



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 1063

Series of 2019

Subject: Reduction in Reserve Requirements

In its Resolution No. 1820 dated 21 November 2019, the Monetary Board approved the reduction in the reserve requirement ratios of selected reservable liabilities of banks and non-bank financial institutions with quasi-banking functions (NBQBs).

Section 1. Section 251 of the Manual of Regulations for Banks (MORB) on required reserves against deposit and deposit substitute liabilities, as amended by Circular Nos. 1041 dated 29 May 2019, 1054 dated 11 October 2019, 1056 dated 22 October 2019 and 1061 dated 25 November 2019, are hereby further amended to read, as follows:

Section 251 ACCOUNTS SUBJECT TO RESERVES; AMOUNTS REQUIRED

The following rules and regulations shall govern the reserves against deposit and deposit substitute liabilities.

Required reserves against deposit and deposit substitute liabilities. The rates of required reserves against deposit and deposit substitute liabilities in local currency of banks effective reserve week starting 6 December 2019 shall be as follows:

Reservable Liabilities	UBs/KBs	TBs	RBs/ Coop Banks
a. Demand Deposits	14%	4%	3%
b. NOW accounts	14%	4%	3%
c. Savings Deposits (excluding basic deposit accounts)	14%	4%	3%
d. Time Deposits, Negotiable CTDs, Long-term Non-negotiable Tax Exempt CTDs	14%	4%	3%
e. xxx	xxx	xxx	xxx
f. Deposit Substitutes (DS)	14%	4%	NA
xxx	xxx	xxx	xxx
i. Peso deposits lodged under Due to foreign banks	14%	NA	NA
j. Peso deposits lodged under Due to Head Office/Branches/Agencies Abroad (Philippine branch of a foreign bank)	14%	NA	NA
k. xxx	xxx	xxx	xxx

xxx

Section 2. Section 4253Q of the Manual of Regulations for Non-Bank Financial Institutions (MORNBFII) on required reserves against deposit substitutes, as amended by Circular Nos. 1041 dated 29 May 2019, 1054 dated 11 October 2019 and 1061 dated 25 November 2019, is hereby amended to read, as follows:

Section 4253Q RESERVES AGAINST DEPOSIT SUBSTITUTES. NBQBs shall maintain required reserves equivalent to fourteen percent (14%) of deposit substitute liabilities as defined in Section 95 of R.A. No. 7653, as amended by R.A. No. 11211, regardless of maturities except:

- (a) xxx;
- (b) xxx; and
- (c) xxx

effective reserve week starting 6 December 2019.

Section 3. This Circular shall take effect on 6 December 2019 after its publication either in the Official Gazette or in a newspaper of general circulation.

FOR THE MONETARY BOARD:



BENJAMIN E. DIOKNO
Governor

3 December 2019