



# BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

## CIRCULAR NO. **1231** Series of 2026

**Subject: Amendments to Section 171 and relevant provisions of the Manual of Regulations for Banks on reporting governance**

The Monetary Board, in its Resolution No. 132 dated 19 February 2026, approved the amendments to Section 171 and relevant provisions of the Manual of Regulations for Banks (MORB) on Reporting Governance.

**Section 1.** Section 171 of the MORB, as amended by Circular No. 1177 dated 12 July 2023, is hereby amended in its entirety and shall now read, as follows:

### **171 REPORTING GOVERNANCE FRAMEWORK**

***Policy Statement.*** The Bangko Sentral espouses a data-driven approach to decision-making in support of its mandate to promote financial stability. In this respect, the Bangko Sentral expects banks to adopt a sound reporting governance framework that promotes the integrity, accuracy, and timeliness of prudential and regulatory reports submitted.

***Scope and Applicability.*** The guidelines apply exclusively to all banks. Any references made in other regulatory issuances do not extend the coverage of these guidelines to non-bank financial institutions.

***Reporting Governance Framework.*** The Reporting Governance Framework sets out the policies, expectations, as well as systems and resources necessary to generate complete, accurate, timely, and adaptable reports submitted to the Bangko Sentral. The framework supports bank management in defining strategies, managing risks, and making decisions.

The reporting governance framework shall be comprised of the following components:

- a. Board-approved policies, or equivalent management committee-approved policies in the case of foreign bank branches, that clearly define the roles and responsibilities of the board, the concerned units, and officers as they relate to the ownership and quality of data. These responsibilities shall cover the end-to-end process of regulatory reporting, including data collection, validation, and submission. The policies shall likewise provide clearly defined governance processes for managing and addressing reporting issues;
- b. Well-documented standards and procedures, which shall, at the minimum, cover the following:
  - (1) Generation, validation, review, approval, and submission of reports, in accordance with the standards prescribed by the Bangko Sentral;

- (2) Changes to the reporting processes in order to incorporate corrective measures and/or enhancements to address weaknesses identified during periodic reviews, respond to changes in the business environment, and/or comply with new prudential and regulatory reportorial requirements;
  - (3) Reporting or escalation to the board and senior management of significant or unusual transactions, events, or activities that have material impact on the quality of reports;
  - (4) Maintenance of adequate backup copies of essential business information, software, and relevant documents that are necessary for the restoration of critical operations and retrieval of information required for reportorial compliance, consistent with Section 149 on Business Continuity Management; and
  - (5) Periodic review of the standards, policies, procedures, and systems to ensure their continuing relevance, effectiveness and compliance with relevant laws, rules and regulations. The review shall be conducted by an independent unit within the organization (e.g., internal audit) and/or an external party contracted by the bank for such purpose.
- c. A management information system, data architecture, and technology infrastructure:
- (1) That are commensurate with the nature, scope, operational complexity, and systemic importance of the bank's business activities;
  - (2) That leverage advances in technology and data analytics to fully support changes in reporting requirements and to produce quality reports at source; and
  - (3) That facilitate the secured electronic transmission of data and reports.

***Duties and Responsibilities.***

- a. **Board of Directors.** The board of directors, or equivalent management committee in the case of foreign bank branches, shall be primarily responsible in ensuring that a sound reporting governance framework is established, consistent with Bangko Sentral reporting standards. In this regard, the board shall approve and oversee the implementation of standards, systems, policies, and procedures, and ensure that these are commensurate with the size, complexity, and risk profile of the bank. The board shall ensure that sufficient resources are allocated that would enable the utilization of available information technology infrastructure appropriate to the bank to ensure the integrity of the reporting process and compliance with regulatory requirements. The responsibility of the board of directors for reporting governance framework, as provided in this Section, may be delegated to an appropriate board-level committee (e.g., risk management committee, corporate governance committee, etc.)

