (1) year.
- (2) Savings account showing no deposit or withdrawal for a period of two (2) years.

**b. Internal control measures**

- (1) As a matter of policy, banks shall exert all efforts to prevent deposit accounts from becoming dormant.
- (2) When an account is about to become dormant, the depositor shall be notified of its potential dormancy at least sixty (60) days prior to the commencement of the dormancy period.

The notification shall contain the following information:

- (a) The effect of dormancy to transfer the account from active to dormant status, and advice on how to reactivate the account; and
  - (b) Reminder that the dormant account will be included in the list of unclaimed balances to be submitted to the Treasurer of the Philippines (Treasurer) for escheat in accordance with the Unclaimed Balances Act, if said account has no activity for ten (10) years.
- (3) The bank shall adopt appropriate internal control measures to ensure that all transactions affecting dormant deposit accounts are legitimate.
- (4) When an account is about to be subject to dormancy fee, the depositor shall be notified at least sixty (60) days prior to such imposition.
- (5) For unclaimed dormant deposit accounts considered for escheat, the depositor of such account shall be notified at least sixty (60) days prior to the filing by the bank of the sworn statement to the Treasurer pursuant to the Unclaimed Balances Act.
- (6) Banks shall permanently retain records of escheated deposits, together with proof of all the relevant notices. For the purpose of this item, records of escheat shall refer to the sworn statement of the bank to the Treasurer regarding the unclaimed balances, and the court order declaring that said unclaimed balances have been escheated to the Government of the Republic of the Philippines and commanding the bank to forthwith deposit the same with the Treasurer. Relevant notices to be retained shall include copies of the notices referred to in items (2), (4) and (5) of Item "7.b."
- (7) Individual notifications shall be sent to the client's last known postal address/ email address/ contact number either through postal or registered mail, courier delivery, electronic mail, text messages, telephone calls or other alternative modes of communication, as may be elected by the client.
- (8) The provisions of Items "2, 4, 5 and 6 of Item "7.b" shall apply, notwithstanding any contrary provisions in the terms and conditions."

**Section 3.** Section 4209S of the MORNBF I on the dormant savings deposits held by non-stock savings and loans associations (NSSLAs) is hereby amended to read as follows:

**"Sec. 4209S Dormant Savings Deposits.** Savings deposit shall be classified as dormant if no deposit or withdrawal has been made for the last two (2)

years. A monthly dormancy fee, not exceeding thirty pesos (P30.00), may only be imposed five years after the last activity, provided the NSSLA notified its member of the dormancy and the possible imposition of a dormancy fee at least sixty (60) days prior to the:

- (1) dormancy of the account; and
- (2) imposition of the fee.

Individual notifications shall be sent to the client's last known postal address/ email address/ contact number either through postal or registered mail, courier delivery, electronic mail, text messages, telephone calls or other alternative modes of communication, as may be elected by the client"

**Section 4. Effectivity** – The following provisions shall be included as footnote to Section X263 of the MORB, Item 7, Appendix 112 of the MORB and Section 4209S of the MORNBF, as follows:

**"Sec. X263 Fees on retail bank products/service** <sup>FN1</sup> xxx

**Appendix 112 xxx 7. Internal control procedures for dormant accounts** <sup>FN2</sup>  
xxx

**Sec. 4209S Dormant Savings Deposits.** <sup>FN1</sup> xxx

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<sup>FN1</sup> Effective 180 days from publication date of the Circular in a newspaper of general circulation.

<sup>FN2</sup> The requirement for additional notification prior to escheat under Item "7.b.(5)" and permanent record retention of escheated accounts under Item "7.b.(6)" shall be effective fifteen (15) days from publication in a newspaper of general circulation.

All other provisions shall be effective 180 days from publication of the Circular in a newspaper of general circulation."

**FOR THE MONETARY BOARD:**

  
**AMANDO M. TETANGCO, JR.**  
Governor

24 October 2016