



Bangko Sentral ng Pilipinas

OFFICE OF THE GOVERNOR

Circular No. 444
Series of 2004

Pursuant to Monetary Board Resolution Nos. 914 and 1713 dated 26 June 2003 and 20 November 2003, respectively, the provisions of Subsec. X253.1 and Sec. 4246Q of the Manual of Regulations for Banks and Manual of Regulations for Non-Bank Financial Institutions, respectively, are hereby amended by adding the following proviso:

"Provided, That deposit substitutes evidenced by repurchase agreements (repos) covering government securities up to the amount equivalent to the adjusted Tier 1 capital of the bank/quasi-bank shall be subject to the statutory reserve of 2%. Provided, further, That such rate shall apply only to repos, the documentation of which conforms with, and were delivered to a BSP accredited third party custodian as required under existing BSP regulations."

This Circular shall take effect immediately.

FOR THE MONETARY BOARD:


AMANDO M. TETANGCO, JR.
Officer-In-Charge

18 August 2004


PANANALAPING MATATAG, BANSANG PANATAG