- b. **Senior Management.** Senior management shall ensure that the bank's reporting capabilities and practices are consistent with the reporting governance framework approved by the board. It shall be responsible for developing and implementing well-documented standards and procedures, and ensure that these are commensurate with the size, complexity, and risk profile of the bank. Likewise, senior management shall ensure the accuracy of the bank's books, reports, and records, and that the bank's strategy includes ways to improve prudential and regulatory reporting capabilities and practices taking into account the evolving needs of the business and regulatory requirements.

Bangko Sentral expectations from the board and senior management in relation to issuances or guidelines relative to prudential and regulatory reporting standards, systems, and processes shall form part of the annual corporate governance seminar update to the board.

- c. **Compliance.** The compliance function shall be responsible for the periodic assessment of the bank's adherence to relevant laws, rules, and regulations such as the Data Privacy Act, internal policies, and the reporting governance principles and guidelines issued by the Bangko Sentral, among others. It shall include appropriate mechanisms to report issues in a timely manner and ensure appropriate corrective actions are taken.
- d. **Internal Audit.** The internal audit function shall provide a periodic independent assessment of the effectiveness of the governance, risk management, and internal controls concerning the implementation of the bank's reporting governance policies and procedures. Any reporting governance issue identified and reported in the audit process should be addressed by senior management in a timely and effective manner and/or raised to the attention of the board, through the audit committee, as appropriate.

**Reporting Standards.** A prudential/regulatory report shall meet all of the following criteria:

- a. **Complete.** All relevant data and information are captured and available in the report, including supplemental schedules, attachments, and certifications, as applicable;
- b. **Accurate.** Reported data and information are reliable, free from validation errors or misstatements, consistently presented and reconciled across related reports, and reflect the true value or condition they are meant to represent. Whenever available, banks are strongly urged to proactively utilize Bangko Sentral sandbox or testing facilities during pilot testing/parallel runs to help them prepare for live implementation;
- c. **Timely.** Reports are received by the appropriate department of the Bangko Sentral on or before the prescribed submission deadline; and
- d. **Adaptable.** Reports are prepared and submitted in the form and manner prescribed by the Bangko Sentral and adjusted to changes or developments to the data collection process.

To ensure compliance with the reporting standards, reports shall be duly reviewed and validated by the bank prior to submission to the Bangko Sentral.

***Sanctions for non-compliance with the reporting standards.***

The following guidelines shall govern the imposition of sanctions for non-compliance with the reporting standards:

- a. A prudential/regulatory report that does not meet the reporting standards set out by the Bangko Sentral shall be subject to an assessment of non-compliance with the reporting requirements imposed for each calendar day that a violation is incurred<sup>1</sup>, until such time that the report has been determined compliant with the standards.
- b. Reports that are initially assessed as compliant with the reporting standards but subsequently found to contain errors or misstatements shall be subject to an assessment of non-compliance with the reporting requirements based on the new mandated submission date set by the appropriate department of the Bangko Sentral. The revised report shall be subject to a daily penalty at the prescribed rate if submitted beyond the new mandated submission date until the Bangko Sentral receives a corrected report that is compliant with the standards or directives of the Bangko Sentral.
- c. In addition to the continuing monetary assessments that shall be imposed on banks for reporting violations, non-monetary sanctions<sup>2</sup> on the bank, its directors and officers as provided under existing laws and regulations may be imposed, if deemed necessary.

***Monetary Assessment<sup>3</sup>.*** The basis for the monetary assessment for each calendar day of non-compliance with the reporting standards shall be as follows:

Applicable to all banks	
Asset size of bank	Daily penalty
Up to P200 million	600.00
Above P200 million but not exceeding P500 million	800.00
Above P500 million but not exceeding P1 billion	1,000.00
Above P1 billion but not exceeding P10 billion	2,000.00
Above P10 billion but not exceeding P50 billion	3,000.00

<sup>1</sup> Sanctions shall only be imposed on reports submitted beyond the prescribed deadline.

