

- **Electronic Banking (E-Banking) Operations**

The BSP prescribed prudential guidelines in the conduct of electronic banking. To date, there were a total of 4 guidelines issued, namely:

Circular No. 240 dated 5 May 2000 which prescribes prior clearance of the BSP before banks can provide electronic banking services;

Memorandum to All Banks dated 19 June 2000 which reiterates the provision of Circular No. 240;

Circular Letter dated 8 August 2000 which clarifies that the provision of electronic banking services which are purely informational in nature are exempted from Circular No. 240; and

Circular No. 269 dated 21 December 2000 which adopts new guidelines in fast tracking processing of electronic banking applications. It amends Circular No. 240.

- Applicant banks must prove that they have in place a risk management process that is adequate to assess, control and monitor any risks arising from the proposed electronic banking activities.
- Banks which are already offering electronic banking services prior to the effectivity of Circular No. 240 were given a period of 3 months from 5 May 2000 within which to comply with the newly-prescribed guidelines, otherwise, they shall be prohibited from further engaging in such activities.
- On 13 March 2001, the BSP issued a disclaimer on the responsibility for electronic messages/reports/information that may be hacked or cracked, intercepted, copied or disclosed outside the BSP's information system (Memorandum to All Banks, Quasi-banks and Non-Banks dated 13 March 2001). The reporting entities have been advised to take the necessary steps to guarantee the security/confidentiality of data in the course of electronically transmitting the reports to BSP.
- All private domestic banks with BSP-approved Internet banking facility are allowed to accept payment of fees/other charges of similar nature for the account of the departments, bureaus, offices and agencies of the government as well as all government-owned and controlled corporations. Funds so accepted/collected shall be treated as deposit liabilities subject to existing regulations on government deposits and shall not exceed the minimum working balance of the said government entities.