<sup>2</sup> Persistent concerns on the integrity and accuracy of prudential and regulatory reports shall subject the bank, its directors, and officers to the Bangko Sentral's Supervisory Enforcement Policy under Section 002

<sup>3</sup> The process of determining and imposing a penalty resulting from non-compliance with the Bangko Sentral's reporting standards.

Above P50 billion but not exceeding P400 billion	5,000.00
Above P400 billion	10,000.00

For this purpose, a single monetary assessment shall be applied to a compilation of reports submitted as one file, or to several files treated as a single report.

The asset size is based on the bank's total assets as of end of the preceding year. In case of newly opened/merged/consolidated banks with no available balance as of end of the preceding year, the basis for the monetary assessment is the bank's balance as of start of operations.

**Section 2.** Section 173 of the MORB, as amended by Circular Nos. 1177 dated 12 July 2023 and 1184 dated 15 December 2023, is hereby further amended to read, as follows:

### **173 REPORTS**

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#### ***Signatories of bank reports.***

##### ***a. Authorized Signatories***

- (1) Unless otherwise stated, all reports, whether in hard copy or electronic form, shall be signed by the bank's president or chief executive officer. The authority to sign may also be delegated to any of the following officers:
  - (a) Executive vice president;
  - (b) Senior vice president;
  - (c) Vice president;
  - (d) Comptroller;
  - (e) Chief accountant;
  - (f) Other officers holding equivalent or higher positions.

These officers shall be duly designated by the board of directors, or by the equivalent management committee in the case of foreign bank branches.

For electronic submissions, digital signatures shall be deemed valid and binding, unless a physical signature is specifically required.

- (2) The designated signatories of reports including their specimen signatures shall be contained in a resolution approved by the board of directors. A copy of the board resolution covering the initial designation and subsequent change(s) in signatories as well as specimen signatures of the signatories and alternates, shall be made available for inspection by Bangko Sentral examiners and submitted to the Bangko Sentral upon request of the appropriate department of the Bangko Sentral.

- (3) Any report submitted to the Bangko Sentral that is signed by an officer who is not listed or included in the resolution mentioned above shall not be considered as a valid submission for purposes of complying with the reporting standards prescribed under Section 171.
- (4) All authorized agent banks shall submit to the Director, Branch Operations, Bangko Sentral, the updated specimen signatures of senior bank officers in their respective head offices who are authorized to authenticate the signatures of their provincial branch officers transacting business with the Bangko Sentral Regional Offices/Branches.

The Bangko Sentral Branch Operations shall be advised of any changes in authorized branch signatories, as well as authenticating head office senior officers.

b. *Deadline for submission of reports*

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**Section 3. Implementation Guidance.** Banks shall be governed by the following prudential reporting implementation guidelines:

- a. The categorization of reports into Categories A-1, A-2, A-3, and B reports and the distinction between primary and secondary reports under the MORB are hereby removed. Consequently, all references to various Sections and other Appendices of the MORB that provide such categorization, and distinction shall also be removed.
- b. The submission deadline for prudential/regulatory reports submitted in XML format through PRIME is hereby amended, as indicated in Annex A of this Circular. Subsequently, all references to various Sections and other Appendices of the MORB that provide such submission deadline shall also be amended, accordingly.
- c. The deadline for submission of other prudential/regulatory reports not indicated in Annex A of this Circular shall be in accordance with existing Bangko Sentral regulations.
- d. The submission deadline for any prudential/regulatory report shall be moved or extended to the next banking day<sup>4</sup> in cases when work is suspended in the Bangko Sentral Head Office or in the locality where the Head Office of the reporting bank is located provided that a proof of local holiday declaration or work suspension is submitted.
- e. A separate issuance shall be made that will cover non-bank financial institutions.

**Section 4. Transitory Provisions**

Full implementation of this Circular, including the new submission deadlines for reports listed in Annex A and the penalty structure, shall take effect beginning with reports ending 30 June 2026. Banks are expected to prepare their systems and processes to ensure full compliance with this Circular.

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<sup>4</sup> As defined in Section 108 and item c on the deadline for submission of reports under Section 173 of the Manual of Regulations for Banks

**Section 5. Effectivity**

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:**



Electronically signed by Governor  
Eli M. Remolona, Jr.  
on 3 March 2025

**ELI M. REMOLONA, JR.**  
**GOVERNOR**

## Amendments in MORB Appendix 7: Reports Required of Banks

Amendments in MORB Appendix 7					
No	Report Title	Industry (as applicable)	Submission Deadline		Submission Procedure
			Existing	Amended	
1	<b>Financial Reporting Package (FRP)</b> <ul style="list-style-type: none"> <li>•FRP</li> <li>•Basel 1.5 Capital Adequacy Ratio (CAR) Report (for stand-alone TBs and RCBs)</li> <li>•Basel III Capital Adequacy Ratio (CAR) Report</li> <li>•Basel III Leverage Ratio (BLR) Report</li> <li>•Basel III Liquidity Coverage Ratio (LCR) Report</li> <li>•Basel III Report on Net Stable Funding Ratio (NSFR) Report</li> <li>•Expanded Report on Real Estate Exposures</li> <li>•Financial Reporting Package for Trust Institutions (FRPTI)</li> <li>•Income Statement on Retail Microfinance Operations (MIS)</li> <li>•Report on Microfinance Products (MBS)</li> <li>•Minimum Liquidity Ratio (MLR) for stand-alone TBs, RCBs and NBQBs</li> <li>•Published Balance Sheet (PBS)</li> <li>•Report of Selected Branch Accounts (BRANCH)</li> <li>•Report on Compliance with Mandatory Credit Allocation Required Under RA 6977 (as amended by RA Nos. 8289 and 9501) (MSME Compliance Report)</li> <li>•Report on Cross-Border Financial Positions (RCBP)</li> <li>•Report on Electronic Money Transactions (applicable to Electronic Money Issuers) (E-MONEY)</li> </ul>	UNIVERSAL/ COMMERCIAL/ THRIFT/ DIGITAL/ RURAL/ COOPERATIVE BANKS	SOLO - 15 banking days after end of reference period  CONSO - 30 banking days after end of reference period	SOLO - 10 banking days after end of reference period  CONSO - 20 banking days after end of reference period	BSP Relationship Management System- Prudential Reporting Innovation and Monitoring Engine (BRMS- PRIME)

Amendments in MORB Appendix 7					
No	Report Title	Industry (as applicable)	Submission Deadline		Submission Procedure
			Existing	Amended	
	<ul style="list-style-type: none"> <li>•Report on Intraday Liquidity (INTRADAY)<sup>5</sup></li> <li>•Report on Large Exposures (LEX)<sup>6</sup></li> <li>•Report on Project Finance Exposures (RPFE)</li> <li>•Report on Repurchase Agreements of Banks/Quasi-Banks (REPO Report)</li> <li>•Stress Testing Reports Covering Credit and Market Risks (STRESS TEST)</li> </ul>				
2	<b>PBS (Proof of Publication/ Posting) [PPBS]</b>	UNIVERSAL/ COMMERCIAL/ THRIFT/ DIGITAL/ RURAL/ COOPERATIVE BANKS	35 banking days after end of reference period	25 banking days after end of reference period	BRMS-PRIME
3	<b>Report on Compliance with Mandatory Agriculture, Fisheries, and Rural Development (AFRD) Financing</b>	UNIVERSAL/ COMMERCIAL/ THRIFT/ DIGITAL/ RURAL/ COOPERATIVE BANKS	SOLO - 15 banking days after the end of the reference quarter  CONSO - 30 banking days after the end of the reference quarter	SOLO - 10 banking days after the end of the reference quarter  CONSO - 20 banking days after the end of the reference quarter	BRMS-PRIME

<sup>5</sup> Existing submission deadline - as prescribed via the PRIME facility

<sup>6</sup> Existing submission deadline - SOLO/CONSO - 15 banking days after the end of the reference period